



34<sup>th</sup>  
**ANNUAL  
REPORT**

2011-12





वक्रतुंड महाकाय सूर्यकोटिसमप्रभ  
निर्विघ्नं कुरु मे देव सर्वकार्येषु सर्वदा

**DHARAPRASAD R. PODDAR**

Chairman Emeritus

**BOARD OF DIRECTORS**(As of 18<sup>th</sup> May, 2012)**RAMESH D. PODDAR**

Chairman &amp; Managing Director

**BRIJMOHAN L. SARDA****Prof. (Dr.) MANGESH D. TELI****SHAILESH S. VAIDYA****ASHOK N. GARODIA****DILEEP H. SHINDE****PRAMOD S. JALAN****HARISH N. MOTIWALLA**

(w.e.f. 21/05/2011)

**ARVIND M. PODDAR****PAWAN D. PODDAR**

Joint Managing Director

**VIJAYLAXMI A. PODDAR**

Executive Director

**SHRIKISHAN D. PODDAR**

Executive Director

**ASHOK M. JALAN**

Senior President cum Director

**SURENDRA S. SHETTY**

Chief Financial Officer

**WILLIAM V. FERNANDES**

Company Secretary

**BANKERS**

Bank of Baroda

Central Bank of India

Corporation Bank

**STATUTORY AUDITORS**

Jayantilal Thakkar &amp; Co.

Chartered Accountants

**COST AUDITORS**

Tholiya &amp; Associates

Cost Accountants

**INTERNAL AUDITORS**

K. M. Garg &amp; Co.

Chartered Accountants

**CORPORATE OFFICE**

B-5, Trade World,

Kamala City,

Senapati Bapat Marg,

Lower Parel, Mumbai - 400013.

Tel. : (91-22) 30400500

Fax : (91-22) 30400599

**REGISTERED OFFICE**

H-3/2, MIDC, A-Road, Tarapur,

Boisar,

Dist. Thane - 401 506.

Maharashtra.

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### **NOTICE**

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of Siyaram Silk Mills Limited will be held on Saturday, 25<sup>th</sup> August, 2012 at 11.00 a.m., at Plot No. G-4/1(A), MIDC, Tarapur, Boisar, Dist. Thane – 401 506, Maharashtra, to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company for the financial year ended 31<sup>st</sup> March, 2012.
3. To appoint a Director in place of Shri. Shailesh S. Vaidya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Brijmohan L. Sarda, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Pramod S. Jalan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Prof (Dr.) Mangesh D. Teli, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**“RESOLVED THAT** M/s. Jayantilal Thakkar & Co., Chartered Accountants (FRN 104133W), the retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

#### **SPECIAL BUSINESS:**

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
**“RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other applicable permissions, sanctions and approvals, as may be required, if any, consent of the Company be and is hereby accorded to the re-appointment of Shri. Ashok M. Jalan, as Senior President cum Director, for a further period of 5(five) years from 30<sup>th</sup> January, 2012 to 29<sup>th</sup> January, 2017 on the terms, conditions and remuneration as mentioned below with liberty to the Board of Directors (hereinafter to as “the Board” which term shall be deemed to mean and include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter, vary or revise the terms, conditions and remuneration within the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Company and Shri. Ashok M. Jalan.”

1. **Salary:** : Rs.3,00,000/- p.m. to Rs.6,00,000/- p.m.

The same is bifurcated as under :-

- (i) Present Basic Salary : Rs.1,50,000/- p.m.
- (ii) House Rent Allowance : 50% of the Basic Salary  
i.e Rs.75,000/-p.m.
- (iii) Special Allowance : Rs.75,000/- p.m.

2. **Commission:**

Commission will be fixed by the Board of Directors of the Company, subject to overall ceiling stipulated under the provisions of the Companies Act, 1956.

3. **Perquisites:**

In addition to the salary and commission, he shall also be entitled to the following perquisites, as per the rules of the Company.

- a) **Medical Reimbursement:**

Reimbursement of medical expenses incurred for self and family as per the Rules of the Company.

- b) **Leave Travel Concession:**

Reimbursement of actual travelling expenses for proceeding on leave once in a year for self and family as per the Rules of the Company.

#### **Explanation**

For the purpose of the perquisites under (a) & (b) above, family shall mean the spouse, the dependent children and dependent parents.

- c) **Personal Accident Insurance:**

The actual premium paid.

- d) **Provident Fund:**

Contribution to Provident Fund is payable as per the rules of the Company.

- e) **Contribution to Superannuation Fund:**

Rs.9,000/- per month.

- f) **Gratuity:**

Gratuity shall be payable as per the Rules of the Company.

- g) **Leave and encashment of Leave:**

He will be entitled to leave with full pay and encashment of the accumulated leave as per the rules of the Company.

- h) **Use of Car with driver:**

The Company shall provide fully maintained car with driver.

- i) **Bonus & Ex gratia:**

Bonus & Ex-gratia will be paid, as per the Rules of the Company.

- j) **Telephone, facsimile and other communication facilities:**

The Company shall provide free telephone, facsimile and other communication facilities at his residence.

For the purpose of leave, provident fund, superannuation, gratuity and other retiring benefits to which he may be entitled, account shall be taken of his service with the Company's prior to his appointment as Whole time Director.

4. **Minimum Remuneration:**

In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the

Senior President cum Director shall be paid remuneration by way of salary, perquisites, allowance and other benefits as the Board of Directors may deem fit subject to the limits prescribed in Schedule XIII of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof) as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors (which expression shall mean and include Committee thereof) be and are hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other applicable permissions, sanctions and approvals, as may be required, if any, consent of the Company be and is hereby accorded to the payment of increased remuneration to Shri Pawan D. Poddar, Joint Managing Director, w.e.f. 1<sup>st</sup> April, 2012 till the end of his tenure i.e. 31<sup>st</sup> July, 2016 as mentioned below.

1. Basic Salary : Increased from Rs.3,25,000/-p.m. to Rs. 8,00,000/- p.m.
2. All benefits linked to Basic Salary like House Rent Allowance, Provident Fund & Superannuation contribution, Gratuity, etc., shall stand enhanced proportionately.
3. All other terms and conditions of his appointment as approved by the members at the 33<sup>rd</sup> AGM held on 6<sup>th</sup> August, 2011 shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors (which expression shall mean and include Committee thereof) be and are hereby authorized to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other permissions, sanctions and approvals as may be required, if any, the consent of the Company be and is hereby accorded to the appointment of Smt. Megha A. Poddar, who is a relative of a Director(s) of the Company, as an Executive of the Company w.e.f. 1<sup>st</sup> June, 2012 and to hold an office or place of profit as an Executive of the Company on the terms, conditions and remuneration as mentioned below:

- a) Basic Salary of Rs.30,000/- (Rupees Thirty Thousand Only) per month in the scale of Rs. 30,000 –20,000-25,000-2,50,000.
- b) House rent allowance at the rate of 50% on the Basic Salary i.e. Rs.15,000/- (Rupees Fifteen Thousand Only) per month.
- c) Reimbursement of Medical Expenses to the extent of Rs.1,250/- (Rupees One Thousand Two Hundred Fifty Only) per month.

- d) In addition she will also be entitled to Provident Fund, Bonus, Leave, Gratuity, Leave Travel Concession, other perquisites and shall be subject to other terms and conditions as applicable to other Executives of the Company in the cadre.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded to pay to Smt. Megha A. Poddar, such yearly increment in the said scale, with or without promotion to higher cadre and / or accelerated increments as the Board of Directors deem fit in its absolute discretion within the ceiling prescribed under the provisions of the Companies Act, 1956 and rules framed there under or with such approvals as may be required from appropriate authorities.

**RESOLVED FURTHER THAT** the total monthly remuneration payable i.e. salary, allowances and benefits, to Smt. Megha A. Poddar, shall not exceed Rs.2,50,000/- per month.

**RESOLVED FURTHER THAT** the Board of Directors (which expression shall mean and include a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other permissions, sanctions and approvals as may be required, if any, the consent of the Company be and is hereby accorded to the appointment of Smt. Smriti G. Poddar, who is a relative of a Director(s) of the Company, as an Executive of the Company w.e.f. 1<sup>st</sup> June, 2012 and to hold an office or place of profit as an Executive of the Company on the terms, conditions and remuneration as mentioned below :

- a) Basic Salary of Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand Only) per month in the scale of Rs. 30,000 – 20,000-25,000-2,50,000.
- b) House rent allowance at the rate of 50% on the Basic Salary i.e. of Rs.62,500/- (Rupees Sixty Two Thousand Five Hundred Only).
- c) Special Allowance of Rs.10,000/- (Rupees Ten Thousand Only) per month.
- d) Reimbursement of Medical Expenses to the extent of Rs.1,250/- (Rupees One Thousand Two Hundred Fifty Only) per month.
- e) In addition she will also be entitled to Provident Fund, Bonus, Leave, Gratuity, Leave Travel Concession, other perquisites and subject to other terms and conditions, as applicable to other Executives of the Company in the cadre.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded to pay to Smt. Smriti G. Poddar, such yearly increment in the said scale, with or without promotion to higher cadre and / or accelerated increments as the Board of Directors deem fit in its

absolute discretion within the ceiling prescribed under the provisions of the Companies Act, 1956 and rules framed there under or with such approvals as may be required from appropriate authorities.

**RESOLVED FURTHER THAT** the total monthly remuneration payable i.e. salary, allowances and benefits, to Smt. Smriti G. Poddar, shall not exceed Rs.2,50,000/- per month.

**RESOLVED FURTHER THAT** the Board of Directors (which expression shall mean and include a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution."

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other permissions, sanctions and approvals as may be required, if any, the consent of the Company be and is hereby accorded to the appointment of Smt. Sangeeta. P. Poddar, who is a relative of a Director(s) of the Company, as an Executive of the Company w.e.f. 1<sup>st</sup> June, 2012 and to hold an office or place of profit as an Executive of the Company on the terms, conditions and remuneration as mentioned below :

- Basic Salary of Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand Only) per month in the scale of Rs. 30,000 – 20,000-25,000-2,50,000.
- House rent allowance at the rate of 50% on the Basic Salary i.e. of Rs.62,500/- (Rupees Sixty Two Thousand Five Hundred Only).
- Special Allowance of Rs.10,000/- (Rupees Ten Thousand Only) per month.
- Reimbursement of Medical Expenses to the extent of Rs.1,250/- (Rupees One Thousand Two Hundred Fifty Only) per month.
- In addition she will also be entitled to Provident Fund, Bonus, Leave, Gratuity, Leave Travel Concession, other perquisites and subject to other terms and conditions, as applicable to other Executives of the Company in the cadre.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded to pay to Smt. Sangeeta P. Poddar, such yearly increment in the said scale, with or without promotion to higher cadre and / or accelerated increments as the Board of Directors deem fit in its absolute discretion within the ceiling prescribed under the provisions of the Companies Act, 1956 and rules framed there under or with such approvals as may be required from appropriate authorities.

**RESOLVED FURTHER THAT** the total monthly remuneration payable i.e. salary, allowances and benefits, to Smt. Sangeeta P. Poddar, shall not exceed Rs.2,50,000/- per month.

**RESOLVED FURTHER THAT** the Board of Directors (which expression shall mean and include a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution."

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

**"RESOLVED THAT** Shri. Gaurav P. Poddar, who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company with effect from 1<sup>st</sup> August, 2012 to hold office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director be and is hereby appointed as Director of the Company liable to retire by rotation."

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310, 311, read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such other approval from Central Government or any other authority, as may be required, if any, consent of the Company be and is hereby accorded to the appointment of Shri. Gaurav P. Poddar as a Whole Time Director, designated as an Executive Director of the Company for a period of 5 (Five) years commencing from 1<sup>st</sup> August, 2012 on the terms, conditions and remuneration as mentioned below, with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to mean and include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the remuneration, terms and conditions of the said appointment as may be agreed to between the Board and Shri. Gaurav P. Poddar

1. **Salary:** : Basic Salary Rs. 6,50,000/- p.m.

2. **Commission:**

Commission will be fixed by the Board of Directors of the Company, subject to overall ceiling stipulated under the provisions of the Companies Act, 1956.

3. **Perquisites:**

In addition to the salary and commission, he shall also be entitled to the following perquisites, as per the rules of the Company.

a) **Housing:**

The Company shall provide fully furnished residential accommodation along with all amenities, facilities and utilities. In case no accommodation is provided he shall be entitled for house rent allowance to the extent of 60% of the Basic Salary.

**b) Medical Reimbursement:**

Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges and premium for medical insurance incurred for self and family. In case of any medical treatment abroad, the traveling, boarding and lodging expenses for the patient and the attendant will also be paid by the Company.

**c) Leave Travel Concession:**

Reimbursement of actual traveling expenses for proceeding on leave once in a year for self and family, whether in India or abroad.

**Explanation**

For the purpose of the perquisites under (a) & (b) above, family shall mean spouse, dependent children and dependent parents.

**d) Club Membership Fees:**

Fees of clubs including admission and life membership.

**e) Personal Accident Insurance:**

The actual premium paid.

**f) Provident Fund, Superannuation Fund and Annuity Fund :**

Contribution to Provident Fund, Superannuation and Annuity Fund will not be included in the computation of remuneration to the extent these are singly or put together are not taxable under the Income Tax Rules, 1962.

**g) Gratuity:**

Gratuity shall be payable at half month's salary for each completed year of service and will not be included in computation of remuneration.

**h) Leave and encashment of Leave:**

He will be entitled to leave with full pay and encashment of the accumulated leave as per the rules of the Company and will be entitled to encash the accumulated leave at the end of his tenure/retirement.

**i) Use of Car with driver:**

The Company shall provide fully maintained car with driver.

**i) Telephone, facsimile and other communication facilities:**

The Company shall provide free telephone, facsimile and other communication facilities at his residence.

For the purpose of the perquisites, family shall mean spouse, dependent children and dependent parents of the appointee.

**4. Minimum Remuneration:**

In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the Executive Director shall be paid remuneration by way of salary, perquisites, allowance and other benefits as the Board of Directors may deem fit subject to the limits prescribed in Schedule XIII of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof) as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors (which express shall mean and include Committee thereof) be and are hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution."

By Order of the Board  
(William Fernandes)  
Company Secretary

Place: Mumbai

Date : 27<sup>th</sup> July, 2012.

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself/ herself. The proxy need not be a member of the Company.
2. Proxy Forms, in order to be effective, should be duly completed, stamped and signed and must be lodged with the Company at its Registered Office not less than forty-eight hours before the commencement of the meeting. A blank proxy form is enclosed herewith.
3. The Explanatory Statement, as required by section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 14<sup>th</sup> August, 2012 to Thursday, 16<sup>th</sup> August, 2012 (both days inclusive) for the purpose of payment of Dividend for the year ended 31<sup>st</sup> March, 2012.
5. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, NECS mandates, nomination, power of attorney, change of address, etc., to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.  
Members holding shares in physical form are requested to intimate all changes with respect to their bank details, change of address, etc. to the Company at its Corporate office/ Registered Office or its Share Transfer Agent.
6. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed and unpaid for a period of seven years from the date of declaration, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company has transferred the unclaimed and unpaid amount pertaining to the dividend for the financial year 2003-04 amounting to Rs.3,26,088/- to the IEPF. Members who have not encashed their dividend warrants for the financial year 2004-05 and onwards are requested to make their claims to the Company immediately. Members may please note that no claim shall lie either against the Fund or the Company in respect of dividends which remain unclaimed and unpaid for a period of seven years from the date of declaration and no payment shall be made in respect of such claims.



Information in respect of such unclaimed and unpaid dividends when due for transfer to the said Fund is given below:

Financial year ended	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31/03/2005	16/07/2005	20/07/2012	19/08/2012
31/03/2006	31/10/2005-interim	21/11/2012	20/12/2012
31/03/2006	16/09/2006- final	19/09/2013	18/10/2013
31/03/2007	11/08/2007	16/08/2014	15/09/2014
31/03/2008	23/8/2008	28/08/2015	27/09/2015
31/03/2009	12/09/2009	17/09/2016	16/10/2016
31/03/2010	14/04/2010-interim	19/04/2017	18/05/2017
31/03/2011	06/08/2011	11/08/2018	10/09/2018

- 7 Corporate members intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
8. The members are requested to:
  - (i) Quote Registered Folio/Client ID & DP ID in all their correspondence;
  - (ii) Bring their copy of the Annual Report and Attendance Slip duly signed;
  - (iii) Send queries related to accounts to the Company at least 15 days before the date of the meeting.
9. **The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating the service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, 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 the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email address by sending their details to the Registrar and Share Transfer Agents, M/s. TSR Darashaw Ltd.**
10. Appointment / Re-appointment of Directors:  
 At the ensuing Annual General Meeting, Shri. Shailesh S. Vaidya, Shri. Brijmohan L. Sarda, Shri Pramod S. Jalan and Prof.(Dr.) Mangesh D. Teli, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment. The term of office of Shri. Ashok M. Jalan, Senior President cum Director, expired on 29<sup>th</sup> January, 2012, special resolution at item no. 8 for his re-appointment for further 5(five) years w.e.f. 30<sup>th</sup> January, 2012, is proposed for the approval of the Members. Shri. Gaurav P. Poddar, Additional Director seeks appointment as Director and as an Executive Director for a period of 5(five) years w.e.f. 1<sup>st</sup> August, 2012. Resolution at item no. 13 for his appointment as Director and at item no. 14 for his appointment as an Executive Director on the terms, conditions and remuneration mentioned therein, are proposed for the approval of the members. The information pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is given as Annexure to this Notice.

#### ANNEXURE TO THE NOTICE

#### Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

##### Item No. 8.

The Board of Directors on 28<sup>th</sup> January, 2012 as considered and recommended by the Remuneration Committee, approved the re-appointment of Shri. Ashok M. Jalan, as Senior President cum Director for a further period of 5(five) years w.e.f. 30<sup>th</sup> January, 2012 on the terms, conditions and remuneration as mentioned in the resolution, subject to approval of the members and other permissions, sanctions and approvals, as may be applicable, if any.

A brief resume of Shri Ashok M. Jalan as required under clause 49 of the Listing Agreement is given in annexure hereto.

An Abstract under Section 302 of the Companies Act, 1956 setting out the terms, conditions and remuneration of re-appointment of Shri. Ashok M. Jalan as Senior President cum Director was sent to the members on or before 14<sup>th</sup> Feb., 2012. A copy of the appointment letter containing the terms, conditions and remuneration of re-appointment of Shri Ashok M. Jalan, Senior President cum Director would be available for inspection by the members at the registered office of the Company during business hours on any working day excluding Saturday, up to and including the day of this meeting.

##### Memorandum of Interest:

None of the Directors except Shri Ashok M. Jalan are concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

##### Item No. 9.

The members at the 33<sup>rd</sup> AGM held on 6<sup>th</sup> Aug., 2011 had approved the remuneration, terms and conditions of re-appointment of Shri Pawan D. Poddar, Joint Managing Director for a further period of 5 years from 1<sup>st</sup> August, 2011 to 31<sup>st</sup> July, 2016.

Keeping in view the growth and profitability of the Company as well as profile of Shri Pawan D. Poddar, the Remuneration Committee and Board of Directors of the Company at their respective meeting held on 18<sup>th</sup> May, 2012, approved payment of increased remuneration to him w.e.f. 1<sup>st</sup> April, 2012 till the end of his tenure, as mentioned in the resolution at item no. 9, subject to approval of members of the Company and other approvals, permissions and sanctions as may be required:

An Abstract under Section 302 of the Companies Act, 1956 setting out the revised remuneration of Shri. Pawan D. Poddar, Joint Managing Director was sent to the members on or before 8<sup>th</sup> June, 2012.

##### Memorandum of Interest:

Shri Ramesh D. Poddar, Chairman and Managing Director and Shri. Shrikishan D. Poddar, Executive Director being related to Shri. Pawan D. Poddar and Shri. Pawan D. Poddar himself are concerned or interested in the resolution.

None of the Directors other than the above are concerned or interested in the Resolution at item nos. 9 of the Notice.

Your Directors recommend the resolution for your approval.

##### Item Nos. 10, 11 & 12.

The Board of Directors at their meeting held on 18<sup>th</sup> May, 2012 had appointed Smt. Megha A. Poddar, Smt Smriti G. Poddar and Smt. Sangeeta P. Poddar, relative of Shri Ramesh D. Poddar, Chairman and Managing Director, Shri Pawan D. Poddar, Joint Managing Director and Shri Shrikishan D. Poddar, Executive Director, to hold office or place of profit



as an Executive of the Company w.e.f. 1<sup>st</sup> June, 2012, subject to approval of the members on the remuneration, perquisites, terms and conditions as mentioned in the resolution no. 10, 11 & 12 respectively.

Smt. Megha A. Poddar, Smt. Smriti G. Poddar and Smt. Sangeeta P. Poddar, being a relative of a Director, their appointment requires approval of the members pursuant to the provisions of Section 314 of the Companies Act, 1956. Accordingly special resolutions at item no 10, 11 & 12 are placed for approval of the members.

None of the Directors except Shri Ramesh D. Poddar, Chairman and Managing Director, Shri Pawan D. Poddar, Joint Managing Director and Shri Shrikishan D. Poddar, Executive Director are concerned or interested in this resolution.

Your Directors recommend these resolutions for your approval.

**Item No. 13 & 14.**

Shri. Gaurav P. Poddar was appointed by the Board of Directors at its meeting held on 27<sup>th</sup> July, 2012 as an Additional Director of the Company. with effect from 1<sup>st</sup> August, 2012. In terms of section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company, Shri. Gaurav P. Poddar, holds office up to the date of ensuing Annual General Meeting. The Company has received Notice from a member along with deposit of Rs.500/- signifying his intention to propose Shri. Gaurav P. Poddar as a Director of the Company. Accordingly, the resolution at item no. 13 of the notice is being proposed for his appointment as Director of the Company.

Shri. Gaurav P. Poddar is not disqualified from being appointed as Director in terms with section 274(1) (g) of the Companies Act, 1956. The Company has received requisite Form DD-A from Shri. Gaurav P. Poddar, in terms of Companies

(Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for appointment.

The Board of Directors, subject to the approval of the members at the ensuing Annual General Meeting and subject to other approvals, consents and permissions, has also appointed Shri. Gaurav P. Poddar as Executive Director of the Company for a period of 5(five) years commencing from 1<sup>st</sup> August, 2012 on the terms, conditions and remuneration as mentioned in the resolution at item no. 14.

Information about the appointee as required under clause 49 of the Listing Agreement is given in Annexure hereto.

The above may also be treated as an abstract of the terms and conditions of appointment pursuant to section 302 of the Companies Act, 1956.

Shri. Ramesh D. Poddar, Chairman and Managing Director, Shri. Pawan D. Poddar, Joint Managing Director and Shri. Shrikishan D. Poddar, Executive Director being related to Shri. Gaurav P. Poddar and Shri Gaurav P. Poddar himself are deemed to be interested or concerned in the resolutions at items nos 13 & 14.

None of the Directors other than the above are in any way concerned or interested in the resolutions

Your Directors recommend the resolutions at item nos 13 & 14 for approval of the members.

By Order of the Board  
(William Fernandes)  
Company Secretary

Place: Mumbai  
Date : 27<sup>th</sup> July, 2012.

**Annexure to Items 3, 4, 5, 6, 8, 13 and 14 of the Notice**

Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting (In pursuance of clause 49 of the Listing Agreement)

Name of the Director and number of shares held in the Company	Date of Birth	Date of Appointment on the Board	Qualifications	Expertise in specific functional area	List of others Companies (excluding Private Companies) in which directorships held as on 31 <sup>st</sup> March, 2012.
Shri Shailesh S. Vaidya Nil	03/11/1957	31/10/2005	B.Com, LLB	Legal	1. Dwarkesh Sugar Industries Ltd. 2. Prabhukripa Overseas Ltd. 3. Suashish Diamonds Ltd. 4. C. Mahendra Exports Ltd. 5. Welspun Investments & Commercials Ltd 6. Welspun Steel Ltd. 7. Allied Digital Services Ltd. 8. Orbit Corporation Ltd. 9. Avighna India Ltd. 10. Gold Crest Finance (India) Ltd. 11. Welspun Projects Ltd. 12. Apcotex Industries Ltd.
Shri. Brijmohan L. Sarda Nil	09/04/1949	23/06/2001	B.Com, FCA	Accounts, Finance and Taxation	N.A.
Shri. Pramod S. Jalan Nil	15/02/1954	30/01/2009	B.Com, FCA	Accounts and Finance	M/s. Basant Securities Ltd.
Pro.(Dr.) Mangesh D. Teli Nil	10/07/1952	08/06/2004	B.Sc.(H), B.Sc.(Tech) Ph. D. (Tech), FTA	Textile Chemical Processing	N.A.
Shri. Ashok M. Jalan 50 Equity Shares	02/10/1959	30/01/2007	B.Com	Administration, Commercial & Operation	N.A.
Shri. Gaurav P. Poddar 178500 Equity Shares	04/02/1985	01/08/2012	B. Sc., MBA	Sales and Marketing.	Beetee Textile Industries Ltd.

## DIRECTORS' REPORT:

To the Members,

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report along with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012.

Financial Results:	₹ in Lacs	
	2011-12	2010-11
Net Turnover and other Income	<b>92655</b>	86844
Profit before Depreciation & Tax	<b>10352</b>	10377
Less: Depreciation	<b>2231</b>	2093
Profit before Tax	<b>8121</b>	8284
Less: Provision for Taxation		
Current Tax	<b>2550</b>	2660
Deferred Tax	<b>(102)</b>	(129)
	<b>2448</b>	2531
Profit after Tax	<b>5673</b>	5753
Add/(Less): Adjustments relating to earlier year	<b>(132)</b>	11
	<b>5541</b>	5764
Add: Surplus brought forward from previous year	<b>5186</b>	1185
Surplus available for appropriation	<b>10727</b>	6949
Less: Transfer to General Reserve	<b>1000</b>	1000
Proposed Dividend	<b>703</b>	656
Tax on Dividend	<b>114</b>	107
	<b>1817</b>	1763
Balance Carried Forward to Balance Sheet	<b>8910</b>	5186

### Operations:

During the year under review, the total Income of your Company was ₹92655 Lacs against ₹86844 Lacs in the previous year, registering a growth of 6.69 %. The net profit after tax was ₹5541 Lacs against ₹5764 Lacs in the previous year.

Your Company has been able to register growth in its turnover against a back drop of falling demand and difficult market conditions. Rising cost of raw material and interest rates put pressure on the profitability.

### Expansion:

Your Company's expansion project is progressing as envisaged. During the year your Company has installed 23 looms along with preparatory machines. The total expenditure incurred was ₹5208 Lacs which was financed by way of Term Loan under the TUF Scheme and internal accruals.

### Dividend:

Your Directors are pleased to recommend a Dividend of ₹7.50 per Equity Share (75%) for the year 2011-12, with a total payout of ₹816.93 Lacs including Tax on Dividend.

### Management Discussion and Analysis:

#### Current Year Review

During the year under review, weak growth in several big emerging economies, volatility in raw material prices, continuing inflation and credit crisis within the domestic market collectively played havoc with the Indian Textile Industry. On one hand rising inflation and rising cost of living resulted in lowered demand while on the

other hand to check rising inflation regularly authorities tightened liquidity which increased interest cost this coupled with increase in other operating cost reduced margins. In spite of this your Company was able to achieve marginal growth, however there was a pressure on the profitability.

### Future Outlook

On the Global Economic front, the Factors that contributed to the gloom during the year under review does not seem to have withered away thus casting uncertainty for the year ahead. On the Domestic front, as inflation is unlikely to moderate substantially, expected upward revision of price of fuel items, electricity and coal is on the anvil and high interest rates are collectively expected to create a difficult business atmosphere. As for the Indian Textile Industry, with the expectation of good monsoon, stabilization of prices of raw material at acceptable levels, improvement in micro economic factors, growing middle class and young population and continued urbanization, gives us a glimpse of hope for a moderate growth in 2012-13.

Your Company being a major domestic player, with its well-established brands, resilient distribution network, dynamic marketing strategies and introduction of quality products, your Company expects to continue its good performance in the ensuing year.

### Forward Looking Statements

*Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.*

### Internal Control System:

Your Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conducts Audit of various departments to ensure that internal controls are in place and submits monthly and yearly Reports to the Audit Committee. The Audit Committee regularly reviews these Reports and the Company when needed takes corrective actions.

### Human Resources:

Your Company treats its human resources as its important asset and believes in its contribution to the all round growth of your Company. Your Company takes steps, from time to time, to upgrade and enhance the quality of this assets and strives to maintain it in agile and responsive form. Your Company is an equal opportunity employer and follows fair employment practices and policies. Your Company is confident that its Human Capital will effectively contribute to the long term value enhancement of the organization.

### Subsidiary Companies:

The Company has no subsidiaries.