

# ANNUAL REPORT 2014-2015

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## **NOTICE OF THE 77<sup>th</sup> ANNUAL GENERAL MEETING TO THE SHAREHOLDERS**

NOTICE is hereby given that the Seventy Seventh (77<sup>th</sup>) Annual General Meeting of the Members of Soma Textiles & Industries Limited will be held at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001, on Thursday, the 17<sup>th</sup> day of September, 2015 at 2-30 P.M. to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri S. K. Somany (DIN: 00001131), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### **SPECIAL BUSINESS:**

To consider and, if thought fit, to pass with or without modification(s), the following resolutions:-

4. **Appointment of Shri M. H. Shah, as an Independent Director.**

#### **As an Ordinary Resolution**

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri M. H. Shah (holding DIN 01394920), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 10<sup>th</sup> February, 2015, and who holds office as an Additional Director upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 10<sup>th</sup> February, 2015."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Appointment of Smt. N. Loyalka, as an Independent Director**

#### **As an Ordinary Resolution**

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152, 161(4) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Smt. N. Loyalka (holding DIN 07094208), who has already been appointed as an Independent Director, not liable to retire by rotation, by the Board of Directors, to fill the casual vacancy, caused by death of Late B. L. Dhoot, effective from 11<sup>th</sup> February, 2015, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby confirmed and approved, to hold office for a term of five consecutive years with effect from 11<sup>th</sup> February, 2015."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Re-appointment of Shri Shrikant Bhat as Whole-time Director, designated as Executive Director, being a Key Managerial Personnel**

#### **As a Special Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and rules made thereunder and any amendments thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government, if required, and such other approvals, permissions and sanctions as may be required and subject to such conditions and modifications as may be imposed and/or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as are agreed to by the Board of Directors (hereinafter referred to as 'the Board' which terms shall include any committee constituted/to be constituted by the Board and any person authorized by the Board in this behalf) and acceptable to Shri Shrikant Bhat, the consent of the Company be and is hereby accorded to the re-appointment of Shri Shrikant Bhat (Shri Bhat), as Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, of the Company, who shall be subject to retirement by rotation in terms of Section 152 read with other relevant provisions including Section 160 of the Companies Act, 2013 for a period of Three (3) years with effect from 18<sup>th</sup> January, 2016 to 17<sup>th</sup> January, 2019, on such remuneration by way of

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salary, bonus/ex-gratia in lieu of bonus, perquisites, allowances and/or benefit(s), within and up to the maximum limit as have been determined, fixed and approved by the Board subject to overall limit, stipulated in Sections 197 of the Companies Act, 2013 and subject further to obtaining Members' approval by virtue of this Special Resolution, proposed to be passed at this meeting and on such other terms, conditions and stipulations (including remuneration) as contained in the "Draft Agreement" to be entered into between the Company of the ONE PART and Shri Bhat of the OTHER PART, and duly specified in the Statement, annexed to the Notice of 77<sup>th</sup> Annual General Meeting of the Company ("AGM Notice"), which forms the part of this resolution and Draft of the AGREEMENT, as placed before this meeting and initialed by the Chairman of the Company for the purpose of identification, is hereby specifically approved and sanctioned.

"RESOLVED FURTHER THAT Board may in its absolute discretion pay to Shri Bhat, a Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, lower remuneration within the said maximum limits as stipulated in the Draft Agreement and the Statement hereinabove referred to."

"RESOLVED FURTHER THAT the Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, shall not be entitled to any sitting fee for attending meeting of the Board and/or Committee(s) thereof."

"RESOLVED FURTHER THAT, within the terms of remuneration as set out in the Statement and the 'Draft Agreement' referred to hereinabove and as approved herein by the shareholders, the Board of Directors of the Company be and is hereby authorised to revise, vary or increase the remuneration (salary, bonus/ex-gratia in lieu of bonus, perquisites and allowances) payable to Shri Bhat from time to time, to the extent the Nomination and Remuneration Committee of the Board of Directors and/or the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provisions under the Act, for the time being in force, provided however, that the remuneration payable to Shri Bhat shall be within the limits set out in the Act including Schedule V to the Act or any amendments thereto or any modifications or statutory enactment thereof and/or rules or regulations framed thereunder without any further reference to the Members of the Company in the General Meeting and accordingly the terms of the aforesaid 'Draft Agreement' between the Company and Shri Bhat shall be suitably modified to give effect to such variation or increase as the case may be."

"RESOLVED FURTHER THAT notwithstanding anything contained hereinabove where in any financial year during the term of employment of Shri Bhat, the Company has no profits or its profits are inadequate, the Company do pay to Shri Bhat, subject to requisite approval, the existing remuneration or the revised remuneration, as may be approved by the Board, as a "Minimum Remuneration" per month by way of salary, bonus/ex-gratia in lieu of bonus, perquisites, allowances and/or benefits, as specified in the 'Draft Agreement' and also in the Statement annexed to the AGM Notice, subject to and within the maximum ceiling limits laid down under Section II of Part II of Schedule V to the Act as applicable to the Company at the relevant time depending upon the effective capital of the Company or such other limits as may be prescribed by the Central Government from time to time as to minimum remuneration or any amendments thereto or any modifications or statutory re-enactment thereof and/or any rules or regulations framed thereunder unless otherwise prior approval of the Central Government is obtained if and to the extent necessary."

"RESOLVED FURTHER THAT, in the event Central Government approval is sought for, the remuneration payable to Shri Bhat, as set out in 'Draft Agreement' and also in the Statement annexed to the Notice of 77<sup>th</sup> AGM and referred to hereinabove will be subject to such modifications/amendments/changes as the Central Government may suggest or require or direct and which the Board of Directors/Nomination and Remuneration Committee is authorised to accept on behalf of the Company and as may be acceptable to Shri Bhat."

"RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to Schedule V to the said Act, the Board of Directors of the Company be and is hereby authorised and empowered to vary, alter, increase, enhance or widen the scope of remuneration including salary, commission, perquisites, allowances and/or benefits, to the extent but within the maximum permissible limits for payment of managerial remuneration specified in Schedule V to the said Act and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, without any further reference to the Members of the Company in General Meeting."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to execute and sign the agreement and other documents and take such steps and do all such act, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

## **7. Remuneration to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March, 2016**

### **As an Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Amendment Rules, 2014, framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in

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force), M/s. N. D. Birla & Company, the Cost Auditors, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016, be paid the remuneration by way of Cost Audit Fee of ₹ 48,000/- plus service tax, as applicable and reimbursement of out of pocket expenses, if any, incurred in connection with such audit.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### Registered Office:

2, Red Cross Place,  
Kolkata – 700 001  
Dated : 30<sup>th</sup> May, 2015

By order of the Board

R. S. Sharma  
(Company Secretary & Compliance Officer)

### Notes :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT ANY OTHER PERSON AS HIS/HER PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ATTACHED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF THE MEETING.**  
**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
  2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means (remote e-voting). The facility for voting through Ballot Paper will also be made available at the AGM and the members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their votes at the AGM through Ballot Paper. Members who have cast their votes by remote e-voting prior to the AGM, may attend the AGM, but shall not be entitled to cast their votes again. Instructions and other information relating to e-voting are given in this Notice under Note No. 20.
  3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business under Item Nos. 4, 5, 6 & 7, to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
  4. Corporate Members/Trust/Society intending to send their authorized representatives for attending the Annual General Meeting are requested to send to the Company a duly certified copy of the Board/Managing Committee Resolution authorising their representatives to attend and vote on their behalf at the Annual General Meeting.
  5. In case of Joint Holders attending the Meeting only such Joint Holder who is higher in the order of names will be entitled to vote.
  6. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 8<sup>th</sup> September, 2015 to Thursday, the 17<sup>th</sup> September, 2015 (both days inclusive) for the purpose of Annual General Meeting of the Company.
  7. Members, holding Shares in electronic form are requested to notify change in their registered address, if any, to their Depositories Participants (‘DP’) with whom they are maintaining their demat accounts. Members, holding Shares in physical form are requested to notify change in their registered address, if any, quoting their folio number to the Company and/or Sharepro Services (India) Private Limited, the Registrar & Transfer Agents (RTA) of the Company.
  8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the details of such folios together with share certificates to Sharepro Services (India) Private Limited, the Registrar & Share Transfer Agents, for consolidation into a single folio.
  9. Members/Proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
  10. Pursuant to the provisions of Section 205A of the Companies Act, 1956 and the Rules made thereunder (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), all unclaimed or unpaid dividends declared up to and including the financial year ended 31<sup>st</sup> March, 1995 have already been transferred to the General Revenue Account of the Central Government as required by the Companies unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those Shareholders, who have, so far, not claimed or collected the dividends up to the aforesaid financial years, may claim their dividend from the Registrar of Companies, West Bengal, Nizam Palace, IInd MSO Building, 234/4, A.J.C. Bose Road, Kolkata – 700 020 by submitting to them an application in Form II, prescribed under the Companies unpaid Dividend (Transfer to General Revenue Account of the Central Government), Rules 1978.
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11. Pursuant to the provisions of Section 205A(5) read with Section 205C of the Companies Act, 1956, as amended (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred all the unpaid and/or unclaimed dividends up to the financial year ended 31st March, 1998, from time to time on due dates, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The Company has however not declared any dividend thereafter since the financial year ended 31<sup>st</sup> March, 1999 and up to the year ended 31<sup>st</sup> March, 2015, and therefore uploading of details of unpaid and unclaimed amounts lying with the Company as on 29<sup>th</sup> August, 2014 (date of last Annual General Meeting) on the website of the Company i.e. [www.somatextiles.com](http://www.somatextiles.com) and also on the website of the Ministry of Corporate Affairs, as required pursuant to the provisions of the provisions of Investors Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the Companies Rules, 2012, does not arise.

Shareholders may note that no claim shall lie against the Company or the said Fund in respect of any individual amounts which were unclaimed and unpaid for a period of Seven (7) years from the date(s), they first became due for payment, once transferred to the said fund and no payment shall be made in respect of any such claim.

12. In accordance with the provisions of Section 72 of the Companies act, 2013, Members are entitled to make nominations by filing Form No. SH.13 in respect of the Equity Shares held by them, in physical form, duly completed and signed to the Company or its Registrar & Share Transfer Agents (RTA) in their own interest. Members holding shares in demat may get their nomination recorded with their respective Depository Participant (DP).
13. Electronic copy of the Annual Report for 2014-15 comprising the Notice of the 77<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all Members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any Member has requested for a hard copy of the same.

For members who have not registered their email address, physical copies of the Annual Report for 2014-15 comprising the Notice of the 77<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.

14. Members who wish to obtain any information, on the Company or its Accounts and operation may send their queries to the Company at least ten (10) days before the Meeting so as to enable the management to keep the information ready at the Meeting.
15. Members may also note that the Notice of the 77<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.somatextiles.com](http://www.somatextiles.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days.
16. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the Company's investor email id: [investors@somatextiles.com](mailto:investors@somatextiles.com).
17. Members who hold shares in dematerialised form are requested to bring their Depository ID and Client ID Numbers for easier identification of attendance at the Annual General Meeting.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant's in securities market. Members holding Shares in electronic form (D-MAT) are therefore requested to submit their PAN to their concerned Depository Participants ('DP'). Members holding Shares in physical form can submit their PAN to the Company or its Registrar and Transfer Agents (RTA).
19. All documents referred to in the notice and the statement required the approval of the Members at the Meeting and shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 12:00 Noon and 2:00 P.M. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting.

## 20. Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Rules framed thereunder duly amended and Clause 35B of the Listing Agreement, the Members are provided with the facility to cast their vote by using an electronic voting system from a place other than venue of the AGM ('remote e-voting'), through the e-voting services provided by Central Depository Services India Limited ("CDSL") on all the resolutions set forth in this Notice. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting may attend the AGM, but shall not be entitled to cast their votes again at the AGM.

### **The procedure and instructions for e-voting are as under:-**

- (i) The e-voting period commences on Monday, the 14<sup>th</sup> September, 2015 (9:00 A.M. IST) and ends on Wednesday, the 16<sup>th</sup> September, 2015 (5:00 P.M. IST). During this period, Shareholders of the Company,

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holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10<sup>th</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- (ii) Log on to the e-voting website **www.evotingindia.com**
- (iii) Click on "Shareholders" tab
- (iv) Now, select the "**Electronic Voting Sequence Number (EVSN) – 150806017** along with "**SOMA TEXTILES AND INDUSTRIES LIMITED**" from the drop down menu and click on "**SUBMIT**".
- (v) Now enter your User ID :-
  - (a) For **CDSL** – 16 digits beneficiary ID,
  - (b) For **NSDL** – 8 Characters DP ID followed by 8 Digits Client ID,
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below (Applicable for both demat shareholders as well as physical shareholders).
- (ix) Now, fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and last 8 digits of the sequence number in PAN Field. The Sequence Number is printed on a separate sheet enclosed (with Annual Report).</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's (Zero's) before the number, after the first two characters of the name in CAPITAL letters. Eg.: If your name is Ravi Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for future Communication(s).
- (xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this AGM Notice.
- (xiv) Click on the EVSN (Electronic Voting Sequence Number) of "**SOMA TEXTILES & INDUSTRIES LIMITED**" to vote.
- (xv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (xvi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions.
- (xvii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xviii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xx) If Demat account holder has forgotten the same password then Enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xxi) Note for Non-Individual Shareholders and Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **<https://www.evotingindia.co.in>** and register themselves as **Corporates**.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQ”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxiii) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holds shares as on the cut-off date i.e. 10th September, 2015, may obtain the User ID and Password by sending a request (alongwith Name, Folio No./DP ID & Client ID, as the case may be and shareholding) to RTA at [sharepro.ahmedabad@shareproservices.com](mailto:sharepro.ahmedabad@shareproservices.com) to vote through remote e-voting procedure.
- (xxiv) In case of joint shareholders attending the AGM, only such joint holder who is higher in the order of the names will be entitled to vote.
- (xxv) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the Equity Capital of the Company as on the cut-off i.e. 10<sup>th</sup> September, 2015. A person, whose name is recorded in the Register of Members / Lists of Beneficial Owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot.
- (xxvi) In case of members receiving the physical copy they are advised to follow all the steps from serial no. (ii) to (xxi).
- II. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote (including through e-mail) to the Scrutinizer at its e-mail [droliapravin@yahoo.co.in](mailto:droliapravin@yahoo.co.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) before the closing hours on 8<sup>th</sup> September, 2015 without which the vote shall not be treated as valid.
- III. Mr. P. K. Darolia, Practising Company Secretary (Membership No. 2366, Certificate of Practice No.1362), Kolkata, has been appointed as the Scrutinizer for conducting the remote e-voting process (including Ballot Paper received from Members at the AGM), in a fair and transparent manner.
- IV. At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting.
- V. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the AGM, a Consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and shall declare the results of the voting forthwith. The manner in which the members have cast their votes shall remain secret and not made available to the Chairman, Scrutinizer or any other person till the votes are cast in the AGM.
- VI. The Results on Resolutions shall be declared after receiving Consolidated Scrutinizer’s Report of the total votes cast, by the Chairman of the Company or by any other persons duly authorized in this regard. The Resolutions will
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be deemed to be passed on the date of Annual General Meeting subject to receipt of the requisite number of votes. The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.somatextiles.com](http://www.somatextiles.com) and on the website of CDSL immediately after the result is declared and simultaneously, communicated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), where the equity shares of the Company are listed, for placing the results on its and their website.

21. Members can choose only one of the two options, namely e-voting (remote e-voting) or voting by means of Ballot Paper at the AGM. In case the votes are casted through both the formats, then votes casted through remote e-voting shall prevail over those votes casted by means of Ballot Paper at the AGM and the vote cast by means of Ballot Paper shall be treated as invalid and cancelled.

### IMPORTANT COMMUNICATION TO MEMBERS

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 that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government 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 e-mail address with the Registrar and Share Transfer Agent (RTA) Messrs Sharepro Services (India) Pvt. Ltd., unit-Soma Textiles & Industries Limited, at 13 AB, Samitha Warehousing Complex, Sakinaka Telephone Lane, Sakinaka, Andheri East, Mumbai – 400 072, quoting their folio nos. at E-mail ID – [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com) or at its branch office at Office No. 416-420, Devnandan Mega Mall, 4<sup>th</sup> Floor, Opp. Sanyas Ashram, Ashram Road, Ahmedabad – 380 006, at E-mail ID – [sharepro.ahmedabad@shareproservices.com](mailto:sharepro.ahmedabad@shareproservices.com)

**Brief Resume and other information in respect of the Director, retiring by rotation seeking re-appointment and the Director proposed to be re-appointed as the Whole-time Director, designated as Executive Director, being a Key Managerial Personnel at the 77<sup>th</sup> Annual General Meeting of the Company, as required under revised Clause 49 (VIII) (E) of the Listing Agreement:-**

Shri S. K. Somany (DIN: 00001131), aged about 84 years, is an Industrialist and a promoter of the Company. He is a graduate in Commerce. Shri Somany has enriched himself with a business experience of over 6 decades and has a rich and vast all-round knowledge and experience in the business of Ceramic, Glass and Textiles Industry. He is currently a Director and Chairman of the Company. Shri Somany is a member of the Nomination and Remuneration Committee, re-constituted in line with requirements of 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement on Corporate Governance and also a member of Audit Committee of the Company, constituted in line with requirements of 177 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement on Corporate Governance. He is also Chairman of Share Transfer Committee & Stakeholders Relationship Committee of the Company, re-constituted in line with requirements of 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement on Corporate Governance. Shri S. K. Somany holds 43,68,274, constituting 13.22% of the Equity Share Capital of the Company.

Shri Somany is holding directorship in (a) The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited, (b) Nav Bharat Refrigeration & Industries Limited (c) Simplex Reality Limited, (d) Shreelekha Global Finance Limited and (e) Somany Evergreen Knits Limited. He is Chairman of Somany Evergreen Knits Limited.

He is also the chairman and member of the Committees of the following Companies:-

Name of Company	Name of Committees	As Chairman/ Members
Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited	Audit Committee Nomination and Remuneration Committee	Chairman Member
Simplex Reality Limited	Audit Committee Nomination and Remuneration Committee Stakeholders Relationship Committee	Member Member Chairman
Nav Bharat Refrigeration & Industries Limited	Share Transfer cum Stakeholders Relationship Committee	Chairman

Shri Somany retires from the Board by rotation at this meeting and being eligible, offers himself for re-appointment as Director of the Company.

Shri Shrikant Bhat (DIN: 00650380) ('Shri Bhat'), aged about 50 years, is a Commerce Graduate and a Member of Institute of Chartered Accountants of India. He has experience and expertise in a wide range of fields like Corporate Finance, Finance Restructuring, Tax Laws and Company Law spanning over 23 years. Shri Bhat was appointed as an Additional Director and a Whole time Director designated as an Executive Director of the Company, liable to retire by rotation with



effect from 18<sup>th</sup> January, 2008 and further re-appointed as an Executive Director for a period of Three (3) years effective from 18<sup>th</sup> January, 2013. Shri Bhat holds office of Director in (a) Somany Evergreen Knits Limited and (b) IDA Gunji Consultancy Private Limited. Shri Bhat does not hold any shares in the Company

Shri Shrikant Bhat's present term of appointment expires by efflux of time on 17<sup>th</sup> January, 2016. Therefore his re-appointment for further term of 3 years effective from 18<sup>th</sup> January, 2016, was to be considered, well in advance to seek Shareholders approval at the ensuing Annual General Meeting of the Company.

**Registered Office:**

2, Red Cross Place,  
Kolkata – 700 001  
Dated : 30<sup>th</sup> May, 2015

**By order of the Board**

**R. S. Sharma**  
(Company Secretary & Compliance Officer)

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 4**

Shri M. H. Shah ('Shri Shah') was appointed by the Board of Directors ('the Board') as an Additional Director of the Company with effect from 10<sup>th</sup> February, 2015, pursuant to the provisions of Section 161 of the Companies Act, 2013 ('the Act'), read with Article 91 of the Articles of Association of the Company.

Shri Shah will hold office as Additional Director up to the date of forthcoming Annual General Meeting ('AGM') as per the aforesaid provisions. The Company has received a Notice in writing from a Member along with the requisite deposit of money proposing the candidature of Shri Shah for the office of Director under the provisions of Section 160 of the Act.

The Company has received from Shri Shah requisite consent, intimation and a declaration in connection with his appointment as an Independent Director.

In the opinion of the Board, Shri Shah fulfills the conditions specified in the Act and the Rules made thereunder for being appointed as an Independent Director of the Company and that he is independent of the management of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Shri Shah as an Independent Director. Accordingly, the Board recommends the resolution set out under item no. 4 of the Notice for approval of the Members, in relation to appointment of Shri Shah as an Independent Director of the Company for a period of five years from 10<sup>th</sup> February, 2015, pursuant to the provisions of Section 149 read with Schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of Section 149(13) of the Act, Shri Shah shall not be liable to retire by rotation.

A copy of the draft letter of appointment of Shri Shah as an Independent Director of the Company setting out the terms and conditions is available for inspection by the Members at the Company's Registered Office during normal business hours on working days upto the date of the AGM and will also be available at the venue of the meeting.

Except Shri Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 4 of the accompanying Notice of Seventy-seventh (77<sup>th</sup>) Annual General Meeting of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 5**

Smt. N. Loyalka ('Smt. Loyalka') was appointed by the Board of Directors ('the Board') as an Independent Director of the Company in casual vacancy, caused by death of Late B. L. Dhoot, with effect from 11<sup>th</sup> February, 2015, pursuant to the provisions of Section 161(4) of the Companies Act, 2013 ('the Act'), read with amended Clause 49(II)(D)(4) & 49(II)(D)(5) of the listing agreement, as revised by SEBI vide its Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 and Article 92 of the Articles of Association of the Company.

The Company has received a Notice in writing from a Member along with the requisite deposit of money proposing the candidature of Smt. Loyalka for the office of Director under the provisions of Section 160 of the Act.

The Company has received from Smt. Loyalka requisite consent, intimation and a declaration in connection with his appointment as an Independent Director.

In the opinion of the Board, Smt. Loyalka fulfills the conditions specified in the Act and the Rules made thereunder for being appointed as an Independent Director of the Company and that he is independent of the management of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Smt. Loyalka as an Independent Director. Accordingly, the Board recommends the resolution set out under item no. 5 of the Notice for approval of the Members, in relation to appointment of Smt. Loyalka as an Independent Director of the Company for a period of five years from 11<sup>th</sup> February, 2015, pursuant to the provisions of Section 149 read with Schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of Section 149(13) of the Act, Smt. Loyalka shall not be liable to retire by rotation.



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A copy of the draft letter of appointment of Smt. Loyalka as an Independent Director of the Company setting out the terms and conditions is available for inspection by the Members at the Company's Registered Office during normal business hours on working days up to the date of the AGM and will also be available at the venue of the meeting.

Except Smt. Loyalka, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 of the accompanying Notice of Seventy-seventh (77<sup>th</sup>) Annual General Meeting of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

### **Item No. 6**

At the 74<sup>th</sup> Annual General Meeting (AGM) of the Company held on 19<sup>th</sup> September 2012, the Members had approved of the appointment and terms of remuneration of Shri Shrikant Bhat ('Shri Bhat') as Whole-time Director designated as Executive Director of the Company for a period of Three (3) years from 18<sup>th</sup> January, 2013 to 17<sup>th</sup> January, 2016, as specified in the Explanatory Statement annexed to the Notice of the 74<sup>th</sup> AGM.

The present tenure of Shri Shrikant Bhat ("Shri Bhat") as rotational Whole-time Director designated as Executive Director of the Company liable to retire by rotation, will expire by an efflux of time on 17<sup>th</sup> January, 2016.

The Board of Directors of the Company ('the Board') at its meeting held on 30<sup>th</sup> May, 2015, have re-appointed Shri Bhat as Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, for a period of 3 (Three) years, effective from 18<sup>th</sup> January, 2016.

Shri Bhat, aged about 50 years, is a Commerce Graduate and Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) and has over 23 years of working experience with Corporates including about 13 years with our Company. He has rich experience of managing Corporate Finance, Financial planning and analysis, taxation and Financial Restructuring.

At its meeting held on 30<sup>th</sup> May, 2015, the Board, has, subject to approval of the Shareholders in the ensuing 77<sup>th</sup> Annual General Meeting (AGM) at the recommendation of Nomination and Remuneration Committee, approved the remuneration payable to Shri Bhat, upon his re-appointment as Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, within and up to the ceiling or maximum limit for the remuneration of the whole-time Director, as have been determined, fixed subject to overall ceiling contained in Section 197, read with Schedule V to the Companies Act, 2013 ('the Act') and other applicable provisions, if any of the Act and herein proposed by the Board with absolute authority to the Board to decide, fix and thereafter revise the remuneration of Shri Bhat, from time to time for a given year/period within and upto the maximum limit for remuneration of whole-time Director as herein proposed and contained in the Draft Agreement to be entered into between the Company and Shri Bhat, subject to overall permissible limit laid down under Sections 197 and all other applicable provisions of the Companies Act, 2013 or any amendments thereto as may be made from time to time or under the Companies Act, as may be re-codified.

An abstract of the main terms and conditions as laid down in Draft Agreement relating to re-appointment of Shri Bhat as the Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, of the Company together with the Memorandum of Interest is set out below:-

#### **1) Period of Appointment:**

Three (3) years, effective from 18<sup>th</sup> January, 2016.

#### **2) Nature of Duties:**

Subject to the superintendence, control and direction of the Board, Shri Bhat shall perform such duties and exercise such powers as may from time to time be entrusted to or vested in him by the Board and shall devote the whole of his time and attention to his service as the Executive Director of the Company.

#### **3) Remuneration (including maximum limit):**

Shri Bhat, Executive Director, shall be entitled to the following remuneration with effect from 18<sup>th</sup> January, 2016 for the period of his office from 18<sup>th</sup> January, 2016 to 17<sup>th</sup> January, 2019 or as may be determined and revised by the Board at its discretion from time to time within the maximum permissible limit.

##### **A) Salary (Basic + D.A)**

At ₹ 1,36,623/- per month, with such increments and/or accelerated increments as may be decided by the Board of Directors of the Company, first increment from 1<sup>st</sup> April, 2016 and thereafter from 1<sup>st</sup> April each year, upon due recommendation of the Nomination and Remuneration Committee, at its absolute discretion from time to time and with proportionate increase in all perquisites or allowances related to and depending upon the quantum of salary, within and up to a maximum of ₹ 5,00,000/- per month.

Salary may include basic salary, additional salary, special allowances and any other allowances as may be determined by the Board from time to time subject to within and upto a maximum Salary of ₹ 5 Lacs per month or ₹ 60 Lacs per annum.

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- B) Bonus/Ex-gratia, in lieu of Bonus** In addition to Salary, Shri Bhat shall also be entitled to bonus/ex-gratia in lieu of bonus, subject to ceiling of one month's salary for each financial year or as may be fixed and determined by the Board of Directors of the Company from time to time at its absolute discretion, within and up to such amount or percentage of Bonus/Ex-gratia, as may be decided by the Board/Nomination and Remuneration Committee of the Company at its discretion from time to time, subject however up to and within an overall ceiling prescribed in Section 197, read with Schedule V to the Companies Act, 2013. (5% of the net profits in case of one whole-time Director and 10% of the net profits for more than one whole-time Director)
- C) Perquisites Allowances & Benefits** In addition to Salary & Bonus/Ex-gratia, in lieu of Bonus, Shri Bhat shall also be entitled to all the following perquisites, allowances & benefits, subject however to a ceiling restricted to 100% of his annual Salary.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:

**CATEGORY – A**

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees on clubs, personal accident insurance and such other benefits, facilities and allowances as may be available and allowed to Shri Bhat, as per rules of the Company. These may be provided for as under:

**Housing**

- i) The expenditure incurred by the Company on hiring furnished accommodation for Shri Bhat will be subject to the ceiling 60 (Sixty) percent of the Salary, over and above 10 (Ten) percent payable by Shri Bhat.
- ii) In case the accommodation is owned by the Company, 10 (Ten) percent of the salary of Shri Bhat shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, Shri Bhat shall be entitled to House Rent Allowance subject to the ceiling laid down under Clause (i) above.

*Explanation:*

The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10 (Ten) percent of the salary of Shri Bhat.

**Medical Reimbursement**

Expenses incurred for Shri Bhat and his family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

**Leave Travel Concession**

For Shri Bhat and his family once in a year, while on leave, incurred in accordance with the Rules of the Company.

**Club Fees**

Fees of Clubs subject to a maximum of two clubs as may be permissible by the Company. This will not include admission and life membership fees.

**Personal Accident Insurance**

Of an amount, the annual premium of which shall be paid as per Rules of the Company.

**Other benefits and Allowances**

Any other benefits, facilities and allowances as may be available and allowed to Shri Bhat, as per rules of the Company or as the Board of Directors, may from time to time decide.

The value of the perquisites for the purpose of calculating the above annual ceiling shall be evaluated as per Income Tax Rules wherever applicable, otherwise at actuals.

*Explanation:*

For the purpose of CATEGORY –'A', Family means, the spouse, the dependent children and dependent parents of Shri Bhat.

**NOTE:** All the perquisites/allowances/benefits will be inter-changeable i.e., any excess in a particular perquisites may be permissible by corresponding reduction in or more of the perquisites/allowances/benefits.

**CATEGORY – B**

- i) Contributions to Provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable should not exceed half a month's salary for each completed year of service, subject to such ceiling as may be fixed by the Government from time to time and will not be included in the computation of the ceiling on perquisites.

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- iii) Encashment of Leave at the end of the tenure will be permitted as per the Rules of the Company and will not be included in the computation of the ceiling on perquisites.

These perquisites as specified in paragraph 1 of Section IV of Part II of Schedule V to the Act, however shall not be included in the computation of the ceiling on the minimum remuneration specified under Section II of Part II of Schedule V to the Act.

For the purpose of Provident Fund, Gratuity and Leave benefit, the service of Shri Bhat, Executive Director, will be considered as continuous service from the date of his joining the Company without considering any break in the service.

### **CATEGORY – C**

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to Shri Bhat.

Provided the aggregate of remuneration payable by way of salary, bonus/ex-gratia in lieu of bonus and perquisites, allowances and benefits to Shri Bhat, as contemplated under Clauses (A), (B) and (C) of the Remuneration clause 3 above shall not, in any financial year exceed the overall ceiling stipulated in Sections 197 and other applicable provisions of the Act read with Schedule V of the Act (5% of the net profits in case of One Whole-time Director and 10% of the net profits for more than One Whole-time Director as calculated in accordance with Section 197 of the Act).

### **Overall Remuneration**

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to the Managing Director and Executive Director(s) as calculated in accordance with Section 197 and other applicable provisions of the Companies Act, 2013 for each financial year, read with Schedule V to the said Act, as may for the time being in force.

### **Minimum Remuneration**

In the event of loss or inadequacy of profits under Sections 198 of the Companies Act, 2013, in any financial year(s) during the currency of tenure of office of Shri Bhat, the Company shall pay him in respect of such financial year(s) remuneration by way of consolidated salary, Bonus or Ex-gratia in lieu of Bonus, perquisites and allowances as minimum remuneration as he may be then drawing as specified in Clauses (A), (B) & (C) of the Remuneration Clause 3 above, subject to an overall limits laid down under Section II of the Part II of Schedule V to the Companies Act, 2013, as applicable to the Company at the relevant time depending upon the effective capital of the Company or such other limits, as may be provided by the Central Government from time to time as to minimum remuneration.

The perquisites specified under category 'B' of Remuneration Clause 3, above in terms of paragraph 1 of Section IV of Part II of Schedule V to the Act, however shall not be included in the computation of the ceiling on the minimum remuneration specified under Section II of Part II of Schedule V to the Act.

### **Sitting Fee**

Shri Bhat shall not so long as he acts as the Executive Director of the Company be paid any sitting fees for attending any meetings of the Board or any Committee thereof.

### **Other Terms**

Shri Bhat shall not during the continuance of his employment hereunder or at any time thereafter, divulge or disclose to any person or make use whatever for his own or for any other purpose any confidential information or knowledge acquired by him during his employment under the Company as to the business or affairs of the Company or as to any trade secret or secrets processes of the Company and shall during the continuance of his employment hereunder use his best endeavours to prevent any other person from doing so.

Shri Bhat hereby undertakes that so long as he functions as the Executive Director of the Company he shall not become interested or otherwise concerned, directly or indirectly, or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.

Nothing herein contained shall entrust or be deemed to entrust Shri Bhat with substantial powers of management of the affairs of the Company.

The Board of Directors may, in their discretion, revise or modify any of the terms of appointments and remuneration from time to time within the limits laid down in Schedule V to the Act.

### **Retirement by Rotation**

Shri Bhat shall be liable to retire by rotation in accordance with the provision of Section 255 of the Companies Act, 1956. If at any time Shri Bhat ceases to be a Director of the Company for any cause whatsoever he shall cease to be a Whole-time Director of the Company hitherto designated as Executive Director.

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### **Termination**

Notwithstanding anything contained in this Agreement, either party, shall be entitled to determine this Agreement by giving two calendar months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason whatsoever to terminate the Agreement on giving to Shri Bhat two month's salary as specified in Clause (A) of the Remuneration Clause 3 above and/or the Agreement entered/to be entered in to by the Company with Shri Bhat in lieu of two calendar months' notice required to be given under this Clause.

### **Service of Notice**

Any notice to be given hereunder shall be sufficiently given or served in the case of Shri Bhat by being delivered either personally to him or left for him at his address last known to the Company or sent by Registered Post addressed to him at such address and in the case of the Company by being delivered at or sent by Registered Post addressed to its Registered Office; any such notice if so posted shall be deemed served on the day following that on which it was posted.

With the approval of the Members to the proposed Resolution, the Board will have the discretion and delegated authority of the Members of the Company to fix and revise the salary within overall ceiling (I) as specified under the relevant provisions of Companies Act, 2013 and (II) as approved by the Members hereinunder this Resolution, whichever is lower.

The limits specified in the Statement attached to this Notice of 77<sup>th</sup> AGM in regard to Resolution set out at item No. 6 are only the maximum limits and the Board may in exercise of the delegated authority pay Shri Bhat, a lower remuneration and may revise the same from time to time within the maximum limits stipulated in the Statement attached to the notice forming part of the Resolution.

However, in the absence, or inadequacy of profits in any financial year, during the tenure of Shri Bhat, Executive Director of the Company, the minimum remuneration payable by the Company to him by way of salary, bonus/ex-gratia in lieu of bonus and perquisites shall not exceed the maximum limit of ₹ 60 Lacs plus 0.01% of the effective capital in excess of ₹ 250 Crores, as prescribed under Section II(A) of Part II of Schedule V of the Act, unless otherwise approved by the Central Government, as envisaged under the said Schedule V of the Act.

Therefore, any payment of remuneration to Shri Bhat in excess of ₹ 60 Lacs plus 0.01% of the effective capital in excess of ₹ 250 Crores, which is the maximum permissible under Section II(A) of Part II of Schedule V to the Act, would require the approval of the Central Government, as prescribed under the Act.

Pursuant to Section II(A) of Part II of Schedule V of the Act, a Statement in the prescribed format is required to be sent to all shareholders, containing the information specified therein along with the Notice calling the Annual General Meeting of the Company.

Accordingly this Resolution at item no. 6 is intended for seeking Members' approval to this Resolution which fixes the ceiling or the maximum limit for remuneration payable to Shri Bhat, Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, and delegates authority to the Board to decide on the specifics of changes in Remuneration for Shri Bhat, under the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013, and modification(s) thereto, and also for the purpose of seeking approval to the appointment of and Remuneration payable to Shri Bhat, within the overall limits as specified and laid down by the Company.

The Board therefore recommends passing of this Resolution by Members of the Company.

### **MEMORANDUM OF INTEREST**

Save and except Shri Bhat, none of the Directors of the Company is in any way concerned or interested or deemed to be concerned or interested in passing of the said Resolution relating to appointment and payment of remuneration.

### **INSPECTION OF DOCUMENTS**

The copy of the Service Agreement entered into between the Company and Shri Bhat in connection with his appointment as Whole-time Director is available for inspection of the Members at the Registered Office of the Company on any working day between 12-00 Noon and 2-00 P.M. upto and including the date of Annual General Meeting or any adjournment or adjournments thereof. The same will also be available at the meeting.

### **ABSTRACT OF TERMS AND CONDITIONS OF APPOINTMENT UNDER SECTION 190 OF THE COMPANIES ACT, 2013**

The terms and conditions of re-appointment and remuneration payable to Shri Bhat as Whole-time Director, designated as 'Executive Director', being a Key Managerial Personnel of the Company, as set out in the Agreement referred to and Statement, duly annexed to the accompanying Notice should be treated as an 'ABSTRACT' of the terms of his re-appointment and Memorandum of Interest under Section 190 of the Companies Act, 2013.

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The requisite information required to be provided to the Shareholders of the Company in the Notice convening the Annual General Meeting of the Company in terms of Part-II, Section II of Schedule V to the Companies Act, 2013 is set out below :-

## I. General Information :-

- (1) Nature of Industry : Manufacturer of Textile and Cotton Yarn.
- (2) Date or expected date of commencement of Commercial production : Commercial Operations commenced in the year 1969.
- (3) Financial Performance based on given indicators : (₹ in Lakhs)

Year ending 31 <sup>st</sup> March	Sales	Operating Profit/(Loss)	Profit/(Loss) Before Tax	Net Profit/(Loss) After Tax
2011	27,833*	960*	(582)	(475)
2012	26,614	(64)	(787)	(746)
2013	32,271	1,182	95	(1,66)
2014	27,293	(1,629)	(1,769)	(1,334)
2015	22,554	(2,937)	(4,375)	(3,358)

\*Revised and regrouped

- (4) Export Performance and net foreign exchange earnings :

Due to stiff competition, the Company was able to export for ₹ 4,842 lacs as against the export of ₹ 5,083 lacs achieved in the previous year.

Foreign exchange earned and used during the financial year 2014-15 and 2013-14

(₹ in Lakhs)

	2014-15	2013-14
Foreign Exchange earned	4,842	5,083
Foreign Exchange used	357	472

- (5) Foreign Investments or Collaborators, if any :

Holdings of FIIs/NRIs and other non-residents is 15.53% (out of which 15.10% is held by APMS Investment Fund Limited (Formerly: Mavi Investment Fund Limited) in the Company as at 31<sup>st</sup> March, 2015. The Company has no foreign Collaborator.

## II. Information about the appointee :-

- (1) Background details

: **Shri Shrikant Bhat**

Shri Shrikant Bhat (Shri Bhat), aged about 50 years, is a Graduate in Commerce and Chartered Accountant by qualification and presently the Whole-time Director designated as Executive Director, being a Key Managerial Personnel of the Company. His long standing experience and knowledge is useful to the Company. Shri Bhat has contributed significantly towards improvement and growth of the Company. He has over 23 years of experience in Corporate Finance and Taxation. Shri Bhat does not hold any shares in Soma Textiles & Industries Limited as on 31<sup>st</sup> March, 2015.

- (2) Past Remuneration

: 2010-2011 : ₹ 13,73,361/-  
2011-2012 : ₹ 18,19,733/-  
2012-2013 : ₹ 20,39,933/-  
2013-2014 : ₹ 24,01,269/-  
2014-2015 : ₹ 26,85,781/-



- 
- (3) Job profile and his suitability : Shri Shrikant Bhat the Whole-time Director of the Company, shall devote his whole-time and attention to the business and affairs of the Company and carryout such duties, as may be entrusted to him from time to time by the Board of Directors of the Company ("the Board") and exercise such powers as may be assigned to him by the Board subject to the superintendence, control and directions of the Board in connection with and in the best interest of the Company and the business of its associated and/or subsidiary Company(ies), as the case may be. The Board is of the opinion that Shri Bhat has the requisite qualifications, expertise and experience for the job, he is presently holding.
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- (4) Remuneration proposed : (a) Salary (Basic + DA) at ₹ 1,36,623/- per month within and up to a maximum of ₹ 5,00,000/- per month with authority to the Board to fix the salary and to consider an annual increment/accelerated increment at its discretion upto and within the said maximum amount of salary, upon recommendation of the Remuneration Committee;
- (b) Bonus/Ex-gratia in lieu of Bonus, subject to a ceiling of one month's salary (BASIC + D.A.) for each financial year or as may be determined by the Board from time to time and;
- (c) Perquisites, allowances and benefits, as spelt out in the Statement annexed to the Notice convening the 77<sup>th</sup> Annual General Meeting of the Company subject to a ceiling restricted to 100% of his annual salary (BASIC + D.A.) or as may be determined by the Board from time to time within the maximum limit for remuneration fixed by the Company provided the aggregate of salary, bonus/ex-gratia in lieu of bonus, perquisites, allowances and benefits as contemplated under items (a) (b) & (c) above shall not exceed the overall limits prescribed under Sections 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the said Act as may for the time being in force (5% of the net profits in case of one Whole-time Director and 10% of the net profits for more than one Whole-time Director as calculated under Sections 197 of the Companies Act, 2013).
- 
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person : After taking into the size of the Company, the profile of Shri Shrikant Bhat the responsibilities shouldered by him and the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar level counterparts in other similar Companies.
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- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Besides the remuneration proposed to be paid the Whole-time Director does not have any other pecuniary relationship directly or indirectly with the Company or relationship with any of the managerial personnel of the Company.
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**III. Other Information :-**

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- (1) Reasons for loss or inadequate profits : Ever increasing input costs, high interest rates, high debt burden coupled with high volatility in forex market, adverse market conditions and general economic slow-down had severe adverse impact on the workings and the financial performance of the Company. All these factors collectively resulted in continuing loss in the Company from the year 2007-08 and onwards.
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## ANNUAL REPORT 2014-2015

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|---|--|
| (2) Steps taken or proposed to be taken for improvement               | : The Management is taking necessary and adequate steps to improve workings and profitability of the Company. Various measures and steps have been taken in the matter of cost control, product mix borrowing at cheaper rates and process improvement for improving efficiency. The Company would continue its endeavors to increase the revenues to improve its productivity and profits in the coming years.                    |
| (3) Expected increase in productivity and profits in measurable terms | : Steps, as aforesaid, being taken by the Company, would increase the productivity of the Company. The Company continues to undertake constant measures for improvement in its productivity and profits. The Management expects reasonable growth in business, gross revenue and profit of the Company. However it is difficult to predict profits in the measurable terms, in the present business scenario for the coming years. |
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#### IV. Disclosures :-

- |  |   |
|--|---|
| (1) The Shareholders shall be informed of the remuneration package of the managerial person  | : Yes, the Remuneration package has been fully disclosed under the Statement, in regard to special resolution set out at item no. 6 of the Notice relating to re-appointment and remuneration payable to Shri Shrikant Bhat, the Whole-time Director duly annexed to the Notice convening the 77 <sup>th</sup> Annual General Meeting of the Company, as determined and fixed by the Board subject to overall ceiling laid down in Sections 197 & other applicable provisions of the Companies Act, 2013, including Schedule V to the Act, to seek members' approval. |
| (2) All elements of remuneration package such as salary benefits, bonuses, stock option, perquisites of all the Directors                                | : The Remuneration package and other terms applicable to the Directors have been disclosed in the Corporate Governance Report forming part of the Annual Report for the year 2014-2015.   |
| (3) Details of fixed components and performance linked incentives along with performance criteria  | : The Remuneration package and other terms applicable to the Directors have been disclosed in the Corporate Governance Report forming part of the Annual Report for the year 2014-2015.   |
| (4) Service contracts, notice period, severance fees etc   | : Service Agreement is for Three (3) years from 18 <sup>th</sup> January, 2016 to 17 <sup>th</sup> January, 2019. Notice period is 2 (Two) months. No severance fee is payable on termination.  |
| (5) Stock option details, if any and whether the same has been insured at a discount as well as the period over which accrued and over which exercisable | : The Company has not issued any stock options to any of its Directors or Managerial Personnel.   |
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None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

#### Item No. 7

The Board on the recommendation of Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2016.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

#### Registered Office:

2, Red Cross Place,  
Kolkata – 700 001  
Dated : 30<sup>th</sup> May, 2015

**By order of the Board**

**R. S. Sharma**  
(Company Secretary & Compliance Officer)



**SOMA TEXTILES & INDUSTRIES LIMITED**

CIN: L51909WB1940PLC010070

Regd. Office: 2, Red Cross Place, Kolkata – 700 001

Email: investors@somatextiles.com, Website: www.somatextiles.com

Phone No.: 033-22487406/07, Fax: 033 22487045

**Form-MGT-11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**77<sup>th</sup> Annual General Meeting – 17<sup>th</sup> September, 2015**

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

Email : \_\_\_\_\_

DP ID : \_\_\_\_\_

Folio No. / Client ID No. : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

\_\_\_\_\_ E-mail Id : \_\_\_\_\_

Signature: \_\_\_\_\_ Or falling him/her

2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

\_\_\_\_\_ E-mail Id : \_\_\_\_\_

Signature: \_\_\_\_\_ Or falling him/her

3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

\_\_\_\_\_ E-mail Id : \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 77<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 17<sup>th</sup> September, 2015 at 2:30 P.M. IST, at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

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**SOMA TEXTILES & INDUSTRIES LIMITED**

CIN: L51909WB1940PLC010070

Regd. Office: 2, Red Cross Place, Kolkata – 700 001

Email: investors@somatextiles.com, Website: www.somatextiles.com

Phone No.: 033-22487406/07, Fax: 033 22487045

**ATTENDANCE SLIP**

**77<sup>th</sup> ANNUAL GENERAL MEETING**

Sr. No. : \_\_\_\_\_

Registered Folio No./DP ID No./Client ID No. : \_\_\_\_\_

Name of sole/first named Member : \_\_\_\_\_

Address : \_\_\_\_\_

Dear Shareholders,

Subject: Instruction for e-voting

I/We hereby record my/our presence at the 77<sup>th</sup> Annual General Meeting of the Company at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata – 700 001 on Thursday, 17<sup>th</sup> September, 2015 at 2-30 P.M. IST.

Member's Folio/DP ID/Client ID No.

Member's/Proxy's name in Block Letters

Member's/Proxy's signature



# ANNUAL REPORT 2014-2015

Resolution Number	Resolution	Vote (Optional see Note) (Please mention number of shares)		
		For	Against	Abstain
	<b>Ordinary Business</b>			
1	Adoption of Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2015, including the Audited Balance Sheet, Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon			
2	To appoint a Director in place of Shri S. K. Somany (DIN: 00001131), who retires by rotation and being eligible, offers himself for re-appointment			
3	To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration			
	<b>Special Business</b>			
4	Appointment of Shri M. H. Shah, as an Independent Director			
5	Appointment of Smt. N. Loyalka, as an Independent Director			
6	Re-appointment of Shri Shrikant Bhat as Whole-time Director, designated as Executive Director, being a Key Managerial Personnel			
7	Remuneration to the Cost Auditors for the Financial Year ending March 31, 2016			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Member \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix Re 1 Revenue Stamp
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**Note:**

- This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
- A proxy need not be a member of the Company.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the For or Against or Abstain column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
- A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- For the Resolutions, Explanatory Statements and Notes, please refer Notice of the 77<sup>th</sup> Annual General Meeting.
- Please complete all details of Member(s) in above box, before submission.



----- TEAR HERE -----



**Note:**

- Please complete this Attendance slip and hand it over at the Attendance Verification Counter at the meeting hall. Members are requested to bring their copy of the Annual Report for reference at the meeting.
- Electronic copy of the Annual Report for 2014-15 and Notice of the 77<sup>th</sup> Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any Member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
- Physical Copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(S) to all members whose email is not registered or have requested for a hard copy.