

**SOMA TEXTILES & INDUSTRIES LIMITED**

Regd. Office: 2, Red Cross Place, Kolkata – 700 001,  
Tel. No. : 91 33 2248 7406/7, E-mail: [investors@somatextiles.com](mailto:investors@somatextiles.com),  
Website: [www.somatextiles.com](http://www.somatextiles.com), CIN: L51909WB1940PLC010070

Format of Letter of Appointment

**STRICTLY PRIVATE AND CONFIDENTIAL**

**LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS**  
(With Terms and Conditions applicable to Appointment of all Independent Directors)

Date: \_\_\_\_\_

Name: \_\_\_\_\_

DIN: \_\_\_\_\_

Add: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dear Sir,

**Sub: Appointment of Independent Director on the Board  
of Directors of Soma Textiles & Industries Limited**

We thank you for your confirmation to Soma Textiles & Industries Limited ("the Company") that you meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("2013 Act") and Clause 49 of the Listing Agreement [as amended vide Circular issued by Securities and Exchange Board of India (SEBI) Ref. No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and further amended vide Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014] and also for your consenting to hold office as a Director of the Company.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) Applicable laws, including Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("AOA"). Accordingly, the letter of Appointment sets out the terms and conditions covering your appointment which are as follows:-

**1. Appointment Terms**

Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to approval of the shareholders and as per the provisions of the Companies Act, 2013 read with clause 49 of the Listing Agreement (including any subsequent amendment thereof).

If appointment is by Board of Directors as Additional Director, then continuance of directorship beyond the next Annual General Meeting is subject to appointment by the Members of the Company in the said Annual General Meeting.

Your appointment as Non-Executive Independent Director is for a term of five(5) years on the Board of Directors of the Company with effect from the date of Appointment, subject to approval of the Shareholders at the General Meeting, unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("Term"). During the aforesaid period, you shall not be liable to retire by rotation.

Your appointment shall be subject to the maximum permissible Directorship that one can hold as per the provisions of the Act and the Listing Agreement entered into with the Stock Exchanges. You shall ensure to immediately inform the Board of Directors in case any situation arises as to which you may lose your independence.

The Company may disengage your office as Independent Director pursuant to compliance of the relevant provisions of the Act and Listing Agreement or any other applicable laws.

Your appointment as such is not as an employee of the Company and hence this letter shall not be constructed as an employment contract.

## **2. Appointment on the Committees of the Board**

While being the Director on the Board, you may be invited/ nominated for appointment on various Committees of the Board of Directors as may be set up from time to time. Your appointment on such Committee(s) will be subject to the applicable laws and regulations. As per the Board's current assessment, you will be a Chairman/ Member of the following Committees:

(i)	Audit Committee	-	Chairman/ Member
(ii)	Nomination and Remuneration Committee	-	Chairman / Member
(iii)	Stakeholders' Relationship Committee	-	Chairman / Member
(iv)	Share Transfer Committee	-	Chairman / Member

The Board may reconstitute the composition of any / all Committees, from time to time, and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

## **3. Expectations of the Board**

As an Independent Director you are expected to bring objectivity and independent view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four to five times in a year, however you may be expected to attend additional meetings, if circumstances require such as committee meetings like Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Share Transfer Committee. You will also be required to

attend the Annual General Meeting, to serve on any Committees to whom you may be appointed and to meet occasionally with major Shareholders, Management, Staff and Professional advisers and to devote such time to your duties, as appropriate for you to discharge your duties effectively. None of these duties will entitle you to any additional remuneration.

#### 4. Role, Duties and Responsibilities

An Independent Director has the same legal responsibilities as any other Director and the Board together has collective responsibility for the success of the Company. The Companies Act, 2013 has however introduced additional duties and responsibilities for independent Directors of a Company including "Code of Independent Directors" provided in Schedule IV of the Companies Act, 2013, which will have to be adhered to.

A. As a member of the Board, you along with the other Directors will be collectively responsible for the fiduciary duties which include:

- Ø To act in accordance with the Company's Articles of Association.
- Ø To act in good faith in order to promote the objects of the Company for the benefit of its Members as a Whole, and in the best interest of the Company, its Employees, the Shareholders, the Community and for the protection of the environment;
- Ø To exercise duties with due and reasonable care, skill and diligence and to exercise independent Judgment;
- Ø Not to involve in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- Ø Not to achieve or attempt to achieve any undue gain or advantage either to yourself or your relatives or partners or associates;
- Ø Not to assign your office;
- Ø "Responsibilities of the Board" as outlined in the Companies Act, 2013 and the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement;
- Ø Accountability under the Director's Responsibility Statement;
- Ø Overseeing the maintenance of high standards of Company's values and ethical conduct of business;
- Ø Overseeing the Company's contribution to enhancing the quality of life of communities;

B. Your role as an Independent Director shall include, inter-alia, to bring objectivity and provide a balance to the functioning of the Board by providing independent judgment on various issues, raised in the Board Meetings.

C. You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Companies Act, 2013 and duties of directors as provided in the said Act (including Section 166) and in Clause 49 of the Listing Agreement. For your ready reference, the relevant provisions have been extracted and attached to this letter as "**Annexure-A**"

D. Some of the functions are as under:

- To formulate and review the Company's business strategy;
- To monitor Company's performance;
- To review and approve Company's Financial Statements;

- To advise and counsel on Risk Management;
- To suggest and to ensure high level of Corporate Governance by the Company;
- To ensure compliance with regulatory requirements.

## **5. Liabilities**

Your liability as an independent Director will be governed by the provisions of Companies Act, 2013, Listing Agreement and other applicable rules and regulations. You, as an Independent Director shall be held liable in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes and with your consent or connivance or where you had not acted diligently.

## **6. Remuneration**

Fees/Commission:

Unless decided otherwise, Independent Director will be paid a sitting fee per meeting of the Board and committee thereof attended as a Member for services as a Non-Executive Independent Director as decided by Board of Directors from time to time.

Further, you will also be paid remuneration by way of commission as a percentage of net profits (in case of profit, if any) as may be approved by the Board and the Shareholders from time to time within the limits as provided in Section 197 of the Companies Act, 2013.

Reimbursement of Expenses:

In addition to the remuneration described, hereinabove, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties. This could include reimbursement of expenditure incurred by you for attending Board/ Committee Meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, Meetings with Shareholders/ Creditors/ Management, Site visits, Induction and Training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

## **7. Status of Appointment**

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid sitting fees as per the provisions of Section 197(5) of Companies Act, 2013 and rules thereof for meetings of the Board and its Committees as may be decided by the Board from time to time. Further, you will also be paid remuneration by way of commission as a percentage of net profits (in case of profit, if any) as may be approved by the Board and the Shareholders from time to time within the limits as provided in Section 197 of the Companies Act, 2013.

## **8. Code of Conduct and other compliances**

During the appointment, you will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Code of Conduct for Directors and Senior Executives and Insider Trading Code and such other requirements as the Board of Directors may from time to time specify.

At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Listing Agreement, in the format as per "**Annexure B**" to this Letter.

## **9. Conflict of Interest**

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

## **10. Insurance**

Presently, Company doesn't have any Directors' and Officers' liability insurance, however, if in future Company opt for taking such insurance policy, it will be endeavour of the Company to cover you for the full term of your appointment.

## **11. Actions not to be undertaken**

During your tenure as Independent Director on the Board of Company you shall not:

- indulge in unethical practices,
- accept any extraneous considerations that will vitiate the exercise of objective of independent judgment,
- abuse your position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person,
- indulge in any action that would lead to loss of your independence

## **12. Induction and Development**

The Company shall, if required, conduct formal induction program for its Independent Directors, which may include any or all of the following:

- Ø Board roles and responsibilities, whilst seeking to build working relationship among the Board members;
- Ø Company's vision, Strategic direction, Core values, Ethics and Corporate Governance practices;
- Ø Familiarization with financial matters, management team and business operations;

- Ø Meetings with Stakeholders, visits to business locations and meetings with Senior and Middle Management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business.

### **13. Performance Appraisal / Evaluation Process**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Individual Directors on an Annual basis. As a member of the Board, your performance shall be evaluated annually. Evaluation shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

An indicative list of factors that may be evaluated as part of this exercise is:

- Ø Participation and Contribution by a Director;
- Ø Commitment (including guidance provided to Senior Management outside of Board/Committee Meetings);
- Ø Effective Deployment of knowledge and expertise;
- Ø Effective Management of relationship with Stakeholders;
- Ø Integrity and maintenance of confidentiality;
- Ø Independence of behavior and judgment; and
- Ø Impact and influence.

### **14. Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Your attention is also drawn to the requirements under the applicable regulations and the Company Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

### **15. Disclosures, other Directorships and Business Interests**

During the Term, you shall promptly disclose/notify to the Company your concern or interest or any changes thereof in any Company or Companies or Bodies Corporate, firms or Association of individuals, including Shareholding, as required under the provisions of Section 184 of the Companies Act, 2013 and Rules made thereunder. You are further required to disclose related parties in terms of Section 2(76) of the Companies Act 2013. You also agree that upon becoming

aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary.

During your Term, you agree to promptly provide a Declaration under Section 149(7) of the Companies Act, 2013, upon any change in circumstances which may affect your status as an Independent Director.

## **16. Compliance**

Your duties include responsibility for ensuring that reasonable steps are taken in order that the Company and its Directors and concerned persons (where appropriate) comply with:

- Ø The Companies Act, 2013;
- Ø The Listing Agreement entered into with the Stock Exchanges;
- Ø The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time;
- Ø The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; The Company's Code for Prevention of Insider Trading;
- Ø The Company's Code of Conduct;

## **17. Publication of the letter of appointment**

In terms of the provisions of Clause IV of sub-clause 6 of Schedule IV (Code of Independent Director) as specified in the Companies Act, 2013, the Company will make public these terms and conditions of appointment and also display this Letter on its website and will also be open for inspection at the registered office of the Company by any member.

## **18. Termination**

Your Directorship on the Board of the Company shall terminate or cease in accordance with the applicable laws. Apart from the grounds of termination as specified in the Companies Act, 2013, your Directorship may be terminated for violation of any provision of the Company's Code of Conduct as applicable to Independent Directors.

You may resign from the position of Non-Executive Independent Director of the Company at any time by giving a reasonable Notice in writing to the Board stating the reasons for resignation. The resignation shall take effect from the date on which the Notice is received by the Company or the date, if any, specified by you in the Notice, whichever is later.

Continuation of your appointment shall be governed by the provisions of the Companies Act, 2013, Listing Agreement, the Code for Independent Directors, Code for Prohibition of Insider Trading and any other Policy(ies) of the Company or any other applicable law, as may be in force from time to time. If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies Act, 2013 or you fail to meet the criteria for "independence" under the provisions of Clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

## **19. Governing Law**

This letter of appointment is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the exclusive jurisdiction of the Indian courts.

## 20. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. Please confirm your agreement to the terms of appointment relating to your appointment as a non-executive Independent Director of the Company by signing and returning to us the enclosed copy of this letter.

This letter constitutes neither a contract for services nor a service contract and you will not be entitled to any compensation for loss of office upon termination of directorship by way of resignation or otherwise.

Yours sincerely,  
**For and on behalf of Soma Textiles & Industries Limited**

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AGREE AND ACCEPT

I have read and understood the terms of my appointment as a Non-executive Independent Director of the Company and I hereby affirm my acceptance to the same.

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Name:

Place:

Date:

<<This is a model Letter of Appointment and is subject to amendment/ modification>>

## "Annexure A"

### SCHEDULE IV TO THE COMPANIES ACT, 2013

[See section 149(8)]

#### **Code for Independent Directors:**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### **I] Guidelines of professional conduct:**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

#### **II] Role and functions:**

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III] Duties :**

The independent directors shall:

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

**IV] Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

**V] Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

**VI] Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**VII] Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII] Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

### **DUTIES OF DIRECTORS AS PER SECTION 166 OF COMPANIES ACT, 2013**

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

## EXTRACT OF CLAUSE 49 OF THE LISTING AGREEMENT

### Responsibilities of Board:

#### 1. Disclosure of Information

- a. Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- b. The Board and top management should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

#### 2. Key functions of the Board

The board should fulfill certain key functions, including:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

#### 3. Other responsibilities

- a. The Board should provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.

- b. The Board should set a corporate culture and the values by which executives throughout a group will behave.

- c. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.
- d. The Board should encourage continuing directors training to ensure that the Board members are kept up to date.
- e. Where Board decisions may affect different shareholder groups differently, the Board should treat all shareholders fairly.
- f. The Board should apply high ethical standards. It should take into account the interests of stakeholders.
- g. The Board should be able to exercise objective independent judgement on corporate affairs.
- h. Boards should consider assigning a sufficient number of non-executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- i. The Board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.
- j. The Board should have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.
- k. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.
- l. Board members should be able to commit themselves effectively to their responsibilities.
- m. In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.
- n. The Board and senior management should facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.

**Annexure B**

To,  
The Board of Directors  
Soma Textiles & Industries Limited  
2, Red Cross Place,  
Kolkata – 700 001

Dear Sirs,

**Re: Declaration by Independent Director**

I hereby certify that I am holding the position on the Board of Soma Textiles & Industries Limited as an Independent Director. I further certify that I meet all the requirements specified under sub section 6 of Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.

Signature \_\_\_\_\_

Dated \_\_\_\_\_

Name \_\_\_\_\_