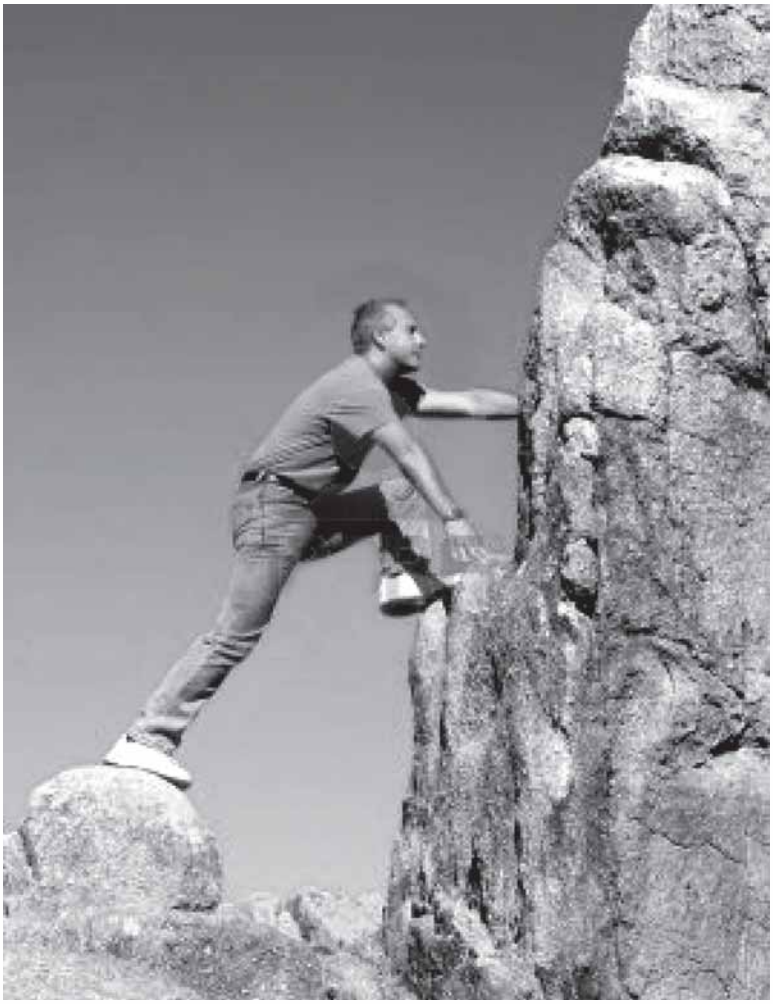
Maharaja Shree UMAID MILLS LIMITED



71st ANNUAL REPORT 2010-11

Regd Office: 706, Krishna, 224, AJC Bose Road, Kolkata 700 017
Head Office : Jodhpur Road, Pali 306 401(Rajasthan) INDIA
visit us at : www.msumindia.com

Board of Directors :

Mr. LN BANGUR, *Chairman & Managing Director*

Mr. GOVIND SHARDA, *Executive Director*

Mr. YOGESH BANGUR, *Director (CA&S)*

Mrs. ALKA BANGUR, *Director*

Mr. SS KOTHARI, *Director*

Mr. CHANDRAVADAN DESAI, *Director*

Mr. AMITAV KOTHARI, *Director*

Mr. GR AGARWAL, *Director*

Auditors :

M/s BD GARGIEYA & CO., JAIPUR

Bankers :

BANK OF BARODA

ICICI BANK LTD.

IDBI BANK LTD.

STATE BANK OF BIKANER & JAIPUR

STATE BANK OF INDIA

Regd. Office :

ROOM NO. 706, 7TH FLOOR, ''KRISHNA''

224, AJC BOSE ROAD

KOLKATA – 700017 (W.B.)

Head Office and Works :

Jodhpur Road

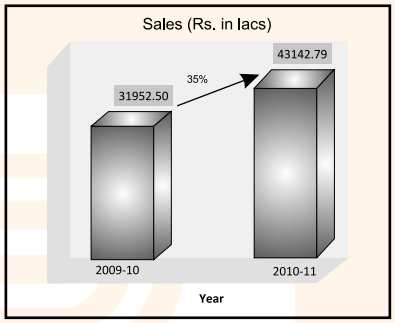
PALI – 306 401 (Rajasthan)

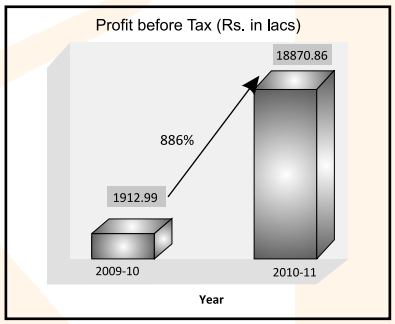
Important Communication to Members on Green Initiative

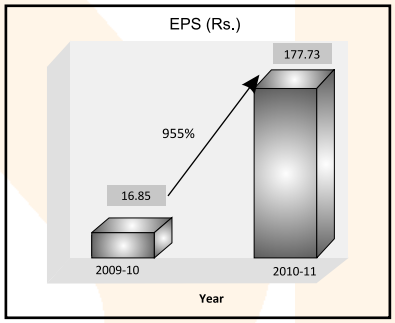
The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings, with their respective Depository Participants.

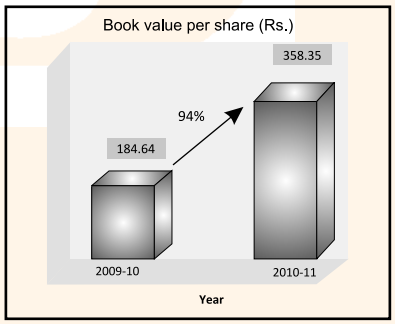
Members who hold shares in physical form are requested to download the "E- Communication Registration Form" from our website: *www.msumindia.com* under "financials" and send the duly filled-in and signed form to Company Secretary, Maharaja Shree Umaid Mills Limited, 706, Krishna, 224, AJC Bose Road, Kolkata-700 017 (W.B.)

BUILDING STRENGTH









BOARD OF DIRECTORS

NON INDEPENDENT DIRECTORS

Mr. L.N. Bangur
Chairman & Managing Director

Mrs. Alka Bangur

Mr. Yogesh Bangur
Director (Corporate Affairs & Strategy)

Mr. Govind Sharda
Executive Director

INDEPENDENT DIRECTORS

Mr. S. S. Kothari

Mr. C. V. Desai

Mr. Amitav Kothari

Mr. G. R. Agrawal

FACILITIES

CMD's Communiqué

Dear Shareholders,

During the last financial year, the Company has delivered another robust performance that can be attributed to our diversified product portfolio and market mix.

Your Company, has recorded highest turnover and highest operating profits during the year. This all has led to strengthening of our belief that the industry has lot of scope for the value accretion.

The frequent regulatory intervention through multiple policy changes during the year has worked as a deterrent to the industrial psychology and could have repercussions in the short term.

The second phase of expansion cum modernisation of the existing facilities is underway with financial closure in place. The new project is expected to generate high-end fabric that would strengthen the sustainable business model practised by the Company over last seven decades.

The challenges of the current economic scenario are offering a lot of opportunities as well. We are confident of maintaining the growth momentum given our strategic initiatives and the infrastructure built in terms of our knowledge, skills, market understanding and management capabilities where we continue to invest in. I believe, we have built a firm platform from which we can take the Company to the next level of growth.

I express sincere thanks to each of the business associates and stakeholders for the continued faith and support and expect them to continue to repose their confidence for Weaving Another Success Run.

Warm regards,

LN BANGUR
Chairman and Managing Director

NOTICE is hereby given that the 71st Annual General Meeting of the members of MAHARAJA SHREE UMAID MILLS LIMITED will be held at Club House, The Tollygunge Club Ltd., 120, Deshpran Sasmal Road, Kolkata 700033 on Friday the 30th day of September, 2011 at 10.00 A.M. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 2011 and the Profit & loss Account for the year ended on that date.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Alka Bangur, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. G.R. Agarwal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors for the current year and to fix their remuneration.

Special Business

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION :

   "RESOLVED that Mr. Yogesh Bangur, who was appointed as an Additional Director of the Company with effect from 12th April, 2011 by the Board of Directors under Article 92 of the Articles of Association and who ceases to hold office as such Director on the date of this Annual General Meeting pursuant to section 260 of the Companies Act, 1956 : and in respect of whom the Company has received a notice in writing U/Sec.257 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION :

   "RESOLVED that pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the reappointment of Mr. LN Bangur as Chairman and Managing Director of the Company for a further period of 3 years with effect from 11th August, 2011 on the remuneration as per the terms and conditions set out in the Explanatory Statement."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION :

   "RESOLVED that pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the appointment of Mr. Govind Sharda as Whole-time Director designated as Executive Director of the Company for a further period of 3 years with effect from 11th August, 2011 on the remuneration as per the terms and conditions set out in the Explanatory Statement."

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED that pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the appointment of Mr. Yogesh Bangur as Whole-time Director designated as Director (Corporate Affairs & Strategy) of the Company for a period of 3 years with effect from 12th April, 2011 on the remuneration as per the terms and conditions set out in the Explanatory Statement."

For and on Behalf of the Board
P.K. Ojha
Company Secretary

Kolkata
Aug. 5, 2011

NOTES

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item Nos.6, 7, 8 & 9 above is annexed hereto and form part of the Notice.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A Proxy Form in order to be effective, must reach the Company not less than 48 hours before the meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2011 to 30th September, 2011 (both days inclusive).

4. Dividend, when declared, will be payable to those members whose names appear on the Register of Members as on 30th September, 2011.

5. Information to Shareholders as prescribed in clause 49 of Listing Agreement in respect of Appointment/ Re-appointment as Directors, is given at Annexure-A attached to this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Mr. Yogesh Bangur has been appointed by the Board, in its meeting held on 9th April, 2011, as an Additional Director with effect from 12th April, 2011 in accordance with the provisions of section 260 of the Companies Act, 1956 and the Article 92 of the Articles of Association of the Company. Mr. Yogesh Bangur holds his office as Additional Director till the ensuing Annual General Meeting. A notice U/Sec. 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intention to propose the candidature of Mr. Yogesh Bangur for appointment as a Director of the Company.

The Board recommends the resolution for approval by the members.

None of the Directors, except Mr. LN Bangur, Mrs. Alka Bangur and Mr. Yogesh Bangur is interested or concerned in the proposed resolution.

Item No. 7

Mr. LN Bangur was reappointed as the Chairman & Managing Director of the Company in the meeting of the Board held on 8th August, 2008 for a term of three years with effect from 11th August, 2008, which was approved by the shareholders in the 68th Annual General Meeting held on 30th September, 2008. The said term is expiring on 10th August, 2011.

Members of the Company are aware that Mr. LN Bangur as industrialist has vast experience in Textile as well as other businesses. Under his leadership, the Company has been registering steady progress and growing from strength to strength.

The Board of Directors at the meeting held on 5th August, 2011, took a view that in the context of the ever increasing competitive climate for the industry and in the best interests of the Company, it is desirable that Mr. L. N. Bangur should continue to lead the Company as its Chairman & Managing Director for a further period of 3 years.

The Board of Directors of the company other than Mr. L. N. Bangur and Mr. Yogesh Bangur, in the said meeting held on 5th August, 2011, unanimously decided to reappoint Mr. L. N. Bangur as Chairman & Managing Director with effect from 11th August, 2011 for a period of 3 years, subject to approval of the members in the ensuing Annual General Meeting.

The terms and conditions as to the remuneration of Mr. LN Bangur for his reappointment as Chairman & Managing Director, as recommended by the Remuneration Committee are as follows :

I. **Salary** : Mr. LN Bangur would be eligible to get an annual salary not exceeding Rupees One Crore including all allowances and perquisites excluding Commission as may be applicable to the senior management team members of the Company. His salary would be subject to periodic revision within the overall ceiling defined hereinabove by the Board of Directors from time to time.

II. **Commission** : Commission on net profits of the company in each year computed in accordance with Section 349 of the Companies Act, 1956 subject to such limit as may be determined by the Board in accordance with such performance parameters but shall not exceed an amount equal to the annual salary for the relevant year.

III. Use of Company's car for official purposes, cell phone, telephone / internet facility at residence, encashment of leave at the end of tenure and benefits applicable under the group insurance benefit's scheme for employees and gratuity fund will not be considered as perquisites.

IV. In the event of loss or inadequacy of profits in any financial year, the Chairman and Managing Director shall be paid remuneration by way of salary, allowances and perquisites as specified under Para 1(B) of Section II in Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 and as may be amended from time to time.

V. The Chairman and Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

VI. The re-appointment of three years may be determined by either party by giving three months' notice in writing to the other party.

VII. None of the Directors, except Mr. LN Bangur, Mrs. Alka Bangur and Mr. Yogesh Bangur, is concerned or interested in the resolution.

VIII. This may be treated as an abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956.

IX. The Board recommends the resolution for approval by the members.

Item No. 8

Mr. Govind Sharda was appointed as a Whole Time Director of the Company in the meeting of the Board held on 8th August, 2008 for a term of three years with effect from 11th August, 2008, which was approved by the shareholders in the 68th Annual General Meeting held on 30th September, 2008. The said term is expiring on 10th August, 2011.

The Board of Directors of the company other than Mr. Govind Sharda, in their meeting held on 5th August, 2011, unanimously decided to reappoint Mr. Govind Sharda as Whole Time Director designated as Executive Director with effect from 11th August, 2011 for a period of 3 years, subject to approval of the members in the ensuing Annual General Meeting.

The terms and conditions as to remuneration of Mr. Govind Sharda for his reappointment as Executive Director as recommended by the Remuneration Committee are as follows:

I. **Salary** : Mr. Govind Sharda would be eligible to get an annual salary not exceeding Rs. 48 Lacs including all allowances and perquisites as may be applicable to the senior management team members of the Company. His salary would be subject to periodic revision within the overall ceiling defined hereinabove by the Board of Directors from time to time.

II. Use of Company's car for official purposes, cell phone, telephone / internet facility at residence, encashment of leave at the end of tenure and benefits applicable under the group insurance benefit's scheme for employees and gratuity fund will not be considered as perquisites.

III. In the event of loss or inadequacy of profits in any financial year, the Executive Director shall be paid remuneration by way of salary, allowances and perquisites as specified under Para 1(B) of Section II in Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time of the Companies Act, 1956 and as may be amended from time to time.

IV. The appointment of three years may be determined by either party giving three months' notice in writing to other party.

V. The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

VI. None of the Directors, except Mr. Govind Sharda is concerned or interested in the resolution.

VII. This may be treated as an abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956.

VIII. The Board recommends the resolution for approval by the members.

Item No.9

The Board of Directors at their meeting held on 9th April, 2011, has appointed Mr. Yogesh Bangur as Whole-time Director designated as Director (Corporate Affairs & Strategy) for a period of 3 years with effect from 12th April, 2011 subject to approval of the members in the ensuing Annual General Meeting on terms and conditions as to remuneration recommended by Remuneration Committee as set out herein below :

I. **Salary** : Mr. Yogesh Bangur would be eligible to get an annual salary not exceeding Rs. 48 Lacs including all allowances and perquisites as may be applicable to the senior management team members

of the Company. His salary would be subject to periodic revision within the overall ceiling defined hereinabove.

II. Perquisites :

a. Housing : Mr. Yogesh Bangur may be provided by Company the facility of residential accommodation as per Company's own convenience and availability.

b. Leave : Leave in accordance with the rules applicable to the managerial staff of the Company.

c. Such other benefits, amenities, facilities and perquisites as may be permitted by the Board of Directors to the Director (Corporate Affairs & Strategy).

III. Use of Company's car for official purposes, cell phones, encashment of leave at the end of tenure and benefits applicable under the group insurance benefit's scheme for employees and gratuity fund will not be considered as perquisites.

IV. In the event of loss or inadequacy of profits in any financial year, the Director (Corporate Affairs & Strategy) shall be paid remuneration by way of salary, allowances and perquisites as specified under Para 1(B) of Section II in Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 and as may be amended from time to time.

V. The appointment of three years may be determined by either party giving three months' notice in writing to other party.

VI. The Whole time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

VII. None of the Directors, except Mr. LN Bangur, Mrs. Alka Bangur and Mr. Yogesh Bangur, is concerned or interested in the resolution.

VIII. Abstract of the terms of appointment of Mr. Yogesh Bangur as Whole time Director has already been circulated to the members pursuant to Section 302 of the Companies Act, 1956.

IX. The Board recommends the resolution for approval by the members.

For and on Behalf of the Board
P.K. Ojha
Company Secretary

Kolkata
Aug. 5, 2011