

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

MINUTE BOOK

Proceedings of the Seventh Annual General Meeting of the Shareholders of Sutlej Textiles and Industries Limited held at the Registered Office of the Company at Pachpahar Road, Bhawanimandi on Saturday, the 11th August, 2012 at 3.00 P.M.

DIRECTOR PRESENT

Shri Chaturbhuj Singhania– Wholetime Director and Chief Financial Officer of the Company.

IN ATTENDANCE

Shri D. R. Prabhu - Company Secretary

AUTHORISED REPRESENTATIVE OF BODIES CORPORATE

1.	Shri S. S. Maheshwari (As Authorised Representative of Ronson Traders Ltd. u/s.187 of the Companies Act)
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PRESENT

(a) MEMBERS IN PERSON

1.	Shri R.S. Jajoo
2.	Shri S.M. Gupta
3.	Shri Dilip Jain
4.	Shri Harivadan Bhai
5.	Shri Falguni H. Patel
6.	Shri Gopal Porwal
7.	Shri Manoj Jain
8.	Shri Rajesh Kumar Pamecha
9.	Shri J.C. Porwal
10.	Smt. Sunita Jajoo
11.	Smt. Chandra Kanta
12.	Smt. Sunita Jain
13.	Smt. Ganga Gupta
14.	Shri Y.S. Gang
15.	Shri Kamlesh Vyas
16.	Smt. Priti Jain
17.	Smt. Savita Jain
18.	Smt. Munni Mittal
19.	Shri A. Salim
20.	Smt. Niti Sagwaria
21.	Smt. Suman Shukla
22.	Shri Anand Gupta
23.	Shri Akshay Kumar
24.	Shri K.C. Hurkat
25.	Shri J.C. Sharma
26.	Shri R.C. Dholkia
27.	Shri R.L. Gupta
28.	Shri Lalit Kumar Golecha
29.	Shri Akshaya Jain
30.	Shri Sanjay Kumar Jain
31.	Shri M.P. Jain
32.	Smt. Usha Jain
33.	Smt. Priti Jain
34.	Smt. Anuradha Soni
35.	Shri Chetan Soni
36.	Shri Ravi Baldua

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37.	Smt. Krishna Devi
38.	Shri A.K. Jain
39.	Shri Asha Sharma
40.	Shri Shyam Sunder Khandelwal
41.	Shri N.K. Lakhotia
42.	Shri Pankaj Jain
43.	Shri Pradeep Porwal
44.	Shri Pankaj Singh
45.	Shri Vinod Rathore
46.	Shri M. Ramanan
47.	Shri Mukesh Rathore
48.	Shri Vinod Kumar Gupta
49.	Shri Prem Chand Acholia
50.	Shri Harish Bhavsar
51.	Shri Harish Gupta
52.	Shri Rajesh Khandelwal
53.	Shri Rajendra Mandora
54.	Shri C.S. Vyas
55.	Shri Ritesh Garg
56.	Shri Arun Gaur
57.	Shri K.C. Purohit
58.	Shri Mahesh Sharma
59.	Shri Rambabu Gupta,
60.	Shri Sanjay Porwal
61.	Shri N.C. Pareek
62.	Shri Anil Gupta
63.	Shri Dilip Gupta
64.	Shri Hasmukh Bhai Patel
65.	Shri L.B. Shah
66.	Shri Shailendra Gupta
67.	Shri Satya Prakash Mittal.
68.	Shri Nitin Mangal
69.	Shri Kapil Bharadia
70.	Smt. Sangeeta Gupta
71.	Smt. Antima Mundra
72.	Shri H.G. Maheshwari
73.	Shri K.G. Jethlia
74.	Shri M.L. Bharadia
75.	Smt. Annapurna Baheti
76.	Smt. Abha Jain
77.	Smt. Garima Jain
78.	Smt. Sidhu Sharma
79.	Smt. Pushpa Mantri
80.	Shri Abhisar Jain
81.	Shri S.R. Nawal
82.	Shri O.P. Khandelwal
83.	Shri Shyam Bihari Sharma
84.	Shri Sarvesh Maheshwari
85.	Shri P.D. Khandelwal
86.	Shri O.P. Soni
87.	Smt. Jaya Chaudhary

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MEMBERS THROUGH PROXIES**I) Shri Chaturbhuj Singhania as proxy for:**

1.	Hargaon Investment & Trading Co.Ltd.
2.	New India Retailing & Investment Ltd.
3.	Uttam Commercial Ltd.
4.	Sidh Enterprises
5.	Yashovardhan Investment & Trading Co.Ltd.
6.	Uttar Pradesh Trading Co.Ltd.
7.	Sonali Commercial Ltd.

II) Shri Shiv Shanker Maheshwari as proxy for:

1.	Champaran Marketing Co. Ltd.
2.	SCM Investments & Trading Co.Ltd.
3.	OSM Investment & Trading Co.Ltd.
4.	Navjeevan Medical Institute
5.	Ronson Traders Ltd.
6.	RTM Investment & Trading Co.Ltd.
7.	SIL Investment & Trading Co.Ltd.

**III) Shri Mahendra Gangwal as Proxy for:
Smt. Sheetal Gangwal****IV) Shri Kaushal Paliwal as Proxy for:
Shri Prem Narayan Paliwal****V) Shri Braj Mohan Joshi as Proxy for:
Shri Piyush Jain****VI) Shri Nitesh Mantri as Proxy for:
Shri Balkishan Mantri****VII) Shri Dinesh Saini as Proxy for:
Shri Kailash Mantri****VIII) Shri Rakesh Suman as Proxy for:
Smt. Madhu Lata****IX) Shri Jai Kumar as Proxy for:
Shri Nirmal Kumar Sethia****X) Shri Pankaj Toshniwal as Proxy for:
Shri Rajendra Goyal****XI) Shri Harsh Goyal as Proxy for:
Smt. Alka Goyal****XII) Smt. Pushpa Devi Goyal as Proxy for:
Shri Kailash Chand Goyal****XIII) Shri Vipin Shrotiya as Proxy for:
Smt. Veena Shotriya, Banswara****XIV) Shri Naveen Sethia as Proxy for:
Shri Nilesh Shotriya, Banswara****XV) Shri Vijay Jangid as Proxy for:
Smt. Rajani Shotriya**

- XVI) Shri R.S. Partani as Proxy for:
Shri Santosh Partani
- XVII) Shri Ashish as Proxy for:
Shri Abhansh Jain
- XVIII) Shri Jagdish as Proxy for:
Smt. Kamla Devi Jain
- XIX) Shri Anil Jain as Proxy for:
Shri Vipin Jain
- XX) Shri Chandrabhan as Proxy for:
Shri Shanti Mal Jain
- XXI) Shri Paras Kumar Jain as Proxy for:
Smt. Kiran Bala Jain
- XXII) Shri Rahul Porwal as Proxy for:
Smt. Leela Devi Porwal
- XXIII) Shri Manohar Lal Madhu as Proxy for:
Smt. Neela Madhu
- XXIV) Shri R.S. Kacholia as Proxy for:
Shri Dinesh Kacholia, Mumbai
- XXV) Shri R.C. Giri as Proxy for:
Shri M.M. Khandelwal, Mumbai
- XXVI) Shri Deepak Jain as Proxy for:
Shri Dinesh Kumar Jain
- XXVII) Shri Sasi OR as Proxy for:
Shri Ravi Gupta
- XXVIII) Shri Om Jain as Proxy for:
Smt. Lada Bai Harsola
- XXIX) Shri Sagar Solanki as Proxy for:
Shri Naveen Kumar Harsola

1. CHAIRMAN OF THE MEETING

Since Shri C. S. Nopany, Chairman of the Board of Directors could not attend the meeting, having regard to the provisions of Article 97 of the Articles of Association of the Company, **Shri R.S.Jajoo, a member, proposed that Shri Chaturbhuj Singhania, Wholetime Director & Chief Financial Officer of the Company & a Member of the Audit Committee of Board of Directors, may Chair the Meeting. Shri K.G.Jethlia, a member, seconded the proposal. The proposal when put to vote was carried unanimously/passed without dissent.**

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Thereafter **Shri Chaturbhuj Singhania, Wholetime Director & Chief Financial Officer & a Member of the Audit Committee**, took the chair and conducted the proceedings of the meeting.

2. DEMISE

a) The Secretary of the Company informed the Members present about the sad demise of Shri S.M.Agarwal, a Director of the Company and Chairman of the Audit Committee on 3rd August, 2012. The Meeting observed one minute silence as a mark of respect to the departed soul and instructed that a condolence resolution be sent to the near relatives of Late Shri S.M.Agarwal.

b) The Secretary of the Company informed the Members present about the sad demise of Shri J.S.Varshneya, a Director of the Company and Chairman of the Audit Committee on 18th November, 2011. The Meeting observed one minute silence as a mark of respect to the departed soul and instructed that a condolence resolution be sent to the near relatives of Late Shri J.S.Varshneya.

Chairman for the meeting Shri Chaturbhuj Singhania explained to the Members that they were welcome to ask any queries on matters/concerns of their interest and that he was well equipped to answer all such queries as required under the Act.

c) PROCEEDINGS OF THE MEETING

Shri Chaturbhuj Singhania, Chairman of the Meeting, declared that the requisite quorum for the meeting was present and called the meeting to order. He further stated that the Register of Directors' Shareholding maintained by the Company under Section 307 of the Companies Act, 1956 was open and accessible/ available for inspection during the continuance of the meeting, to any person, entitled to attend the meeting.

In his address to the Members, the Chairman welcomed the members to the 7th Annual General Meeting of the Company and stated as follows:

"The Directors' Report alongwith other related papers for the year ended 31st March, 2012 are with you. I seek your permission to take them as read.

The Company emerged as an integrated player in the textiles industry with a value chain extending from yarn to fabrics to garments to home textiles, enabling it to make its presence in every segment. The Company witnessed attractive growth in production, turnover and exports and with continuous revenue increase from value-added products; Your Company is now well poised for a bright future.

Post 2009 recession, the developed nations witnessed marginal revival of demands as a result of stimulus measures being implemented by governments of these nations. The industry has witnessed a shift of manufacturing activities from developed to developing nations, especially China and India, to meet their demands for apparel and textiles. During 2010, the industry was valued around USD 612 billion.

The global per capita fibre consumption is expected to grow steadily to 11-12 kg per capita by 2025, which means additional fibre consumption of about 20 million tonnes would be required. It is expected that the global textiles and apparels trade would grow at a CAGR of 6.3% over the next decade to reach USD 1 trillion by 2020. India's economy witnessed a slowdown in 2011-12, largely owing to global factors combined with domestic challenges like tightening of the monetary policy, high inflation, weakening industrial growth and investments. India's industrial production witnessed a 2.8% growth during the year. Exports continued to be robust, registering a growth rate of 23.5 %, while imports witnessed 29.4% growth. The trade deficit ballooned to US\$ 185.8 billion during the year 2011-12 owing to an increase in international prices of imported commodities - oil and gold and silver, exerting pressure on exchange rate and Indian rupee. This led to widening of current account deficit and lowering net accretion to reserves.

According to a UN report, the Indian economy is expected to gain back its momentum and is projected to see a faster growth of 7.5% in the coming years on the back of higher saving and investment rates, even as most of the Asia-Pacific economies are likely to expand at a slow pace.

OPERATIONS

The Company recorded Sales of Rs. 1542 Crore in the Financial year 2011-2012. Owing to challenging external scenario, the Company could not maintain the growth levels reported in the previous year. But, the Company is quite optimistic about its future performance owing to its strong fundamentals and strategies adopted.

FUTURE OUTLOOK

The long term prospects of the industry seem optimistic due to increasing manufacturing preference in developing nations. Apart from this, factors like strong domestic demand, rising population, increasing income levels, rapid urbanisation, better demographics, augmented organised players and penetration of retailers into untapped cities will aid to the growth of the industry. As a result, the industry is expected to reach USD 134 billion in 2015 and USD 220 billion by 2020. On the export front, demand is expected to be fairly robust in long term. With new economies and markets - China, India, Russia, UAE, South Africa etc. - emerging as hubs of consumption, the Indian textiles and clothing exports has the potential to reach USD 45 billion by 2015 and USD 80 billion by 2020.



An additional investment of USD 62 billion is required across the value chain by 2020 in order to meet the expected growth in the textiles and apparels industry.

Increased investments in the Indian textiles and apparels sector will lead to capacity expansions and increase in industrial production. Modernising the sector with the latest technologies will help the sector grow significantly.

APPRECIATION

On behalf of the Board of Directors and on my behalf, I would like to express sincere appreciation of the dedicated services rendered by the officers, staff and workers and their contribution towards the successful performance of the Company during the year. I would also like to express my sincere appreciation for the continued co-operation and support extended by our bankers and confidence reposed by the shareholders and other stakeholders in the Company. Thank You!"

NOTICE

With the unanimous consent of Shareholders present, the Notice dated 16th May, 2012 convening the Seventh Annual General Meeting; the Balance Sheet, Profit and Loss Account and Directors' Report were taken as read. Shri D. R. Prabhu, Company Secretary, read the Auditors' Report.

The Chairman invited comments, queries and clarifications if any, desired by the Members present, on the Annual Report of the Company for the year ended 31st March, 2012.

The queries raised by the members relating to the accounts and reports of the Directors and Auditors were clarified by the Chairman, to the satisfaction of the Members.

The Chairman then moved the following resolutions, as per the Notice dated 16/05/2012 concerning the Meeting:

3.1 ORDINARY BUSINESS

3.1.1 Passed As Ordinary Resolutions:

1. Adoption of Annual Accounts, Auditors' Report & Directors' Report

The following Ordinary Resolution was proposed by Shri O.P.Khandelwal and seconded by Shri K.C.Purohit:

"RESOLVED THAT the Directors' Report, Auditors' Report, the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date alongwith schedules and annexures thereto be and are hereby approved and adopted"

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When put to vote, the resolution was carried unanimously/ without any dissenting vote.

2. Declaration of Dividend

The following Ordinary Resolution was proposed by Shri Gopal Porwal and seconded by Shri Y.S.Gang:

"RESOLVED that Dividend @ Rs.5.00 on 10921908 ordinary shares of Rs.10/- each for the year ended 31st March, 2012 as recommended by the Board of Directors be and is hereby approved and the same shall be distributed to those shareholders, whose names appeared on the Company's Register of Members at the close of working hours of the Company on Monday, the 4th June, 2012 or to their order or to their Bankers and also to the beneficial owners of Ordinary Shares held in electronic form as per the details furnished by the Depositories for the purpose".

When put to vote, the resolution was carried unanimously / without any dissenting vote.

3. Reappointment of Shri U.K.Khaitan as a Director

The following Ordinary Resolution was proposed by Shri A.K.Jain and seconded by Shri Anand Gupta:

"RESOLVED that Shri U.K.Khaitan, who retires by rotation at this Annual General Meeting and has offered himself for re-appointment be and is hereby reappointed as a Director of the Company liable to retire by rotation".

When put to vote, the resolution was carried unanimously / without any dissenting vote.

4. Reappointment of Shri Amit Dalal

The following Ordinary Resolution was proposed by Shri J.C.Sharma and seconded by Shri L.B.Shah:

"RESOLVED that Shri Amit Dalal, who retires by rotation at this Annual General Meeting and has offered himself for reappointment be and is hereby reappointed as a Director of the Company liable to retire by rotation".

When put to vote, the resolution was carried unanimously/ without any dissenting vote.

5. Appointment of Auditors and fixation of their remuneration

The following Ordinary Resolution was proposed by Shri Kapil Bharadia and seconded by Shri H.G.Maheshwari:

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5. Appointment of Auditors and fixation of their remuneration

The following Ordinary Resolution was proposed by Shri Kapil Bharadia and seconded by Shri H.G.Maheshwari:

"RESOLVED that M/s. Singhi & Co., Chartered Accountants, New Delhi (Registration No.302049E) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and the Board of Directors of the Company be and is hereby authorised to fix their remuneration".

When put to vote, the resolution was carried unanimously/ without any dissenting vote.

6. Appointment of Branch Auditors and fixation of their remuneration

The following Ordinary Resolution was proposed by Shri M.L.Bharadia and seconded by Shri O.P.Soni:

"RESOLVED that M/s.S.R.Batliboi & Company, Chartered Accountants, New Delhi (Registration No.301003E) be and are hereby appointed as Branch Auditors from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting for auditing the accounts of Chenab Textile Mills, Kathua (J&K) and the Board of Directors of the Company be and is hereby authorised to fix their remuneration".

When put to vote, the resolution was carried unanimously/ without any dissenting vote.

3.2. SPECIAL BUSINESS

3.2.1 Passed As Ordinary Resolution:

7. Appointment of Dr Mahmoodur Rahman as a Director

The following Ordinary Resolution was proposed by Shri N.K.Lakhotia and seconded by Shri Pradeep Porwal:

"RESOLVED THAT Dr. Mahmoodur Rahman, who was appointed as Additional Director at the Meeting of Board of Directors held on 24th January, 2012 and who holds office under Section 260 of the Companies Act, 1956 (the Act) upto the date of this Annual General Meeting and in respect of whom the Company has received notices in writing from members under Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

When put to vote, the resolution was carried unanimously/ without any dissenting vote.

8. Reappointment of Shri Chaturbhuj Singhania as a Wholetime Director

The following Ordinary Resolution was proposed by Shri S.R.Nawal and seconded by Shri P.D.Khandelwal:

"RESOLVED that pursuant to the provisions of Section 269, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Shareholders of the Company hereby approve the re-appointment of Shri Chaturbhuj Singhania as a Wholetime Director of the Company for a further period of one year with effect from 21st July, 2012 at the remuneration and on the terms and conditions as are set out in the Explanatory Statement of this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby vested with Appropriate authority to determine the remuneration payable to Shri Chaturbhuj Singhania in accordance with the provisions of the Companies Act, 1956 or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT if in any financial year the Company has no profits or Its profits are inadequate, the Company may pay remuneration to the Wholetime Director by way of salary, perquisites and any other allowance not exceeding the ceiling in any financial year based upon the effective capital of the Company as set out in Section II of Part II of Schedule XIII".

When put to vote, the resolution was carried unanimously/ without any dissenting vote.

There being no other business to transact, the meeting ended with a vote of thanks to the Chair.

(Chaturbhuj Singhania)
Chairman for the Meeting

Dated: 16th August, 2012

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