

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

## 45) Earning Per Shares (EPS)

	(₹ in lacs)	
	2011-12	2010-11
Profit/ (Loss) after Tax considered for calculating EPS	(9,160.43)	(5,793.62)
Weighted average number of Equity Shares of ₹ 2/- each	7,89,52,620	7,89,52,620
Earning Per Share (Basic & Diluted)	(11.60)	(7.34)

## 46) Earning In Foreign Currency

Export of goods calculated on F.O.B. (accrual basis)	6,198.02	41,627.38
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## 47) Expenditure in foreign currency

Overseas Travelling :	26.43	56.71
Commission to Agents	157.63	819.00
Payment of Dividend	-	118.00

No. of Non-Resident Share-Holder-1(Previous Year-2)  
 No. of Equity Shares held-18,50,000 of Face Value of ₹ 2/-each  
 (Previous Year 2010-11:-50,00,000 of Face Value of ₹ 2/-each)  
 No. of Redeemable Cumulative Preference Shares held-14,00,000  
 Of Face Value of ₹ 100/-each( Previous Year 2010-11:-14,00,000  
 Of Face Value of ₹ 100/- each)

Others	37.99	82.37
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## 48) Value of imports calculated on CIF basis:-

Yarn	5,472.85	15,604.53
Fabrics	228.78	207.68
Plant & Machinery	384.18	1,085.7

49) Till the year ended 31<sup>st</sup> March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statement. During the year ended 31<sup>st</sup> March 2012, the Revised Schedule VI notified under Companies Act, 1956 has become applicable and the same is being followed by the Company. The Company has reclassified previous year figures to conform to this year's classification.

As per our report attached

For and on behalf of the Board

For **B. K. SHROFF & CO.**  
**Firm Registration No. : 302166E**  
 Chartered Accountants  
**(L.K.Shroff)**  
 Partner  
 (Mem.No.60742)

Kolkata  
 The 1st August, 2012

**S. S. Shah**  
 Chairman &  
 Managing Director

**Sundeep Shah**  
 Director

**R. S. Rungta**  
 Director

**K. T. Sheth**  
 Secretary

**BOARD OF DIRECTORS**

S. S. Shah *Chairman & Managing Director*  
 G. D. Harnathka  
 H. S. Gopalka  
 R. S. Rungta  
 Sundeep Shah

**COMPANY SECRETARY**

K. T. Sheth

**REGISTERED OFFICE**

19,R. N. Mukherjee Road  
 Kolkata - 700 001

**FACTORIES**

**Unit 1**  
 411, Telugarahalli Road, Anekal,  
 Bangalore – 562 106

**Unit 2**  
 Kammansandra Agrahara Kasaba Hobli,  
 Anekal, Bangalore – 562 106

**Unit 3**  
 11A, 2nd Cross Industrial Area, Nanjangud,  
 Karnataka – 571 301

**Unit 4**  
 Falta Special Economic Zone,  
 24 Parganas (South), West Bengal

**AUDITORS**

B. K. Shroff & Co.  
 Chartered Accountants  
 23A, Netaji Subhas Road  
 Kolkata - 700 001

**BANKERS**

Allahabad Bank  
 Canara Bank  
 State Bank of India  
 State Bank of Mysore  
 State Bank of Hyderabad  
 The Federal Bank Ltd.  
 ICICI Bank Ltd.  
 UCO Bank  
 Union Bank of India

**REGISTRARS & SHARE TRANSFER AGENTS**

ABS Consultant Pvt. Ltd.  
 99, Stephen House, 6th Floor  
 4, B.B.D. Bag (East)  
 Kolkata - 700 001  
 Phone : 2243 0153, 2220 1043  
 email : absconsultant@vsnl.net



## NOTICE

The Sixty-sixth Annual General Meeting of Eastern Silk Industries Ltd. will be held on Wednesday, the 26<sup>th</sup> September, 2012 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 31<sup>st</sup> March, 2012 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 R.S. Rungta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary 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 appointment of Sri Sundeep Shah as an Executive Director of the Company with effect from 1<sup>st</sup> September 2012 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.

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 Section 314 and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time, consent of the Company be and is hereby accorded to Sri Varun Shah, son of Sri Sundeep Shah, Director and grandson of Sri Shyam Sunder Shah, Chairman and Managing Director of the Company to hold an office or place of profit as President of the Company with effect from 1<sup>st</sup> May, 2012 on the terms and conditions including the remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting:

#### Registered Office:

19, R. N. Mukherjee Road  
Kolkata – 700 001

Dated : The 1<sup>st</sup> August, 2012.

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 18<sup>th</sup> September 2012 to 26<sup>th</sup> September 2012, 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 Director who is proposed to be reappointed at the Annual General Meeting is 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 31<sup>st</sup> March, 2005 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 ₹ 10/- into five Equity shares of ₹ 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. 4

Sri Sundeep Shah was reappointed as the Executive Director of the Company for a period of five years with effect from 1<sup>st</sup> September 2006 on the terms and conditions and remuneration as approved by the Members at the Annual General Meeting held on 27<sup>th</sup> September 2006. The term of office of Sri Shah expired on 31<sup>st</sup> August 2011. Sri Shah did not opt for reappointment as the Executive Director but continued to serve the Company as a Promoter Director. Sri Sundeep Shah has been associated with the Company since past three decades and possesses immense experience of overseas business. 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 appointment of Sri Sundeep Shah as the Executive Director afresh for a period of three years effective from 1<sup>st</sup> September 2012 on the following terms and conditions:

1. Salary : ₹ 1,25,000/- 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, within the limits as specified in Schedule XIII of the Companies Act, 1956.

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.4 of the Notice for approval of the Members.

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

**Item No. 5**

Sri Varun Shah, 24, has completed his Business Management graduation from New York and is looking after the affairs of the Company's units at Bangalore since 1<sup>st</sup> May, 2012 as the President of the Company on the following terms of remuneration

1. Salary : ₹ 1,00,000/- per month
2. Perquisites : House Rent Allowance, Bonus, Leave, Company's contribution to Provident Fund and Gratuity as applicable to senior Executives of the Company.

In terms of the amended provisions of Section 314 of the Companies Act, 1956 the payment of above remuneration is subject to the approval of the members.

The Board recommends this resolution as set out in item No. 5 of the Notice for your approval.

Except Sri Sundeep Shah and Sri Shyam Sunder Shah none of the Directors of the Company is in any way concerned or interested in the resolution.



**Annexure to Notice dated 1st August, 2012**

Details of Director seeking Re-Appointment at the forthcoming Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Shri R. S. Rungta
Age	78 years
Date of Appointment on the Board	19.07.1986
Qualification	B.Com.
Experience	Wide experience in managing large and diverse business.
Directorship held in other Public Companies	D. R. Steel Construction Pvt. Ltd.
Memberships / Chairmanships of Committees of Public Companies	—
Shareholding of Non-Executive Directors	Nil



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their sixty-sixth Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

	(₹ in Lacs)	
	2012	2011
Profit / (Loss) before depreciation and taxation	932.73	(4410.42)
Less / Add : Depreciation	2123.45	(2467.22)
Profit / (Loss) before taxation	(1190.72)	(6877.64)
Add : Exceptional Items	(10478.33)	-
	(11669.05)	(6877.64)
Less / Add : Provision for Earlier Year Taxation	(113.84)	0.37
	(11555.21)	(6878.01)
Less / Add : Deferred Tax Liability	(2394.78)	(1084.39)
Profit / (Loss) after tax	(9160.43)	(5793.62)
Add : Balance brought forward from previous year	11141.79	16935.41
Which the Directors have decided to carry forward to the next year	1981.36	11141.79

### PERFORMANCE REVIEW

As a consequence of downsizing of the business as decided last year, the sales and processing income during the year was ₹ 8952.29 lacs which is not comparable with that of the last year. The net loss for the year was ₹ 9160.43 lacs.

The proposal for restructuring of debts under CDR mechanism was approved by CDR Empowered Group at their meeting held on 20/12/2011. The conditions as put forth in the Letter of Approval of CDR have been complied with by the Management and a sum of ₹ 734 lacs has been brought in by the Promoters and infused in the Company. Most of the bankers have restructured their loans.

### FUTURE OUTLOOK

As planned last year, your Company has done away with outsourcing business and is concentrating only on the in-house production facilities. Anticipated demand recovery in the overseas markets should act as a conduit to the Company's path of recovery. Supplies in the domestic market have also commenced during the year, and it is expected to grow in the coming years.

### DIVIDEND

In view of the accumulated losses the Board of Directors do not recommend any dividend on Equity Shares. The Board of Directors does not also declare dividend on Redeemable Cumulative Preference Shares.



### PUBLIC DEPOSIT SCHEME

During the year, your Company has not accepted any deposits. There are no outstanding deposits as on date.

### CORPORATE GOVERNANCE

A separate section on Corporate Governance and Management Discussion and Analysis together with the Auditors' Certificate confirming the compliance of conditions on Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchange form part of the Annual Report.

### DIRECTORS

Shri R.S. Rungta, a Director of the Company retires from the office by rotation and is eligible for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- That in preparation of the annual accounts, the applicable accounting standards have been duly followed.
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2012 on a going concern basis.

### DISCLOSURE OF PARTICULARS

The information required under Rule 2 of the Companies Act, 1956 (Disclosure of Particulars in the Report of Board of Directors Rules, 1988) relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed.

### AUDITORS

Messrs B.K. Shroff & Company, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The remarks of the Auditors regarding provision for bad and doubtful debts, recognition of Net Deferred Tax Assets have been duly explained in Note No. 36 and 37 of Notes on Financial Statements respectively.

### COST AUDITORS

Pursuant to the directives of the Central Government under the provisions of Section 233 B of the Companies Act, 1956, the Cost account records maintained by your Company are subject to yearly audit by qualified Cost Auditors. Your Company has appointed M/s. N. Radhakrishnan & Co., a firm of Cost Auditors, for conducting the audit of such records for the financial year 2011-12.

**PERSONNEL**

There was no employee employed during the financial year or a part of the financial year who was in receipt of remuneration for that year or any part of that year at a rate prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**ACKNOWLEDGEMENT**

Your Directors wish to convey their appreciation for the co-operation and assistance received from the Government, financial institutions, bankers and stakeholders of your Company. The Board wishes to place on record its deep appreciation for the integrity and hard work of its employees at all levels to meet challenging markets.

**Registered Office:**  
19, R. N. Mukherjee Road  
Kolkata 700 001  
Dated : 1<sup>st</sup> August 2012

By Order of the Board  
**S. S. SHAH**  
Chairman & Managing Director

**ANNEXURE TO DIRECTORS' REPORT**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, forming part of Directors' Report :

**CONSERVATION OF ENERGY :**

The Company has developed a continuous process of energy conservation through improved operational and maintenance practices.

**FORM A****(A) Power and Fuel Consumption**

1.	Electricity		Current Year	Previous Year
(a)	Purchased	Units	<b>29,81,557</b>	45,46,141
	Total Amount	₹	<b>1,80,90,354</b>	2,47,66,590
	Rate/Unit	₹	<b>6.07</b>	5.45
(b)	Own Generation through Diesel Generator	Units	<b>1,50,550</b>	3,95,797
	Total Amount	₹	<b>20,29,952</b>	47,03,851
	Cost/Unit	₹	<b>13.48</b>	11.88
2.	(a) Furnace Oil			
	Quantity	Kilo Ltr.	-	2,190
	Total Amount	₹	-	53,225
	Cost/Unit	₹	-	24.30
	(b) Briquettes			
	Quantity	Kgs.	<b>12,69,729</b>	21,17,698
	Total Amount	₹	<b>53,50,189</b>	93,69,533
	Cost/Unit	₹	<b>4.21</b>	4.42

**(B) Consumption per unit of products:**

<u>Silk Fabrics</u>	Mtrs	<b>5,15,237.80</b>	14,51,741.45
Electricity	₹	<b>35.11</b>	16.67
Briquettes	₹	<b>4.21</b>	6.45
Furnace Oil	₹	-	-
Diesel	₹	<b>3.94</b>	3.18
<u>Silk Yarn</u>	Kgs.	-	17,528.330
Electricity	₹	-	32.27
Furnace Oil	₹	-	3.04
Diesel	₹	-	4.87




**TECHNOLOGY ABSORPTION**
**Research & Development**
**Form B**

1. Specific areas in which R&D carried out by the Company
2. Benefits derived as a result of above R&D
3. Future plan of action
4. Expenditure on R & D

R&D activities are concentrated on development of new fabrics and new designs.

Higher product value, better realization and repeat orders.

Futher improvement in quality parameters of finished products.

Capital ₹ 141.06 lakhs  
Recurring ₹ 38.84 lakhs  
R&D Expenditure as a percentage of turnover 2%

**Technology Absorption, Adaptation & Innovation**

1. Efforts in brief, made towards technology Absorption, adaptation and innovation
2. Benefits derived as a result of the above
3. Details of imported technology

Latest technologies are used to develop value added products with innovative designs.

Minimum wastage and reduced sampling cost.

Not Applicable.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for product and services and export plans.

The marketing team of the Company make export promotion tours to interact with the existing customers and tap prospective buyers. They also visit International Trade Fairs to display the vast range of the Company's products to procure bulk orders.

- (b) (i) Overseas Travelling  
(ii) Commission to Agents  
(iii) Consultation Fees  
(iv) Others

The information on foreign exchange earnings and outgo is contained in Note No. 46 & 47 of Notes on Financial Statements.

Kolkata 700 001  
Dated : 1<sup>st</sup> August 2012

By Order of the Board  
**S. S. SHAH**  
Chairman & Managing Director


**REPORT ON CORPORATE GOVERNANCE**
**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

The Company lays emphasis on good corporate practices which will enable the management to conduct the affairs of the Company in a transparent manner and culminate in optimum use of its resources for achieving highest standards of corporate governance.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Report on Corporate Governance for the year 2011-12 is given below.

**BOARD OF DIRECTORS**

The Board comprises of five members – one Executive Director and four Non-Executive Directors. The composition of the Board of Directors and also the number of the Board of Directors or Board Committees of which he is a member / Chairperson are as under.

Name of the Director	Category	No. of other Directorship	No. of Membership of other Board Committee	No. of Board Committee for which Chairperson
Shri S.S. Shah	Promoter, Executive	–	–	–
Shri Sundeep Shah	Promoter, Non-Executive	–	–	–
Shri G.D. Harnathka	Non-Executive, Independent	–	–	–
Shri H.S. Gopalka	Non-Executive, Independent	1	–	1
Shri R.S. Rungta	Non-Executive, Independent	1	–	2

During the year under review, Board Meetings were held on 13<sup>th</sup> May 2011, 2<sup>nd</sup> August 2011, 12<sup>th</sup> August 2011, 14<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012. The attendance of the Directors for the Board Meeting and the last Annual General Meeting (AGM) was as follows:

Name of the Director	Meeting Attended	Whether attended the last AGM
Shri S.S. Shah	5	Yes
Shri Sundeep Shah	4	Yes
Shri G.D. Harnathka	3	No
Shri H.S. Gopalka	5	Yes
Shri R.S. Rungta	5	Yes

**BOARD COMMITTEES**
**Audit Committee**
**I. Constitution**

The Audit Committee of the Company was constituted to exercise powers and discharge functions as stipulated in Section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreement with Stock Exchange and other relevant statutory / regulatory provisions.

**II. Composition**

The Audit Committee of the Company comprises three Directors of which two are non executive independent Directors namely Shri H.S. Gopalka and Shri R.S. Rungta and one Non-Executive Promoter Director namely Shri Sundeep Shah. All these directors have knowledge of corporate finance, accounts and company law. The Chairman of the Committee is Shri H.S. Gopalka. The Company Secretary acts as the Secretary of the Committee. Besides the Committee members, partners / representatives of the firm of Statutory Auditors and Internal Auditors are permanent invitees at the meetings of the Committee.

**III Meetings and Attendance**

During the financial year ended 31<sup>st</sup> March 2012 five Audit Committee meetings were held on 12<sup>th</sup> May 2011, 1<sup>st</sup> August 2011, 11<sup>th</sup> August 2011, 12<sup>th</sup> November 2011 and 13<sup>th</sup> February 2012 which were attended by all the members of the Committee.

**REMUNERATION COMMITTEE****I. Constitution**

The Remuneration Committee of the Company was formed to recommend remuneration packages for whole-time Directors. Such recommendation are based on the overall financial performance and profitability of the Company and on evaluation of the personal contribution of the individual directors.

**II. Composition**

The Members of the Remuneration Committee are Shri H.S. Gopalka, Shri R.S. Rungta and Shri G.D. Harnathka. Shri R.S. Rungta acts as the Chairman of the Committee.

**III. Meeting and Attendance**

During the financial year ended 31<sup>st</sup> March 2012 one Remuneration Committee Meeting was held which was attended by all the members.

The details of the remuneration to the directors for the year ended 31<sup>st</sup> March 2012 are as under:

Name of the Director	Salary	Perquisites	Sitting Fees for Board & Committee Meetings	Total ₹
Shri S.S. Shah	22,80,000	3,94,000	—	26,74,000
Shri Sundeep Shah	9,50,000	1,64,000	7,000	11,21,000
Shri H.S. Gopalka	—	—	34,000	34,000
Shri R.S. Rungta	—	—	34,000	34,000
Shri G.D. Harnathka	—	—	5,000	5,000

**SHAREHOLDERS COMMITTEE:****Share Transfer Committee****I. Constitution**

Share Transfer Committee was constituted to deal with various matters relating to transfer and transmission of shares, issue of duplicate share certificates and approving the split and consolidation requests and other matters relating to transfer and registration of shares.

**II. Composition**

The members of the Committee are Shri S. S. Shah, Shri Sundeep Shah and Shri K. T. Sheth. Shri S. S. Shah acts as the Chairman of the Committee.

**III. Meeting & Attendance**

During the financial year ended 31<sup>st</sup> March, 2012, thirteen Share Transfer Committee meetings were held. No sitting fee was paid to any member of the Share Transfer Committee.

**INVESTORS' GRIEVANCE COMMITTEE****I. Constitution**

Investors' Grievance Committee was formed to oversee the redressal of shareholders' and investors' grievances in relation to transfer of shares, non-receipt of annual report, non-receipt of dividend etc.

**II. Composition**

The Committee comprises of two non-executive independent directors namely Shri H. S. Gopalka and Shri R. S. Rungta and one Non-Executive Promoter Director namely Shri Sundeep Shah. Shri R.S. Rungta is the Chairman of the Committee.

**III. Meeting & Attendance**

During the financial year ended 31<sup>st</sup> March, 2012, four Investors' Grievance Committee meetings were held.

**GENERAL BODY MEETING****i) General Meetings:**

The last three Annual General Meeting of the Company were held as under:-

Date	Time	Venue
9 <sup>th</sup> September 2009	11:00 A.M.	Kala Kunj 48 Shakespeare Sarani Kolkata – 700 017.
22 <sup>nd</sup> September 2010	3:00 P.M.	-- DO --
21 <sup>st</sup> September 2011	11:00 A.M.	-- DO --

**ii) Special Resolutions:**

One special resolution was passed at the last Annual General Meeting for reappointment of the Managing Director.

**iii) Postal Ballot**

No Postal Ballot was conducted during the year.

**DISCLOSURES**

- The Company has not entered into any transaction of a material nature with the promoters, directors or management, or their relatives that may have potential conflict with the interest of the Company at large.
- A qualified practicing Company Secretary carries out a secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- Chairman and Managing Director and Finance Manager have furnished the requisite certificates to the Board of Directors pursuant to Clause 49 of the Listing Agreement.

**MEANS OF COMMUNICATION**

The financial results of the Company are published in English and Regional newspapers in India. The results are also displayed on the Company's website. Press releases are also made by the Company from time to time to facilitate better communication with the shareholders and investors.


**GENERAL SHAREHOLDERS INFORMATION**
**i) Sixty Sixth Annual General Meeting**

Venue	:	Kala Kunj, 48 Shakespeare Sarani, Kolkata – 700 017
Date	:	26 <sup>th</sup> September 2012
Time	:	11:00 A.M.

**ii) Financial Calendar**

First quarter results	-	By mid August
Second quarter results	-	By mid November
Third quarter results	-	By mid February
Fourth quarter results	-	By mid May

**iii) Book Closure**

The date of book closure is from 18<sup>th</sup> September 2012 to 26<sup>th</sup> September 2012 (both days inclusive).

**iv) Listing on Stock Exchange**

NAME OF STOCK EXCHANGE	STOCK CODE
National Stock Exchange of India Ltd.	EASTSILK

Listing fees for the year 2011-2012 has been paid to National Stock Exchange of India Ltd.

**v) Stock Market Data**

The Company's high and low prices recorded on National Stock Exchange of India Ltd. during the financial year 2011-2012 are given below :

MONTH	HIGH (₹)	LOW (₹)
APRIL 2011	12.05	8.85
MAY 2011	9.25	7.85
JUNE 2011	8.75	7.25
JULY 2011	8.80	7.40
AUGUST 2011	8.05	5.80
SEPTEMBER 2011	6.90	5.80
OCTOBER 2011	6.30	5.50
NOVEMBER 2011	6.10	4.00
DECEMBER 2011	4.90	3.75
JANUARY 2012	5.90	3.95
FEBRUARY 2012	5.35	4.50
MARCH 2012	4.90	3.75


**i) Share Holding (as on 31<sup>st</sup> March, 2012)**

The shareholding distribution as at 31<sup>st</sup> March, 2012 is as follows:

No. of Shares	Number of Share Holders	% To Total Holders	No. of Shares held	% To total Holding
Upto 500	16,264	68.47	36,36,828	4.61
501 - 1000	3,557	14.97	31,19,091	3.95
1001 – 2000	1,778	7.48	28,52,383	3.61
2001 – 3000	698	2.94	18,09,260	2.29
3001 - 4000	283	1.19	10,75,144	1.30
4001 – 5000	339	1.43	16,21,053	2.05
5001 – 10000	437	1.84	32,54,114	4.12
10001 & above	399	1.68	6,16,34,757	78.07
TOTAL	23,755	100.00	7,89,52,620	100.00

The shareholding pattern as at 31<sup>st</sup> March, 2012 is as follows:

Category	No. Shares	% age of Holding
Promoters including NRI Promoters	3,86,38,351	48.94
Financial Institutions, Banks, Mutual Fund Etc.	43,91,960	5.56
Non Resident Indians / OCBs / FIIs	28,59,350	3.62
Private Corporate Bodies	85,89,077	10.89
Indian Public	2,44,73,882	30.99
TOTAL	7,89,52,620	100.00

**vii) Dematerialization of Shares**

As directed by Securities Exchange Board of India (SEBI) Equity shares of the Company are being traded in compulsory dematerialized form by all the investors.

The Company has entered into an agreement with both depositories viz., National Security Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) enabling the investors to hold shares of the Company in electronic form.

The ISIN of Eastern Silk for transactions of shares in depository mode is INE 962CO1027.

As on 31.03.2012 the dematerialised shares were 7,46,01,859 which represents 94.49% of the total subscribed capital. The equity shares of the Company are regularly traded on the National Stock Exchange.

**viii) Share Transfer System**

Share transfers in physical form are registered by the Registrar and Share Transfer Agents and are returned to the respective transferees within a period ranging from fifteen days to one month provided the documents lodged with the Registrar/Company are clear in all respects.