



SOMA TEXTILES & INDUSTRIES LIMITED

CIN: L51909WB1940PLC010070

Registered Office: 2, Red Cross Place, Kolkata - 700 001, Phone: 033-22487406/07

Share Dept.: Rakhial Road, Ahmedabad - 380 023, Phone: 079-2274 3285-8

E-mail: investors@somatextiles.com ; Website: www.somatextiles.com

NOTICE OF POSTAL BALLOT

Dear Shareholder(s),

Notice is hereby given to the Members of Soma Textiles & Industries Limited, that the Company is seeking approval of its Members by way of Special Resolutions through Postal Ballot which includes electronic voting (remote e-voting), pursuant to provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (Act) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Standard 16 Secretarial Standard - 2 (SS-2), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable from time to time, in respect of the following special business:-

- 1] Fresh approval to the re-appointment of and remuneration payable to Shri Arvind Kumar Somany, as Managing Director of the Company, upon abatement of his earlier applications filed by Company to the Central Government, in terms of the MCA Notification No. S.O. 4823 (E) dated 12th September, 2018 and the amended Sections 196, 197, 198, 200 and 201 of the Companies Act, 2013, as amended by sections 66 to 70 of the Companies (Amendment) Act, 2017 effective from 12th September, 2018.
- 2] Fresh approval to the re-appointment of and remuneration payable to Shri Shrikant Bhairaveshwar Bhat, as Whole Time Director of the Company, upon abatement of his earlier applications filed by Company to the Central Government, in terms of the MCA Notification No. S.O. 4823 (E) dated 12th September, 2018 and the amended Sections 196, 197, 198, 200 and 201 of the Companies Act, 2013, as amended by sections 66 to 70 of the Companies (Amendment) Act, 2017 effective from 12th September, 2018.

Members consent is sought for the said Special Resolutions. The Explanatory Statement pertaining to the below mentioned Resolutions under Section 102 of the Act setting out the material facts and the reasons thereof is annexed to this Notice and is being sent to you along with a Postal Ballot Form for your consideration.

The Board of Directors have appointed **Mr. Pravin Kumar Drolia, Practicing Company Secretary, Kolkata** as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

Members are thus requested to carefully read the instructions printed on the Postal Ballot Form and the Notice and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed pre-paid postage envelope (if posted in India), so as to reach the Scrutinizer on or **before the close of business hours at 5.00 p.m. on Thursday, the 16th May, 2019 (the closing date)**, the last date for receipt of the duly completed Postal Ballot Forms. The postage on the enclosed self-addressed pre-paid postage envelope shall be borne and paid by the Company. Postal Ballot Form(s), if sent at the expenses of the member(s), will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the Business Reply Envelope. Please note that if any Postal Ballot Form is received after the said closing date, it will be considered that no reply has been received from the member in terms of aforesaid Rules.

We are pleased to offer remote e-voting facility also as an alternate for our Members which would enable you to cast your votes electronically, instead of sending physical Postal Ballot Form. Remote E-voting is optional. Please carefully read and follow the instructions on remote e-voting printed in this Notice.

The Scrutinizer will submit his report to the Chairman or in his absence to any other Director/any other person duly authorized by the Chairman, after completion of scrutiny of Postal Ballots (including votes cast through remote e-voting) in a fair and transparent manner and **the result of the Postal Ballot / Remote E-voting will be announced on Friday, the 17th May, 2019 at 3-30 P.M.** at the Registered Office of the Company at 2, Red Cross Place, Kolkata - 700 001. **The Resolution(s), if passed with requisite majority, shall be deemed to have been passed on the last date for receipt of duly completed Postal Ballot Forms or remote e-voting i.e., Thursday, the 16th May, 2019.** The results declared along with the Scrutinizer's Report shall be displayed at the aforesaid Registered office and on the Notice Board of the Registered office and the Corporate office of the Company, on its website, www.somatextiles.com and on the website of CDSL, www.cdslindia.com for information of the Members, besides being communicated to National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE), where the shares of the Company continued to be presently listed. The result of the Postal Ballot shall also be announced through newspaper advertisement.

PROPOSED SPECIAL BUSINESS:

1. **Fresh approval to the re-appointment of and remuneration payable to Shri Arvind Kumar Somany, as Managing Director of the Company, upon abatement of his earlier application filed by Company to the Central Government, in terms of the MCA Notification No. S.O. 4823 (E) dated 12th September, 2018 and the amended Sections 196, 197, 198, 200 and 201 of the Companies Act, 2013, as amended by sections 66 to 70 of the Companies (Amendment) Act, 2017 effective from 12th September, 2018.**

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 Special Resolution passed by the Shareholders at the Seventy-eighth (78th) Annual General Meeting held on 7th September, 2016 and in pursuance of the provisions of amended Sections 196 and 197 of the Companies Act, 2013, as amended by Sections 66 to 70 of the Companies (Amendment) Act, 2017 in light of the MCA Notification No. S.O. 4823 (E) dated 12th September, 2018, effective from the date of notification, read with amended Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any Statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), subject to prior approval of the financial

institutions and/or banks ("the lenders"), where the Company has committed any default in making payment of its dues to the lenders 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, if any, 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 A. K. Somany (Shri Somany), the consent of the Company be and is hereby accorded to the re-appointment of Shri Somany, as Managing Director, being a Key Managerial Personnel, of the Company, who shall not 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 22nd January, 2017 to 21st January, 2020, on such remuneration by way of salary, commission, perquisites, allowances and/or benefits, 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 read with Schedule V of the Companies Act, 2013, as amended up to date and subject further to obtaining Members' approval by virtue of this Special Resolution, proposed to be passed by way of Postal Ballot 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 Somany of the OTHER PART, and duly specified in the Statement, annexed to the Notice of the Postal Ballot ("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 Somany, the Managing 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 Managing 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, commission, perquisites and allowances) payable to Shri Somany 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 Somany 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 and accordingly the terms of the aforesaid 'Draft Agreement' between the Company and Shri Somany 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 Somany, the Company has no profits or its profits are inadequate, the Company do pay to Shri Somany, subject to requisite approval, if any, the remuneration up to a sum not exceeding, (i) Rs. 70,00,000/- per annum from 22.01.2017 to 21.01.2018, (ii) Rs. 82,00,000/- per annum from 22.01.2018 to 21.01.2019 and (iii) Rs. 94,00,000/- per annum from 22.01.2019 to 21.01.2020 or the revised remuneration, as may be approved by the Board, as a "Minimum Remuneration" by way of salary, perquisites, allowances and/or benefits, as specified in the 'Draft Agreement' and also in the Statement annexed to the 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."

"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."

2. Fresh approval to the re-appointment of and remuneration payable to Shri Shrikant Bhairaveshwar Bhat, as Whole Time Director of the Company, upon abatement of his earlier application filed by Company to the Central Government, in terms of the MCA Notification No. S.O. 4823 (E) dated 12th September, 2018 and the amended Sections 196, 197, 198, 200 and 201 of the Companies Act, 2013, as amended by sections 66 to 70 of the Companies (Amendment) Act, 2017 effective from 12th September, 2018.

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 Special Resolution passed by the Shareholders at the Seventy-seventh (77th) Annual General Meeting held on 17th September, 2015 and in pursuance of the provisions of amended Sections 196 and 197 of the Companies Act, 2013, as amended by Sections 66 to 70 of the Companies (Amendment) Act, 2017 in light of the MCA Notification No. S.O. 4823 (E) dated 12th September, 2018, effective from the date of notification, read with amended Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any Statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), subject to prior approval of the financial institutions and/or banks ("the lenders"), where the Company has committed any default in making payment of its dues to the lenders 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, if any, 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 Bhat, the consent of the Company be and is hereby accorded to the re-appointment of 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, as amended up to date, for a period of Three (3) years with effect from 18th January, 2016 to 17th January, 2019, on such remuneration by way of 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, as amended up to date and subject further to obtaining Members' approval by virtue of this Special Resolution, proposed to be passed by way of Postal Ballot 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 the Postal Ballot ("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, if any, the remuneration up to a sum not exceeding, (i) Rs. 35,57,432/- per annum from 18.01.2016 to 17.01.2017, (ii) Rs. 38,71,406/- per annum from 18.01.2017 to 17.01.2018 and (iii) Rs. 43,78,842/- per annum from 18.01.2018 to 17.01.2019 or the revised remuneration, as may be approved by the Board, as a "Minimum Remuneration" 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 Notice, subject to and within the maximum ceiling limits laid down under Section II of Part II of the amended 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."

"RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to amended 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."

**By order of the Board
For Soma Textiles & Industries Limited**

Place : Kolkata
Date : 13th February, 2019

(A. K. Mishra)
Company Secretary

Notes:

1. The 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. The Board of Directors has appointed Mr. Pravin Kumar Drolia, Practicing Company Secretary, as the Scrutinizer to conduct the postal ballot/remote e-voting process in a fair and transparent manner.
3. A Postal Ballot Form along with pre-paid self-addressed 'Business Reply Envelope' is attached hereto.
4. A Member entitled to vote is entitled to fill in and sign the Postal Ballot Form and send it to the Scrutinizer.
5. Voting right by a Postal Ballot cannot be exercised by a Proxy.
6. The Notice is being sent to all the Members by post (and electronically by e-mail to those Members who have registered their e-mail IDs with the Company) whose names appear in the Register of Members/Record of Depositories as on 29th

March, 2019. The voting shall be reckoned in proportion to the shares held by a Member in the paid up equity share capital of the Company as on **29th March, 2019.**

7. The Notice is being published in Business Standard, Kolkata (English Edition) and Ekdin, Kolkata (Bengali Edition).
8. The Notice has also been made available on the website of the Company i.e. www.somatextiles.com.
9. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also providing e-voting facility as an alternate for its Members, to enable them to cast their votes electronically, instead of dispatching physical Postal Ballot Form(s).
10. The Members can opt for only one mode of voting, i.e., either by Physical Ballot or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.

Instructions for Voting:

Voting through Physical Postal Ballot Form

1. A member 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 Member will also be accepted. The envelopes may also be deposited personally at the address given thereon. 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 **Thursday, the 16th May, 2019** to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member(s).
2. The 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.
3. Shareholders who do not receive the Postal Ballot Form may write to the Company's Registrar - Link Intime India Private Ltd. at 5th Floor, 506 - 508, Amarnath Business Centre - 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad - 380 006 or to the e-mail id: ahmedabad@@linkintime.co.in and obtain a duplicate thereof.

Voting through electronic means

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2015 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility to the members, to enable them to cast their votes on the resolution proposed to be passed, electronically.
2. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Authorized Agency to provide remote e-voting facilities.
3. Members are requested to carefully read the instructions for remote e-voting before casting their votes.
4. The remote e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for remote e-voting:

| | |
|--|--|
| Commencement of remote e-voting | 9.00 A.M., Wednesday, the 17th April, 2019 |
| End of remote e-voting | 5.00 P.M., Thursday, the 16th May, 2019 |

5. The instructions for members for e-voting are as under:
 - (a) Shareholders should log on to the e-voting website www.evotingindia.com
 - (b) Click on "Shareholders" tab.
 - (c) Now, select the "Soma Textiles & Industries Limited" from the drop down menu and click on "SUBMIT".
 - (d) Now Enter your User ID.
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (iii) For Physical Form: Member should enter Folio Number registered with the Company.
 - (e) Next enter the Captcha Code (Image Verification Code) as displayed and Click on Login.
 - (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (g) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and 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"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. The sequence number is printed on the Postal Ballot Form address to the shareholder individually, containing particulars of remote e-voting sent along with Notice of Postal Ballot. • In case the sequence number is less than 8 digits enter the applicable number of 0'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. |
| 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. |
| Dividend 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"> • 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. |

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) 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.
- (j) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolution contained in this Notice.
- (k) Click on the EVSN (Electronic Voting Sequence Number) for the relevant "Soma Textiles & Industries Limited" on which you choose to vote.
- (l) 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.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) 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.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (q) 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.
- (r) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> 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
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - 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.
 - 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.
- (s) Once the vote on the Resolution is cast by the Shareholders, they shall not be allowed to change it subsequently.
- (t) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (u) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off on 29th March, 2019.

ANNEXURE TO THE NOTICE

(Statement pursuant to the provisions of Section 102 of the Companies Act, 2013)

ITEM NOS. 1 & 2

The Company at its 78th Annual General Meeting held on Wednesday, the 7th day of September, 2016, had approved the re-appointment of and remuneration payable to Shri Arvind Kumar Somany (Shri Somany), as the Managing Director, being a Key Managerial Personnel, not liable to retire by rotation, for a period of 3 years commencing from 22nd January, 2017 and ending on 21st January, 2020, subject however to due approval of the Central Government.

At its 77th Annual General Meeting held on Thursday, the 17th day of September, 2015, approval to the re-appointment of and remuneration payable to Shri Shrikant Bhairaveshwar Bhat ("Shri Bhat"), as the Whole Time Director, being a Key Managerial Personnel, liable to retire by rotation, was approved by the Members of the Company for a period of 3 years commencing from 18th January, 2016 and ending on 17th January, 2019, subject however to due approval of the Central Government.

The Company had subsequently made an application to the Central Government vide its application no. SRN G40907982 dated 14.04.2017, for seeking their approval to the re-appointment of Shri Arvind Kumar Somany ("Shri Somany") and the remuneration payable to him, during the tenure of his appointment as Managing Director in accordance with sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as stipulated in the Special Resolution passed at the 78th Annual General Meeting ("AGM") and the Central Government approval was being awaited.

Similarly, the Company had also made an application to the Central Government vide its application no. SRN G05917869 dated 23.06.2016, for seeking their approval to the re-appointment of Shri Shrikant Bhairaveshwar Bhat ("Shri Bhat") and the remuneration payable to him, during the tenure of his appointment as Whole Time Director in accordance with sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as stipulated in the Special Resolution passed at the 77th Annual General Meeting ("AGM") and the Central Government approval was being awaited.

By the time, the Companies (Amendment) Act, 2017 came into force on 12th September, 2018, by a notification issued by MCA and Section 196, 197, 198, 200 and 201 of the Companies Act, 2013 were amended and made effective from the date of notification.

The Companies (Amendment) Act, 2017, removed the requirement of the Central Government approval for payment of managerial remuneration (including the remuneration in excess of the specified limit stipulated therein and is permitted to be the settled and

decided by the Shareholders. However where a Company that has defaulted on its payment obligations to the bank(s)/ financial institution(s), secured creditors, holder of non-convertible debentures, as the case may be, shall require prior approval of such persons, before obtaining the approval of shareholders in the General Meeting.

Consequent upon, the pending applications of Shri Somany and Shri Bhat, with the Central Government, as applied for, by the Company, had been abated under the provision of sub-section 17 of Section 197 of the Act by the Central Government vide its letters issued under reference nos. SRN G40907982/02/2017-CL-VII dated 23rd October, 2018 and SRN G05917869/2016-CL-VII dated 11th October, 2018. Fresh approval of the Shareholders is mandated to be obtained in accordance with the provisions of sub-section 17 of Section 197 of the Companies (Amendment) Act, 2017, within one year of commencement of the Companies (Amendment) Act, 2017, effective from 12th September, 2018.

The Board of Directors of the Company ("the Board") have therefore at its meeting held on 13th February, 2019, as against their earlier approvals on 27th May, 2016 and 30th May, 2015, considered the re-appointment of, Shri Somany as Managing Director for a period of 3 (Three) years, effective from 22nd January, 2017, and Shri Bhat, as the Whole Time Director for a period of 3 (Three) years, effective from 18th January, 2016, respectively, subject however to the approval of the shareholders by way of Postal Ballot, and the prior approval of the Banks/ Financial Institutions, where required, and subject further to such other approvals and/or sanctions, as may be required, on the terms and the remuneration permissible under amended Section 197 read with Schedule V to the Companies Act, 2013 ("the Act"), as amended up to date, and embodied in the draft Agreement, to be entered into with Shri Somany, who shall not be liable to retire by rotation, in terms of Section 160 of the Act, including other provisions of the Act and Shri Bhat, who shall be liable to retire by rotation, in terms of Section 160 of the Act, including other provisions of the Act.

The Board considers that their services will be useful to the Company and that it is in interest of the Company that they be re-appointed as 'Managing Director' of the Company. Their appointments and remunerations so fixed by the Board upon recommendation of the Nomination and Remuneration Committee are in accordance with Schedule V to the Act, as amended up to date and subject to the approval of Members of the Company by way of Postal Ballot.

Their re-appointment and remuneration fixed by the Board have been recommended by the Nomination and Remuneration Committee and are in accordance with Schedule V to the Companies Act, 2013 ("the Act").

The Board of Directors have fixed the following remuneration as per the recommendations of the Nomination and Remuneration Committee to be paid to Shri Somany, as Managing Director and Shri Bhat, as Whole Time Director, of the Company during their respective periods of re-appointment with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling laid down under Schedule V to the said Act, or any statutory amendment or relaxation thereof:-

| Sr. No. | Particulars | Shri Arvind Kumar Somany, Managing Director | Shri Shrikant Bhairaveshwar Bhat, Whole Time Director |
|---------|--------------------------|--|--|
| 1. | Period of Re-appointment | Three (3) consecutive years commencing from 22 nd January, 2017 to 21 st January, 2020 | Three (3) consecutive years commencing from 18 th January, 2016 to 17 th January, 2019 |
| 2. | Nature of Duties | Subject to the superintendence, control and direction of the Board, Shri Somany and Shri Bhat, shall perform such duties and exercise such powers as may from time to time be entrusted to or vested in them by the Board and shall devote the whole of their time and attention to their service as the Managing Director and Whole Time Director, of the Company. | |
| 3. | Remuneration | Shri Arvind Kumar Somany and Shri Shrikant Bhairaveshwar Bhat (hereinafter referred to as "the appointees") shall, in consideration of their services, be entitled to the following remuneration by way of: | |
| | A. Salary (Basic + D.A.) | Rs. 3,55,000/- Per month | Rs. 1,36,623/- Per month |
| | | With such increments and/or accelerated increments as may be decided by the Board of the Company, upon due recommendation of the Remuneration Committee, at its absolute discretion from time to time and with proportionate increase in all perquisites, allowances & benefits related to and depending upon the quantum of salary, within and up to a maximum of Rs. 7.50 lacs (Rupees Seven Lacs Fifty Thousands Only) per month or Rs. 90 lacs (Rupees Ninety Lacs Only) per annum and such other perquisites, allowances and benefits. First Annual increment was due and effected from 1 st April, 2017 and thereafter from 1 st April, each year. Salary may include basic salary, additional salary, special allowances and any other allowances as may be determined by the | with such increments and/or accelerated increments as may be decided by the Board of Directors of the Company, first increment from 1 st April, 2016 and thereafter from 1 st 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 Rs. 5,00,000/- (Rupees Five Lac) 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 Rs. 5 Lacs per month or Rs. 60 Lacs per annum. |

| | | |
|---------------------------------------|--|--|
| | Board from time to time subject to within and up to a maximum Salary of Rs. 7.50 Lacs per month or Rs. 90 Lacs per annum. Such special allowances or such other allowances or additional salary, will however not be eligible for retrial benefits such as Provident fund, Gratuity/ Super Annuation Fund and other perquisites, allowances and benefits. | |
| B. Bonus/Ex-gratia, in lieu of Bonus | Nil | 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, as amended up to date. (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. Commission | In addition to Salary, in the event of profits or adequate profits, appointee shall also be entitled to such remuneration by way of such percentage of Commission as may be decided by the Board on the recommendation of Nomination and Remuneration Committee at its discretion from time to time or at the end of such Financial Year. | Nil |
| D. Perquisites, Allowances & Benefits | In addition to Salary, Commission, Bonus/Ex-gratia, in lieu of Bonus, as applicable, the appointees will be entitled to 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 and personal accident insurance and such other benefits, facilities and allowances as may be available and allowed to appointees, 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 appointees will be subject to the ceiling - 60 (Sixty) percent of the Salary over and above 10 (Ten) per cent payable by the appointees.
- ii) In case the accommodation is owned by the Company, 10 (Ten) per cent of the salary of appointees shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, appointees shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing 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) per cent of the salary of the appointees.

MEDICAL REIMBURSEMENT

Expenses incurred for the appointees and their family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

LEAVE TRAVEL CONCESSION

For the appointees and their 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

For Shri Somany, of an amount, the annual premium of which does not exceed Rs. 10,000/- per annum. For Shri Bhat, 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 the appointees, 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 the appointees.

Note: All the perquisites will be interchangeable i.e. any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisites.

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.
- 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 above perquisites, as specified in paragraph 1 of Section IV of Part II of Schedule V to the Act, as amended up to date, shall not, however 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, as amended up to date.

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 the appointees.

Provided the aggregate of remuneration payable by way of salary, commission, bonus/ex-gratia in lieu of bonus, as applicable, and perquisites, allowances and benefits to appointees, as contemplated in Clauses (A), (B), (C) and (D) under 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 the amended Schedule V of the Act, as amended up to date (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 Sections 197 of the Act, as amended up to date).

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, if any, of the Companies Act, 2013, as amended up to date read with Schedule V to the said Act, as amended up to date or 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, as amended up to date, in any financial year(s) during the currency of tenure of office of appointees, the Company shall pay them in respect of such financial year(s) remuneration by way of consolidated salary, bonus/ ex-gratia in lieu of bonus as the case may be, perquisites, allowances and benefits, as "Minimum Remuneration" as they may be the then time drawing as specified in Clauses (A), (B), (C) & (D) of the Remuneration Clause 3 above, subject to an overall limits laid down under Section II of the Part II of amended 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 provided by the Central Government from time to time as to "Minimum Remuneration".

The perquisites specified under category 'B' of Remuneration Clause 3(D), above in terms of paragraph 1 of Section IV of Part II of Schedule V to the Act, as amended up to date, 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, as amended up to date.

SITTING FEE

The appointees shall not so long as they act as the Managing Director and Whole Time Director, of the Company be paid any sitting fees for attending any meetings of the Board or any Committee thereof.

RETIREMENT BY ROTATION

Shri Somany, shall not be liable to retire by rotation, whereas, Shri Bhat shall be liable to retire by rotation in accordance with the provision of Section 152 of the Companies Act, 2013, as amended up to date. If at any time the appointees ceases to be Director(s) of the Company for any cause whatsoever they shall cease to be Managing Director and Whole Time Director, as the case may be, of the Company.

OTHER TERMS

The appointees shall not during the continuance of their employment hereunder or at any time thereafter, divulge or disclose to any person or make use whatever for their own or for any other purpose any confidential information or knowledge acquired by them during their employment under the Company as to the business or affairs of the Company or as to any trade secret(s) or process(es) of the Company and shall during the continuance of their employment use their best endeavors to prevent any other person from doing so.

The appointees hereby undertake that so long as they function as Managing Director and Whole Time Director, of the Company they shall not become interested or otherwise concerned, directly or indirectly, or through their wives and/or minor children, if any, 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 re-appointments and remuneration from time to time within the limits laid down in Schedule V to the Act, as amended up to date.

TERMINATION

Notwithstanding anything contained in the Agreement, either party, shall be entitled to determine this Agreement(s) by giving 6(six) calendar months' notice in writing in that behalf to Shri Somany and by giving 2(two) calendar months' notice in writing in that behalf to Shri Bhat and on the expiry of the period of such notice(s), this Agreement(s) shall stand terminated. The Company shall also be entitled without assigning any reason, whatsoever to terminate the Agreement(s) on giving to the appointees viz. Shri Somany 6(six) months' salary and to Shri Bhat 2(two) months' salary, as specified under Sub-clause (A) of Remuneration Clause 3 above and/or the Agreements entered/to be entered in to by the Company with Shri Somany and Shri Bhat in lieu of 6(six) and 2(two) calendar months' notice respectively required to be given under this Clause.

SERVICE OF NOTICE

Any notice to be given hereunder shall be sufficiently given or served in case of appointees by being delivered either personally to them or left for them at their addresses last known to the Company or sent by Registered Post addressed to them 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 Resolutions, 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, as amended up to date and (II) as approved by the Members hereinunder these Resolutions, whichever is lower.

The limits specified in the Statement attached to this Notice in regard to Resolutions set out at item nos. 1 & 2 are only the maximum limits and the Board may in exercise of the delegated authority pay Shri Somany and 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 Resolutions. However, in the absence, or inadequacy of profits in any financial year, during the tenure of Shri Somany, Managing Director and Shri Bhat, Whole Time 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 Rs. 60 Lacs plus 0.01% of the effective capital in excess of Rs. 250 Crores, as prescribed under Section II(A) of Part II of Schedule V of the Act, as amended up to date, as envisaged under the said Schedule V of the Act, as amended up to date.

Pursuant to Section II(A) of Part II of Schedule V of the Act, as amended up to date, a Statement in the prescribed format is required to be sent to all shareholders, containing the information specified therein along with the Notice of the Postal Ballot.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Act, Special Resolutions as set out in item nos. 1 & 2 of the accompanying Notice are now being sent to the Members for their approval through Postal Ballot.

The Board therefore recommends passing of the Resolutions set out in item nos. 1 & 2 of the accompanying Postal Ballot Notice.

MEMORANDUM OF INTEREST

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, except Shri S. K. Somany and Sri A. K. Somany, being close relatives to each other, are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 1 of the accompanying Notice and none of the Directors/ Key Managerial Personnel of the Company/ their relatives other than Shri Bhat, are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

INSPECTION OF DOCUMENTS

The draft copy of the service Agreement(s) proposed to be entered into between the appointees as to their re-appointment as Managing Director & Whole Time Director and letters issued by the Central Government to the Company abating the Company's applications as referred to by the Company in its statement, are available for inspection of the Members at the Registered Office of the Company on any working day between 12-00 A.M. and 2-00 P.M. up to and including the date of passing of the resolution by way of Postal Ballot. NOC/ Prior approval of the lender(s), as to re-appointment and remuneration payable to the appointees will also be available for inspection thereat.

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 Somany as Managing Director, and Shri Bhat, as Whole Time Director, designated as 'Executive Director', being a Key Managerial Personnel of the Company, as set out in the Agreements referred to and Statement, duly annexed to the accompanying Notice should be treated as an 'ABSTRACT' of the terms of their re-appointment and Memorandum of Interest under Section 190 of the Companies Act, 2013, as amended up to date.

The requisite information required to be provided to the Shareholders of the Company in the Notice of the Postal Ballot in terms of Part-II, Section II of Schedule V to the Companies Act, 2013, as amended up to date, 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 on given indicators :

(Rs. in Lacs)

| Year ending 31 st March | Sales | Operating Profit/(Loss) | Profit/(Loss) before Tax | Net Profit/(Loss) after Tax |
|------------------------------------|---------|-------------------------|--------------------------|-----------------------------|
| 2011 | 27,833* | 960* | (582) | (475) |
| 2012 | 26,614 | 1,642 | (787) | (746) |
| 2013 | 32,271 | 2,521 | 95 | (1,66) |
| 2014 | 27,293 | 593 | (1,769) | (1,334) |
| 2015 | 22,554 | (2,123) | (4,375) | (3,358) |
| 2016 | 17,024 | 473 | (1,786) | (1,422) |

*Revised and regrouped

| (4) | Export performance and net foreign exchange earnings | <p>: Due to stiff competition, the Company was able to export for Rs. 4,842 lacs for F.Y. 2014-15 as against the export of Rs. 5,083 lacs achieved in the previous FY 2013-14, and F.O.B. for the export for 2015-16 was Rs. 1556 lacs as against F.O.B. value Rs. 4,842 lacs for FY 2014-15.</p> <p>Foreign exchange earned and used during the financial year 2015-16, 2014-15 and 2013-14 :-</p> <table border="1" data-bbox="566 324 1412 459"> <thead> <tr> <th></th> <th>2015-16</th> <th>2014-15</th> <th>2013-14</th> </tr> </thead> <tbody> <tr> <td>Foreign Exchange earned</td> <td>1,956</td> <td>4,842</td> <td>5,083</td> </tr> <tr> <td>Foreign Exchange used</td> <td>472</td> <td>357</td> <td>472</td> </tr> </tbody> </table> | | 2015-16 | 2014-15 | 2013-14 | Foreign Exchange earned | 1,956 | 4,842 | 5,083 | Foreign Exchange used | 472 | 357 | 472 |
|-------------------------|--|--|---------|---------|---------|---------|-------------------------|-------|-------|-------|-----------------------|-----|-----|-----|
| | 2015-16 | 2014-15 | 2013-14 | | | | | | | | | | | |
| Foreign Exchange earned | 1,956 | 4,842 | 5,083 | | | | | | | | | | | |
| Foreign Exchange used | 472 | 357 | 472 | | | | | | | | | | | |
| (5) | Foreign Investments or Collaborators, if any | <p>: Holdings of FIIs/NRIs and other non-residents (including of 15.10% held by APMS Investment Fund Limited in the Company) is 15.50% as at 31st March, 2016 and 15.53% as on 31st March, 2015.</p> <p>The Company has no foreign Collaborator.</p> | | | | | | | | | | | | |

II. Information about the appointee:-

| | | | |
|-----|---------------------------------|--|--|
| (1) | Background details | <p>Shri A. K. Somany Shri A. K. Somany ("Shri Somany") is an Industrialist from Somany family and is actively looking after the affairs of the Company. He is the co-promoter and presently the Managing Director of the Company. Shri Somany, aged about 62 years' is a Science Graduate (B.Sc.) and holds Membership of All India Management Association (MIMA). He has more than 36 years' experience in Textile and Ceramic Industry, to his credit, of which more than 28 years' in Textile Industry as the Managing Director of the Company, appointed since 22nd January, 1988. Shri Somany has taken several initiatives to focus on growth, value addition and cost effectiveness for growth of the Company. Shri Somany looks after the overall Management Control and affairs of the Company. Shri Somany has successfully and in a sustained way, contributed significantly towards improvement and growth of the Company.</p> | <p>Shri Shrikant Bhat Shri Shrikant Bhat (Shri Bhat), aged about 54 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 27 years of experience in Corporate Finance and Taxation. Shri Bhat does not hold any shares in Soma Textiles & Industries Limited as on 31st March, 2015.</p> |
| (2) | Past remuneration | <p>: 2011-2012: Rs. 2,436,000/- 2012-2013: Rs. 2,839,200/- 2013-2014: Rs. 3,323,040/- 2014-2015: Rs. 3,613,344/- 2015-2016: Rs. 3,847,200/-</p> | <p>2010-2011: Rs. 1,373,361/- 2011-2012: Rs. 1,819,733/- 2012-2013: Rs. 2,039,933/- 2013-2014: Rs. 2,401,269/- 2014-2015: Rs. 2,685,781/-</p> |
| (3) | Recognition or Awards | <p>: He is the past Chairman of Ahmedabad Mill Owners' Association and has been a member of The Indian Cotton Mills' Federation and several other committees constituted by governmental bodies.</p> | <p>None.</p> |
| (4) | Job profile and his suitability | <p>: To provide vision guidance and direction for long term growth and overall management control and to formulate plans and strategy for continuance performance & growth of the Company. Shri A. K. Somany ("Shri Somany") is entrusted with the substantial power and authorities to manage the affairs of the Company. Shri Somany, the Managing Director, shall devote his whole-time and attention to the business and affairs of the Company and carryout such duties as may</p> | <p>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</p> |

| | | | |
|-----|--|--|--|
| | | <p>be entrusted to him from time to time by the Board of Directors of the Company ("the Board") and exercise such powers as assigned to him by the Board under the superintendence, control and direction of the Board in the best interest of the Company.</p> <p>The Board is of the opinion that Shri Somany possesses in depth understanding and knowledge of the Textiles Industry and leadership skills, he is therefore ideally suited for the job.</p> | <p>and in the best interest of the Company and the business of its associated and/or subsidiary Company(ies), as the case may be.</p> <p>The Board is of the opinion that Shri Bhat has the requisite qualifications, expertise and experience for the job, he is presently holding.</p> |
| (5) | Remuneration proposed | <p>(a) Salary (Basic + DA) at Rs. 3,55,000/- per month within and up to a maximum of Rs. 7,50,000/- per month,</p> <p>(b) such percentage of Commission as may be decided by the Board at its discretion from time to time or at the end of such financial year,</p> <p>(c) Perquisites, allowances and benefits, as restricted to 100% of his annual salary (BASIC + D.A.) within the maximum limit for remuneration fixed by the Company provided the aggregate of salary, Commission, perquisites, allowances & benefits, as contemplated under items (a), (b) & (c) above shall not exceed the overall limits prescribed under amended Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the said Act, as amended up to date or as may for the time being in force (Remuneration package has been more fully disclosed in the Statement to the Special Resolution set out at item nos. 1 & 2 of the Postal Ballot Notice).</p> | <p>(a) Salary (Basic + DA) at Rs. 1,36,623/- per month within and up to a maximum of Rs. 5,00,000/- per month,</p> <p>(b) Bonus/Ex-gratia in lieu of Bonus, subject to a ceiling of one month's salary (BASIC + D.A.) for each financial year,</p> <p>(c) Perquisites, allowances and benefits, as spelt out in the Statement restricted to 100% of his annual salary (BASIC + D.A.) , 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. (Remuneration package has been more fully disclosed in the Statement to the Special Resolution set out at item nos. 1 & 2 of the Postal Ballot Notice).</p> |
| (6) | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | <p>Compared to the remuneration with respect to the Industry, Companies of similar size as that of the Company and persons holding similar position, the remuneration proposed to be paid to Shri Somany as the Managing Director is not adequate. Remuneration for a person of his caliber and position should generally be higher than what is being paid to him.</p> | <p>After taking into the size of the Company, the profile of Shri 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.</p> |
| (7) | Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any | <p>Shri S. K. Somany, the Non-executive Chairman of the Company, is the father of Shri A. K. Somany (Shri Somany). Shri Somany holds 8,54,848 Equity Shares, constituting 2.59% of the paid up Equity Share Capital of the Company and belongs to promoters' group having control over the management of the Company.</p> <p>The Managing Director has no other pecuniary relationship directly or indirectly with the Company or with any of the managerial personnel of the Company, except to the extent of remuneration and other employment benefits being paid to him as Managing Director of the Company and the holdings in the Company held by him and his relatives and associates or held by the Company(ies), Firm(s) and Trust(s), in which he is interested as a director, member, partner and trustee and further to the extent of</p> | <p>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.</p> |

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| | dividend, if any, declared and paid by the Company on their respective holdings and such other benefits arising out of such Shareholdings, as Managing Director. | |
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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. |
| (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. |

IV. Disclosures :

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| (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 resolutions set out at item nos. 1 and 2 of the accompanying Notice relating to re-appointment of and remuneration payable to Shri Somany, the Managing Director and Shri Bhat, duly annexed to the accompanying Notice, as determined and fixed by the Board subject to overall ceiling laid down in Section 197 & other applicable provisions of the Companies Act, 2013, including Schedule V to the Act, as amended up to date, to seek members' approval. | | |
| (2) | All elements of remuneration package such as salary benefits, commission, bonus, stock option, perquisites of all the Directors | : | The Remuneration package and other terms applicable to the Directors have been disclosed | | |
| (3) | Details of fixed components and performance linked incentives along with performance criteria | : | in the statement to the Special Resolutions attached to the Postal Ballot Notice. | | |
| (4) | Service contracts, notice period, severance fees etc | : | <table border="0"> <tr> <td><u>Shri Somany</u> Service Agreement is for a period of Three (3) years from 22nd January, 2017 to 21st January, 2020. Notice period is 6 (Six) months. No severance fee is payable on termination.</td> <td><u>Shri Bhat</u> Service Agreement is for Three (3) years from 18th January, 2016 to 17th January, 2019. Notice period is 2 (Two) months. No severance fee is payable on termination.</td> </tr> </table> | <u>Shri Somany</u> Service Agreement is for a period of Three (3) years from 22 nd January, 2017 to 21 st January, 2020. Notice period is 6 (Six) months. No severance fee is payable on termination. | <u>Shri Bhat</u> Service Agreement is for Three (3) years from 18 th January, 2016 to 17 th January, 2019. Notice period is 2 (Two) months. No severance fee is payable on termination. |
| <u>Shri Somany</u> Service Agreement is for a period of Three (3) years from 22 nd January, 2017 to 21 st January, 2020. Notice period is 6 (Six) months. No severance fee is payable on termination. | <u>Shri Bhat</u> Service Agreement is for Three (3) years from 18 th January, 2016 to 17 th 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. | | |

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, except Shri S. K. Somany and Sri A. K. Somany, being close relatives to each other, are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 1 of the accompanying Notice and none of the Directors/ Key Managerial Personnel of the Company/ their relatives other than Shri Bhat, are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

The Board recommends the Special Resolutions set out at Item No. 1 & 2 of the Notice for approval by the shareholders.

**By order of the Board
For Soma Textiles & Industries Limited**

Place : Kolkata
Date : 13th February, 2019

(A. K. Mishra)
Company Secretary