

NOTICE

The Sixty-third Annual General Meeting of Eastern Silk Industries Ltd. will be held on Wednesday, the 9th September, 2009 at 11:00 A.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Sri G.D. Harnathka who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri H.S. Gopalka who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT in supersession of all earlier resolutions the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the Company (which herein after referred to as "the Board") to mortgage, hypothecate and/or charge in addition to the existing mortgages. hypothecation, charges created by the Company on such terms and conditions as the Board may deem fit, on all or any part of movable and/or immovable properties of the Company, wherever situate, both present and future, and/or the whole or substantially the whole of the undertaking of the Company in favour of any person including but not limited to banks, financial institutions, corporate bodies and/or any other lending agencies or other persons to secure the loans and other credit facilities together with interest, cost, charges, expenses and any other money payable by the Company upto a sum not exceeding Rs.1000 Crores (Rupees One thousand Crores).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise with such banks, financial institutions, lending agencies and/or any other person the documents for creating the aforesaid mortgage, hypothecation and/or charge and to do all such acts, matters, deeds and things as may be necessary or expedient, for giving effect to this resolution and also to agree to any amendments, changes, variations thereto from time to time as it may think fit.

Registered Office:

19, R. N. Mukherjee Road
Kolkata – 700 001
Dated : The 30th July, 2009.

By Order of the Board

K. T. SHETH
SECRETARY

NOTES :

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead and the proxy need not be a member of the Company. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.**
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business set out in the notice is annexed hereto
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th August 2009 to 9th September 2009, both days inclusive on account of Annual General Meeting and Dividend payment.
4. Dividend, when declared will be made payable to those shareholders whose names appear in the Register of Members of the Company on 9th September 2009. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the National Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
5. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchange regarding the Directors who are proposed to be reappointed at the Annual General Meeting are provided in the Report of Corporate Governance forming part of the Annual Report.
6. Pursuant to the amended provisions of Section 205A of the Companies Act, 1956, dividends for the financial year ended 31st March, 2002 and thereafter, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government. Members, who have not encashed their dividend warrants pertaining to these years, may approach the Company's Registrars and Share Transfer Agents for obtaining duplicate dividend warrants.
7. Pursuant to sub-division of each Equity share of Rs.10/- into five Equity shares of Rs.2/- each, members holding shares in physical form, were requested to surrender old share certificates to obtain new share certificates in lieu thereof. Those members, who have not surrendered their old share certificates to the Company's Registrars and Share Transfer Agents, are requested to do so at the earliest.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 6**

In view of the expansion in business, your Company may be required to borrow funds from various lenders. The borrowing facilities may also be required to be secured by creation of mortgage and/or charge in favour of the lenders on such immovable and moveable properties of the Company, present and future, as may be decided in consultation with the lenders.

Therefore, your Directors propose to pass a resolution under Section 293(1)(a) of the Act for creation of mortgage, hypothecation, charge for an amount not exceeding the borrowing limit of Rs.1000 Crores (Rupees One thousand crores).

The Board recommends passing of this resolution at item No.6 of the accompanying Notice.

None of the Directors of the Company is concerned or interested in the proposed resolution.

Annexure to Notice dated 30th July, 2009

Details of Directors seeking Re-Appointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Shri G.D. Harnathka	Shri H.S. Gopalka
Age	61 years	78 years
Date of Appointment on the Board	20.07.2000	27.11.1991
Qualification	B.Com.	M.Com., LL.B.
Experience	Vast experience in textiles and oil business.	Wide experience in finance and taxation.
Directorship held in other Public Companies	--	1. Manjari Selections Pvt. Ltd.
Memberships / Chairmanships of Committees of Public Companies	--	--
Shareholding of Non-Executive Directors	Nil	Nil