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## SOMA TEXTILES & INDUSTRIES LIMITED

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

Phone: 91-33-2248 7406/07, Fax: 91-33-2248 7045

CIN: L51909WB1940PLC010070, Website: www.somatextiles.com

### POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

NOTICE is hereby given to the Members of Soma Textiles & Industries Limited, that the Company is seeking approval of its Members passing Resolutions through Postal Ballot, pursuant to Section 110 of the Companies Act, 2013 ("the Act"), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any Statutory modification or re-enactment thereof for the time being in force) in respect of the following special business:-

- 1] Authority to borrow up to an Overall limit of Rs. 300 Crore (Rupees Three Hundred Crore) to Board of Directors.
- 2] Authority to sell, lease or otherwise dispose of and to create mortgage, charge and hypothecation for such limit as availed/ to be availed under Section 180(1)(c) of the Companies Act, 2013.

Accordingly the said special resolutions and the explanatory statement thereto, stating the material facts are being sent along with the Postal Ballot Form for your consideration and approval.

The Company has appointed Mr. P. K. Drolia, FCS, the practicing Company Secretary, as the Scrutinizer for conducting the voting through Postal Ballot or E-voting in a fair and transparent manner.

You are requested to carefully read and follow the instructions printed on the Postal Ballot Form and the Notice, record your 'Assent' (for)/'Dissent' (against) therein and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed Postage pre-paid business reply envelope (if posted in India), so as to reach the Scrutinizer on or before the close of business hours on Tuesday, the 14th October, 2014, the last date for receipt of the completed Postal Ballot Forms. Alternatively you may choose to vote through electronic means.

"The postage on the enclosed self-addressed Postage pre-paid envelope shall be borne and paid by the Company. Postal Ballot Form received after this date i.e., Tuesday, the 14th October, 2014, will be considered invalid."

In accordance with the provisions of Clause 35B of the listing agreement, Company is also providing Electronic Voting ('E-voting') facility as an alternative to its Members, to enable them to cast their votes electronically, instead of dispatching physical postal ballot form by post. The Company has engaged the services of Central Depository Services India Limited ("CDSL") to provide e-voting facilities to the Members of the Company. It may be noted that e-voting is optional.

The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com) till 6-00 p.m. till 14th October, 2014. Please refer to the instructions given for e-voting at the end of this Notice for the purpose and manner in which e-voting has to be carried out.

The Scrutinizer will submit his report to the Chairman or, in his absence to the Executive Director or the Company Secretary of the Company as authorized by the Board of Directors of the Company, after the completion of scrutiny of the Postal Ballot Forms and e-voting in a fair and transparent manner and the results of the postal ballot will be announced on Monday, the 20th October, 2014 at 11-30 A.M. by the Chairman and/or person so authorized by the Board, at the Registered Office of the Company at 2, Red Cross Place, Kolkata – 700 001.

The date of declaration of the 'Result of Postal Ballot' shall be taken to be the date of passing of the Resolution.

The 'Result of the Postal Ballot' will also be displayed at the said address and posted on the Company's website [www.somatextiles.com](http://www.somatextiles.com), besides communicating the Results of the Postal Ballot to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), where the Company's Shares are listed. The 'Result of the Postal Ballot' shall also be announced through newspaper advertisement.

#### PROPOSED SPECIAL BUSINESS:

##### 1] Borrowing powers of the Board of Directors:-

To consider and if thought fit, to pass with or without modification, the following resolution by Postal Ballot:

##### As a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the Shareholders at the Sixty-seventh Annual General Meeting of the Company held on 8<sup>th</sup> September, 2005 and in pursuance of the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any Statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), the consent of the Shareholders of the Company be and is hereby accorded, to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any committee constituted/to be constituted by the Board or any person(s) or Director(s), authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow, from time to time as they may think fit for the purpose of Company's business, any sum or sums of moneys, on such terms and conditions and with or without security as the Board of Directors may in its discretion thinks fit notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves,

that is to say, reserves not set apart for any specific purposes, provided however, that the total of the aggregate of the moneys so borrowed or to be borrowed by the Board and remaining outstanding shall not at any particular time exceed Rs. 300 Crore (Rupees Three Hundred Crore Only) over and above the aggregate of the paid-up capital of the Company and its free reserves, as per the last audited annual accounts.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolutions, the Board of Directors of the Company, be and are hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient for the purpose of borrowings aforesaid."

**2] Sale, lease, transfer or otherwise dispose of or dealing with Company's properties or undertaking and creation of charges/ mortgage/ hypothecation on movable and immovable properties of the Company, both present and future u/s 180(1)(a) of the Companies Act, 2013:-**

To consider and if thought fit, to pass with or without modification, the following resolution by Postal Ballot:

**As an Special Resolution:**

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the Shareholders at the Fifty-seventh Annual General Meeting held on 28<sup>th</sup> September, 1995, the consent of the Company be and is hereby granted in terms of Section 180(1) (a) and all other applicable provisions of the Companies Act, 2013 ("the Act"), (including any statutory modification(s) or amendment(s) or re-enactment thereof, for the time being in force) and subject to such other approvals as may be required to the Board of Directors of the Company ("hereinafter referred to as the Board", which term shall be deemed to include any committee of the Board constituted/to be constituted to exercise its power) to sell, lease, transfer or otherwise dispose of or deal with the whole or substantially the whole of the undertaking of the Company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings and also to the creation by the Board of such mortgage(s) and/or charge(s)/security(s), hypothecation(s) and/or such other encumbrance(s) in addition to the existing mortgage(s) and charge(s) and hypothecation(s) and/or other such encumbrance(s) created/to be created by the Company in such form and in such manner and with such ranking and at such time and on such terms and conditions, as the Board may think fit and determine on all or any of the immoveable and moveable properties and all assets of all kinds of the Company, wherever situated, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of business and concern of the Company in certain events of default to or in favour of Financial Institution(s), Bank(s), Security Trustee(s), Lender(s), Agent(s) and/or Insurance Company(ies) and/or Investment Institution(s) and/or Investment Company(ies) and/or person or persons, if any, (hereinafter referred to as "the lending Institutions") for securing the borrowings of the Company availed/to be availed by the Company by way of loan(s) (in Foreign Currency and/or Indian Rupee), advance or deposits, Cash Credits, Overdrafts, Discounting of Bills, Inter Corporate Deposits, Commercial Papers, Securities (comprising of Fully/Partly Convertible Debentures/Bonds/Warrants and/or Non-convertible Debentures and other financial/Debt Instruments and such other financial Instruments), issued/to be issued by the Company, from time to time, subject to the existing borrowing limits of Rs. 300 (Three hundred) Crore approved by the Members under Section 180(1)(c) of the Act and/or such limits as may be approved by the Members from time to time under Section 180(1) (c) of the said Act, together with interest, at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment and all other cost charges and expenses (including any increase as a result of devaluation/revaluation or fluctuation in rates of exchange) and all other monies payable by the Company, to the lending Institutions in terms of the Loan Agreement(s)/Heads of Agreement(s)/Facility Agreement(s)/Debenture Trust Deed(s) or any other agreements/documents entered into/to be entered into between the Company and the Lending Institutions in respect of such Loans/ Borrowings/ Bonds/ Debentures/ Warrants/ Non-convertible Debentures and other Financial/ Debt Instruments and containing such specific terms and conditions and covenants in respect of enforcement of Security as may be stipulated in that behalf and agreed to between the Board and the Lending Institution."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised and it shall always be deemed to have been so authorized to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to sale, lease, transfer or otherwise dispose of or deal with and hypothecation, mortgage or creating charge as aforesaid."

"RESOLVED FURTHER THAT the Board is hereby authorized to delegate all or any of the above powers to the Committee of Directors or Managing Director or Executive Director or Principal Officer of the Company and generally to do all such acts, deeds, things and matters that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution in regard to sale, lease, transfer or otherwise dispose of or deal with and hypothecating, mortgaging and/or creating charges as aforesaid."

"RESOLVED LASTLY THAT the mortgage/charge created and/or to be created and/or all agreements/documents executed/to be executed and all acts done heretofore in terms of the above Resolution by and with the authority of the Board of Directors are hereby confirmed and ratified."

By Order of the Board

Place: Kolkata

Dated: the 14<sup>th</sup> August, 2014

**Enclosures:**

1. Postal Ballot Resolution along with Explanatory Statement.
2. Postal Ballot Form.
3. Self-addressed Business Reply envelope.

**R.S. Sharma**

*Company Secretary cum Compliance Officer*

**NOTES:**

- 1) The Explanatory Statement giving reasons for the above proposed special business pursuant to Section 102 of the Companies Act, 2013, setting out material facts is appended to the Notice.
- 2) A Postal Ballot Form along with pre-paid self-addressed 'Business Reply Envelope' is attached hereto.
- 3) A Member entitled to vote is entitled to fill in and sign the Postal Ballot Form and send it to the Scrutinizer.
- 4) Voting right by a Postal Ballot cannot be exercised by a Proxy.
- 5) A Member may request for a duplicate Postal Ballot Form, if so required. However, the duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at item no. 2(d) under the head "Process for Members Opting for Voting by Postal Ballot" under the 'Instructions', of Postal Ballot Form.
- 6) The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners, received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on close of working hours on the Cut-off Date (Record Date) Friday, the 29th August, 2014.
- 7) Members who have registered their e-mail ID's with the depositories or with the Company, are being sent notice of postal ballot by e-mail and Members who have not registered their e-mail IDs will receive postal ballot alongwith postal ballot form through post/courier.
- 8) Members desiring to exercise their votes can vote either by sending postal ballot form or by e-voting facility.
- 9) Members are requested to read carefully the instructions printed in the Notice and given on the Postal Ballot Form before exercising their vote, either by Postal Ballot or e-voting.
- 10) The Scrutinizers' decision on the validity of Postal Ballot shall be final.
- 11) The special resolutions as enclosed shall be declared as passed, if the number of votes cast in favour of the resolutions is three times more than the votes, if any, cast against the said resolutions.
- 12) The Result of Postal Ballot shall be announced by the Chairman or in his absence by the Executive Director or the Company Secretary, of the Company, duly authorized by the Board of Directors of the Company, on Monday, the 20th October, 2014, at the Registered Office of the Company at 2, Red Cross Place, Kolkata – 700 001 at 11-30 A.M. and the Resolution will be taken as passed effectively on the date of announcement of the result, if the result of the Postal Ballot indicates that the requisite majority of the members has assented to the Resolution.
- 13) The Result of the Postal Ballot will also be announced through Press advertisements and will be uploaded on the website of the Company and on the website of the Agency, along with scrutinizer's report, within 2 days of the declaration of the Results for information of the Members, besides communicating the same to the Stock Exchanges on which the shares of the Company are listed.

**Instructions for Voting:-****Voting through Physical Postal Ballot Form**

1. Members desiring to exercise vote by Postal ballot shall complete the enclosed Postal Ballot Form with 'Assent' (for) or 'Dissent' (against) and send it to the Scrutinizer in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company.  
However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the Registered Members will also be accepted or the envelopes if deposited with the Company in person/personally at the address given thereon, will also be accepted.
2. The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on or before Tuesday, the 14th October, 2014 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member/s.
4. Members may not use all their votes and may not cast their votes in the same manner.
5. There shall be one ballot for every Folio/ DP ID & Client ID, irrespective of the numbers of Joint-holders.
6. The consent must be accorded by, recording the 'Assent' in the Column (For) and 'Dissent' in the Column (Against) by placing a tick mark (✓) in the appropriate Column.
7. The Voting rights of the Members shall be in proportion to their Shares in the paid-up Capital Equity Share Capital of the Company.
8. Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.

**Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rule, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to exercise their right to vote by postal ballot by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services India Limited ("CDSL"):

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

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

- (ii) Click on “Shareholders” tab
- (iii) Now, select the “**Electronic Voting Sequence Number EVSN No. 140904105**” alongwith “**SOMA TEXTILES AND INDUSTRIES LIMITED**” from the drop down menu and click on “**SUBMIT**”.
- (iv) 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.
- (v) Next enter the Captcha Code (Image Verification Code) as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below (Applicable for both demat shareholders as well as physical shareholders).
- (viii) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
	<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 demat account/folio number in the PAN Field.</li> <li>In case folio 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 number 1 then enter RA00000001 in the PAN Field.</li> </ul>	
#DOB	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.	
#Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.	
	<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 number of shares held by you as on the cut-off date in the Dividend Bank details field or enter value 29/08/2014 in DOB Column.</li> </ul>	

# Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or Company please enter the member id/folio number in the Bank details field.

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen.
- (xi) 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 Postal Ballot 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 changed password then Enter the User ID and Captcha Code (Image Verification Code) and click on Forgot Password & enter the details as prompted by the system.
- (xxi) (a) 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**.
- (b) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com).
- (c) After receiving the login details they have to create a User ID to able to link the account(s) which they wish to vote and then cast their vote on.

- (d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (e) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xxii) Once the vote on the Resolution is cast by the Shareholders, they shall not be allowed to change it subsequently.
- (xxiii) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxiv) The voting rights of the Members shall be in proportion to their shares in the Paid-up Equity Share Capital of the Company as on the cut-off (Record Date) on 29th August, 2014.

#### **General**

- 1. The e-voting period commences on Monday, the 15th September, 2014 (9-00 a.m. IST) and ends on Tuesday, 14th October, 2014 (6-00 p.m. IST). During this period, members of the Company, holding shares in physical form or in dematerialised form, as on the cut-off date (Record Date) August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
2. Members can choose only one of the two options, either through e-voting or through Postal Ballot Form. In case the votes are cast, through both the formats then votes cast through e-voting shall prevail and the votes cast through Postal Ballot form shall be considered as invalid.
3. Members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their votes.
4. The Postal Ballot Notice and Form will be available on the Company's website.
5. Members who do not receive the Postal Ballot Form may write to the Company at the Registered Office at 2, Red Cross Place, Kolkata -700001 or its factory Office at Rakhial Road, Ahmedabad-380023 or to the Company's Registrar Sharepro Services (India) Private Limited at 13 AB, Samitha Warehousing Complex, Sankinaka Telephone Lane, Sankinaka, Andheri East, Mumbai – 400072 or to the email ids: sharepro@shareproservices.com or sharepro.ahmedabad@shareproservices.com and obtain a duplicate thereof or may download from the Company website www.somatextiles.com and send the form signifying their Assent or Dissent to the Scrutinizer in a sealed envelope at the registered office of the Company so as to reach on or before the close of business hours on Tuesday, the 14th October, 2014.

#### **Explanatory Statement pursuant to the provisions of Section 102 and 110 of the Companies Act, 2013.**

##### **Item No.1**

At the 67<sup>th</sup> Annual General Meeting of the Members of the Company held on 8<sup>th</sup> September, 2005, the Board of Directors was authorised to borrow monies in excess of the paid-up share capital and free reserves of the Company, not exceeding Rs. 300 Crore, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business.

Under the provisions of Section 180 (1)(c) and (2) of the Companies Act, 2013, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the members obtained by a special resolution. Further, as per the Circular dated March 25, 2014 issued by the Ministry of Corporate Affairs, the ordinary resolution earlier passed under the erstwhile Section 293 (1)(d) of the Companies Act, 1956, will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. up to September 11, 2014. As such, it is necessary to obtain fresh approval of the members by means of a special resolution, enable the Board of Directors of the Company, to borrow monies in excess of the paid-up share capital and free reserves of the Company, not exceeding Rs. 300 Crore, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business. It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180 (1)(c) of the Companies Act, 2013, for borrowing monies not exceeding the limit of Rs. 300 Crore.

The above proposal as set out at item no.1 of the accompanying Notice is in interest of the Company.

The Board of the Company accordingly recommends the Special Resolution, as set out at item no. 1 of the accompanying Notice for approval by the Members, by way of Postal Ballot.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested financial or otherwise in this Resolution, except to the extent of their Shareholdings, held by them in the capacity of the shareholders and/or promoters of the Company.

##### **Item No.2**

Under the erstwhile Section 293(1)(a) of the Companies act, 1956, the Board of Directors of the Company could, with the consent of the members obtained by an Ordinary Resolution, sell, lease, transfer or otherwise dispose of or deal with Company's assets/ any undertaking of the Company and to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

The members of the Company, through an Ordinary Resolution passed at the 57<sup>th</sup> Annual General Meeting dated September 28, 1995 had accorded their consent to the Board of Directors to sell, transfer, lease or otherwise deal with or other dispose of Company's assets/any undertaking and to create charges/ mortgages/ hypothecations on the assets/ properties of the Company, both present and future, restricted to the overall borrowing limit of Rs. 100 Crore (Rupees One Hundred Crore Only) approved by the Members of the Company at the AGM held on 21<sup>st</sup> September, 1990 and subsequently increased from time to time at Rs. 300 Crore (Rupees Three Hundred Crore Only) at the 67<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> September, 2005.

Under the provisions of Section 180 (1)(a) of the Act, which were made effective from September 12, 2013, the above powers can

be exercised by the Board only with the consent of the members obtained by a Special Resolution.

Further, as per the Circular dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. up to September 11, 2014.

As such, it is necessary to obtain fresh approval of the members by means of a Special Resolution, to enable the Board of Directors of the Company to sell, lease, transfer or otherwise dispose of or deal with Company's properties and assets including undertaking or any part of Undertaking and to create charges/ mortgages/ hypothecations on the Company's assets/properties on the Company's assets, both present and future, in favour of Financial Institution(s), Bank(s), Agent(s), Security Trustee(s) and other lending institutions, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). Standard market terms of long term debt finance include conditions whereby Lenders/Trustees in certain circumstances (such as non-payment or other events of default) can take over the management of business and concern of the Company, to recover their dues.

Section 180(1)(a) of the Companies Act, 2013, provides inter-alia that the Board of Directors of the Public Limited Company shall not, except with the consent of the Shareholders in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the Undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of such undertaking. The mortgage and/or Charge created and/or to be created by the Company in any form on its moveable/immoveable properties and/or the whole or any part of the undertaking(s) with the power to take over the management of the business and concerns of the Company in certain event of defaults by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of the said section. It is therefore, necessary to obtain a fresh approval from the Members, by way of a Special Resolution under Section 180(1)(a) of the Act, as aforesaid.

The above proposal as set out in item no. 2 of the accompanying Notice is in interest of the Company and the Board recommends the same for approval by the Members, by way of Postal Ballot.

None of the Directors or Key Managerial Persons of the Company or their relatives are in any way concerned or interested in the said Resolution except to the extent of Shareholding held by them in the capacity of the shareholders and promoters of the Company.

By Order of the Board

Place: Kolkata

Dated: the 14<sup>th</sup> August, 2014

**R.S. Sharma**

*Company Secretary cum Compliance Officer*

STIL- BM/STIL-POSTAL BALLOT-APRIL2014-15