

NOTICE

The Sixty-fifth Annual General Meeting of Eastern Silk Industries Ltd. will be held on Wednesday, the 21 September, 2011 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 st year ended 31 March, 2011 and the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri H.S. Gopalka who retires by rotation and being eligible offers himself for re-appointment.
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 Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED that in accordance with the provisions of sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the reappointment of Sri S.S. Shah, Managing Director of the Company with effect from 1 September 2011 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting. RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to this resolution.

Registered Office:
19, R. N. Mukherjee Road
Kolkata 700 001
Dated: The 2nd August , 2011.

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. The Register of Members and Share Transfer Books of the Company will remain closed from 9th September 2011 to 21st September 2011, both days inclusive on account of Annual General Meeting.
3. 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.
4. 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 Annexure to this Notice.
5. Pursuant to the amended provisions of Section 205A of the Companies Act, 1956, dividends for the financial year ended 31st March, 2004 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 this year, may approach the Company's Registrars and Share Transfer Agents for obtaining duplicate dividend warrants.
6. 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.

7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrars and Share Transfer Agents.

Explanatory Statement under Section 173(2) of the Companies Act, 1956 :

Item No. 6

Sri S.S. Shah was reappointed as the Managing Director of the Company for a period of five years with effect from 1st September 2006 on the terms and conditions and remuneration as approved by the Members at the Annual General Meeting held on 27 September 2006. As such, the present term of office of Sri Shah shall expire on 31 August 2011. Sri S.S. Shah has been associated with the Company since 1952 and currently holds overall responsibility for the working of the Company. Keeping in view the contribution made by Sri Shah for the growth of the Company, the Board of Directors of the Company and the Remuneration Committee have recommended the reappointment of Sri S.S. Shah for a period of three years effective from 1 September 2011 on the following terms and conditions:

1. Salary : Rs.2,00,000/- per month
2. Perquisites : Sri Shah will be entitled to the perquisites / benefits of residential accommodation or house rent allowance in lieu thereof; Gas, Electricity, Water, Furnishings; Medical expenses reimbursement for self and family; leave travel concession, club fees and personal accident insurance in accordance with the rules of the Company subject to limit of an amount equal to the annual salary.

In the event of loss or inadequacy of profits of the Company in any financial year, Sri Shah will be entitled to such remuneration by way of salary, perquisites and allowance as specified above, subject to the approval of the Central Government.

Provisions for the use of the Company's car for official and personal use and telephone at residence shall not be included in the computation of the perquisites for the purpose of calculating the said ceiling.

The Company's contribution to provident fund, gratuity payable as per rules of the Company and encashment of the leave at the end of the tenure shall not be included in the computation of the limits for the remuneration and perquisites as aforesaid.

Your Directors recommend the resolution set out at Item No.6 of the Notice for approval of the Members. Sri Shah has completed 70 years of age and hence the Special Resolution.

The above may be treated as an abstract of the terms of appointment and Memorandum of concern or interest, pursuant to Section 302 of the Companies Act, 1956.

Sri S.S. Shah, the Managing Director of the Company and Sri Sundeep Shah being a relative of Sri S.S. Shah may be deemed to be interested in the resolution.

Annexure to Notice dated 2nd August, 2011

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	73 years	80 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.
	- -	Manjari Selections Pvt. Ltd.

Directorship held in other Public Companies		
Memberships / Chairmanships of Committees of Public Companies	--	--
Shareholding of Non-Executive Directors	Nil	Nil