



SOMA TEXTILES & INDUSTRIES LTD.

(A GOVT. RECOGNISED EXPORT HOUSE)

Head Office & Unit No. 1 : Rakhial Road, Ahmedabad-380 023, India.

Tel. : + 91 (79) 2274 3285 - 8, Fax : + 91 (79) 2274 5653

Website: www.somatextiles.com e-mail: soma_ahm@somatextiles.com

STIL/SECY/KOL/2019-20

Date: 8th August, 2019

National Stock Exchange of India Ltd, "Exchange Plaza", 5th Floor, Plot No.C/1, G-Block, Bandra - Kurla Complex, Bandra (E) Mumbai - 400 051	The Corporate Relationship Dept., BSE Ltd., Piroze Jeejeeboy Towers, 1 st Floor, New Trading Ring, Rotunda, Dalal Street, MUMBAI - 400 001
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Sub: Intimation under regulation 30 of the SEBI (LODR) Regulations, 2015, regarding dispatch of 81st AGM Notice along with Annual Report for the Financial Year 2018-19, to the Shareholders.

Dear Sir(s)/ Madam,

We wish to inform you that the Company has dispatched its 81st AGM Notice and Annual Report 2018-19 to its Shareholders on today i.e. 8th August, 2019. The Copy of said AGM Notice is attached for your reference.

Kindly take the same on your record.

Thank you,

Yours faithfully,
For Soma Textiles & Industries Ltd.,

(A. K. Mishra)
Company Secretary

Registered Office : 2, Red Cross Place, Kolkata-700 001, India. Tel.: +91 (33) 2248 7406-7

Fax : + 91 (33) 2248 7045 e-mail : rsharma@somatextiles.com

Corporate Office : 6, Vaswani Mantion, Dinshaw Wachha Road, Backbay Reclamation, Mumbai-400 020, India.

Tel. : + 91 (22) 2282 6076-77 Fax : + 91 (22) 2285 1173 e-mail: soma_mum@somatextiles.com

CIN : L51909WB1940PLC010070

Subject to Ahmedabad Jurisdiction



A SOMANY ENTERPRISE

ANNUAL REPORT 2018-19

NOTICE OF THE 81th ANNUAL GENERAL MEETING

TO THE SHAREHOLDERS

NOTICE is hereby given that the Eighty-first (81st) Annual General Meeting of the Members of Soma Textiles & Industries Limited will be held at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001, on Monday, the 2nd day of September, 2019 at 3-00 P.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 (both Standalone and Consolidated basis), together with the Reports of the Auditors and the Board of Directors thereon.
2. To appoint a Director in place of Shri S. K. Somany (DIN: 00001131), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

3. Continuation of Directorship of Shri S. K. Somany

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("new provision"), notified by SEBI on 9th May, 2018 (including any statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof for the time being in force) and subject to such other laws, rules, regulations etc. as may be applicable in this regard and pursuant to the approval of the Board vide its resolution dated 30th May, 2019, the consent of Members of the Company be and is hereby accorded for continuation of Directorship of Shri Surendra Kumar Somany (Shri S. K. Somany), who have attained the age of seventy five (75) years, as a Non-executive Director of the Company from the period effective from 1st April, 2019."

"RESOLVED FURTHER THAT Board of Directors and/or Company Secretary, of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

4. Continuation of Directorship of Shri B. K. Hurkat

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("new provision"), notified by SEBI on 9th May, 2018 (including any statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof for the time being in force) and subject to such other laws, rules, regulations etc. as may be applicable in this regard and pursuant to the approval of the Board vide its resolution dated 30th May, 2019, the consent of Members of the Company be and is hereby accorded for continuation of Directorship of Shri Brij Kishore Ramniwas Hurkat (Shri Hurkat), who have attained the age of seventy five (75) years, as a Non-executive Independent Director of the Company from the period effective from 1st April, 2019."

"RESOLVED FURTHER THAT Board of Directors and/or Company Secretary, of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

5. Appointment of Shri B. K. Hurkat, as an Independent Director

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and upon the recommendation of Nomination and Remuneration Committee, Shri Brij Kishore Ramniwas Hurkat (Shri Hurkat), (holding DIN 02005896), Independent Director of the Company, whose term of office expires on 28th August, 2019 and who is eligible for re-appointment as an Independent Director and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 29th August, 2019."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts



and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and upon the recommendation of Nomination and Remuneration Committee, Shri Malay Harshadbhai Shah (Shri Shah), (holding DIN 01394920), Independent Director of the Company, whose term of office expires on 9th February, 2020 and who is eligible for re-appointment as an Independent Director and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 10th February, 2020."

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

7. Appointment of Mrs. N. Singh, as an Independent Director

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and upon the recommendation of Nomination and Remuneration Committee, Mrs. Nisha Singh (Mrs. Singh), (holding DIN 07094208), Independent Director of the Company, whose term of office expires on 10th February, 2020 and who is eligible for re-appointment as an Independent Director and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 11th February, 2020."

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

8. Re-appointment of Shri A. K. Somany (DIN:00024903), as Managing Director, being a Key Managerial Personnel

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and rules made thereunder and any amendments thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), 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 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 Arvind Kumar 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, as amended up to date, for a period of Three (3) years with effect from 22nd January, 2020 to 21st January, 2023, 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 at this meeting and on such other terms, conditions and stipulations (including remuneration) as contained in the "Draft Agreement" to be entered into between the Company of the ONE PART and Shri Somany of the OTHER PART, and duly specified in the Statement, annexed to the Notice of 81st Annual General Meeting of the Company ("AGM Notice"), which forms the part of this resolution and Draft of the AGREEMENT, as placed before this meeting and initialed by the

ANNUAL REPORT 2018-19

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 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 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 existing remuneration or the revised remuneration, as may be approved by the Board, as a "Minimum Remuneration" per month by way of salary, perquisites, allowances and/or benefits, as specified in the 'Draft Agreement' and also in the Statement annexed to the AGM Notice, subject to and within the maximum ceiling limits laid down under Section II of Part II of Schedule V to the Act as applicable to the Company at the relevant time depending upon the effective capital of the Company or such other limits as may be prescribed by the Central Government from time to time as to minimum remuneration or any amendments thereto or any modifications or statutory re-enactment thereof and/or any rules or regulations framed thereunder."

"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."

9. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2020

As an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. N. D. Birla & Company, the Cost Auditors, appointed as Cost Auditors of the Company by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, be paid the remuneration by way of Cost Audit Fee of ₹ 48,000/- (Rupees Forty-Eight Thousands Only) plus Goods and Service Tax (GST), as applicable and reimbursement of out of pocket expenses, if any, incurred in the course of their audit and the said reimbursement is hereby confirmed and ratified.

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

Registered Office:

2, Red Cross Place,
Kolkata – 700 001

By order of the Board

A. K. Mishra
(Company Secretary & Compliance Officer)

Dated, the 30th May, 2019



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT ANY OTHER PERSON AS HIS/HER PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A BLANK PROXY FORM IS ATTACHED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of Members (not exceeding fifty (50) Members) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

2. **M/s. A. K. Ostwal & Co., Chartered Accountants, Firm Registration No. 107200W, were appointed Statutory Auditors of the Company to hold office for a term of five (5) consecutive years from the conclusion of the 79th Annual General Meeting until the conclusion of 84th Annual General Meeting of the Company, subject to ratification at the Annual General Meeting of the Company in each of the subsequent years during the aforesaid term of their appointment, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors. The Ministry of Corporate Affairs (MCA) vide its Notification dated 7th May 2018 notified various sections of the Companies (Amendment) Act, 2017, thereby modifying Section 139 of Companies Act, 2013. Accordingly the requirement for ratification of appointment of Statutory Auditors by the shareholders at every Annual General Meeting has been omitted, hence no such resolution is proposed at this Annual General Meeting.**
3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means (remote e-voting). The facility for voting through Ballot Paper will also be made available at the AGM and the members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their votes at the AGM through Ballot Paper. Members who have cast their votes by remote e-voting prior to the AGM, may attend the AGM, but shall not be entitled to cast their votes again. Instructions and other information relating to e-voting are given in this Notice under Note No. 21.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business under Item Nos. 3 to 9, to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
5. Corporate Members/Trust/Society intending to send their authorized representatives to attend and vote at the Annual General Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Annual General Meeting.
6. In case of Joint Holders attending the Meeting only such Joint Holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 23rd August, 2019 to Monday, the 2nd September, 2019 (both days inclusive) for the purpose of 81st Annual General Meeting of the Company.
8. Members, holding Shares in dematerialized mode (electronic form) are requested to intimate or notify all changes pertaining to their bank details/NECS/mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depositories Participants ('DP') with whom they are maintaining their demat accounts and not to the Company's RTA. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the members.

In case of Members, holding Shares in physical form, such information is required to be provided quoting their folio number to the Company and/or Link Intime India Private Limited, the Registrar & Transfer Agents (RTA) of the Company.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the details of such folios together with share certificates to Link Intime India Private Limited, the Registrar & Share Transfer Agents, for consolidation into a single folio.
10. Members, Proxies and Authorised Representatives are requested to bring to the Meeting, their attendance slips duly completed and signed mentioning details of their DP ID and Client ID/ Folio No.

ANNUAL REPORT 2018-19

11. **SEBI HAS MANDATED SUBMISSION OF PERMANENT ACCOUNT NUMBER (PAN) BY EVERY PARTICIPANT IN THE SECURITIES MARKET. MEMBERS HOLDING SHARES IN ELECTRONIC FORM ARE, THEREFORE, REQUESTED TO SUBMIT THEIR PAN DETAILS TO THEIR DEPOSITORY PARTICIPANTS. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO SUBMIT THEIR PAN DETAILS TO THE COMPANY'S RTA.**
12. **AS PER THE NOTIFICATION NO. LIST/COMP/15/2018-19 DATED 5TH JULY, 2018, ISSUED BY THE SEBI, SECURITIES OF LISTED COMPANIES WOULD BE TRANSFERRED IN DEMATERIALIZED FORM ONLY, WITH EFFECT FROM 5TH DECEMBER, 2018. IN VIEW OF THE SAME MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONSIDER CONVERTING THEIR HOLDINGS TO DEMATERIALIZED FORM TO ELIMINATE ALL RISKS ASSOCIATED WITH PHYSICAL SHARES AND FOR EASE OF PORTFOLIO MANAGEMENT. MEMBERS CAN CONTACT THE COMPANY'S RTA FOR ASSISTANCE IN THIS REGARD.**
13. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and IEPF Rules, the dividend which remains unclaimed/unpaid for a period of Seven (7) Years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to the IEPF of the Central Government.

Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013, the Company has transferred all the unpaid and/or unclaimed dividends up to the financial year ended 31st March, 1998, from time to time on due dates, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The Company has however not declared any dividend thereafter since the financial year ended 31st March, 1999 and up to the year ended 31st March, 2019. However, members may please note that no claim shall lie against the Company in respect of any individual amounts which were unclaimed and unpaid for a period of Seven (7) years from the date(s), they first became due for payment, once transferred to the said fund.

Further, as per Section 124(6) of the Act read with IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven (7) years has to be transferred under sub-section 5 of the Act, to the demat account of IEPF Authority with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

The Statement containing details of Name, Address, Folio No., Demat Account No. and No. of shares, if any, due for transfer to IEPF Authority is made available on the Company's website www.somatextiles.com.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
14. In accordance with the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nominations by filing Form No. SH.13 in respect of the Equity Shares held by them, in physical form, duly completed and signed to the Company or its Registrar & Share Transfer Agents (RTA) in their own interest. Members holding shares in demat may get their nomination recorded with their respective Depository Participant (DP).
15. Electronic copy of the Annual Report for 2018-19 comprising the Notice of the 81st Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all Members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any Member has requested for a hard copy of the same.

For members who have not registered their email address, physical copies of the Annual Report for 2018-19 comprising the Notice of the 81st Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
16. Members who wish to obtain any information, on the Company or its Accounts and operation may send their queries to the Company at least ten (10) days before the Meeting so as to enable the management to keep the information ready at the Meeting.
17. Members may also note that the Notice of the 81st Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.somatextiles.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days.
18. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the Company's investor email id: investors@somatextiles.com.
19. Members who hold shares in dematerialised form are requested to bring their Depository ID and Client ID Numbers for easier identification of attendance at the Annual General Meeting.



SOMA TEXTILES & INDUSTRIES LIMITED

20. All documents referred to in the notice and the statement shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 12:00 Noon to 2:00 P.M. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting.

21. Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Rules framed thereunder (including any statutory modification(s) or re-enactments thereof, for the time being in force), Regulation 44 of the SEBI (LODR) Regulations, 2015, and Secretarial Standard on General Meetings (SS2) issued by the ICSI, the Members are provided with the facility to cast their vote by using an electronic voting system from a place other than venue of the AGM ('remote e-voting'), through the e-voting services provided by Central Depository Services India Limited ("CDSL") on all the resolutions set forth in this Notice. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting may attend the AGM, but shall not be entitled to cast their votes again at the AGM.

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

- (i) The e-voting period commences on Friday, the 30th August, 2019 (9:00 A.M. IST) and ends on Sunday, the 1st September, 2019 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off Date (record date) of 26th August, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab
- (iv) Now, select the "Electronic Voting Sequence Number (EVSN) - 190727002 along with "SOMA TEXTILES AND INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT".
- (v) Now enter your User ID :-
 - (a) For CDSL - 16 digits beneficiary ID,
 - (b) For NSDL - 8 Characters DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below (Applicable for both demat shareholders as well as physical shareholders).
- (ix) Now, fill up the following details in the appropriate boxes:

	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) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and last 8 digits of the sequence number in PAN Field. The Sequence Number is printed on a separate sheet enclosed (with Annual Report). - In case the sequence number is less than 8 digits enter the applicable number of 0's (Zero's) before the number, after the first two characters of the name in CAPITAL letters. Eg. If your name is Ravi Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
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. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

ANNUAL REPORT 2018-19

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for future Communication(s).
- (xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this AGM Notice.
- (xiv) Click on Electronic Voting Sequence Number (EVSN) - 190727002 for "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 his password, then enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xxi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for Android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.
- (xxii) Note for Non-Individual Shareholders and Custodians:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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 a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com 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.
- (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) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holds shares as on the cut-off date i.e. 26th August, 2019, may obtain the User ID and Password by sending a request (along with Name, Folio No./DP ID & Client ID, as the case may be and shareholding) to RTA at ahmedabad@linkintime.co.in to vote through remote e-voting procedure.
- (xxv) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the Equity Capital of the Company as on the cut-off i.e. 26th August, 2019. A person, whose name is recorded in the Register of Members/Lists of Beneficial Owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot.
- (xxvi) In case of members receiving the physical copy they are advised to follow all the steps from serial no. (ii) to (xxi).



- II. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote (including through e-mail) to the Scrutinizer at its e-mail droliapravin@yahoo.co.in with a copy marked to helpdesk.evoting@cdslindia.com without which the vote shall not be treated as valid.
 - III. Voting facility at AGM:
In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the AGM, by way of ballot paper. Members may participate in the AGM even after exercising right to vote through remote e-voting as above but shall not be allowed to vote again at the meeting. Only such members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the meeting.
 - IV. Mr. P. K. Darolia, Practising Company Secretary (Membership No. 2366, CP No.1362), Kolkata, has been appointed as the Scrutinizer for conducting the remote e-voting process and voting at the venue of the AGM in a fair and transparent manner.
 - V. At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting.
 - VI. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and shall declare the results of the voting forthwith. The manner in which the members have cast their votes shall remain secret and not made available to the Chairman, Scrutinizer or any other person till the votes are cast in the AGM.
 - VII. The Results on Resolutions shall be declared after receiving Consolidated Scrutinizer's Report of the total votes cast, by the Chairman of the Company or by any other persons duly authorized in this regard. The Resolutions will be deemed to be passed on the date of Annual General Meeting subject to receipt of the requisite number of votes. The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.somatextiles.com and on the website of CDSL immediately after the result is declared and simultaneously, communicated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), where the equity shares of the Company are listed, for placing the results on its and their website.
22. Members can choose only one of the two options, namely e-voting (remote e-voting) or voting by means of Ballot Paper at the AGM. In case the votes are casted through both the formats, then votes casted through remote e-voting shall prevail over those votes casted by means of Ballot Paper at the AGM and the vote cast by means of Ballot Paper shall be treated as invalid and cancelled.

IMPORTANT COMMUNICATION TO MEMBERS

The green initiative circulars issued by Ministry of Corporate Affairs (MCA) as well as Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits sending of soft copies of annual reports to all those Members who have registered their e-mail addresses for the purpose.

The Companies Act, 2013 has also recognized serving of documents to any Member through electronic mode. In terms of the Circular No. NSDL/CIR/II/10/2012 dated March 9, 2012 issued by National Securities Depository Limited (NSDL), email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode. In light of the requirements prescribed by the aforesaid circulars, for those Members whose Depository Participant accounts do not contain the details of their email address, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended 31st March, 2019 would be dispatched.

The Notice of Annual General Meeting and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website www.somatextiles.com of the Company and the other requirements as applicable will be duly complied with. Members holding shares in electronic mode are requested to ensure to keep their e-mail addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to register their e-mail address with our Registrar & Share Transfer Agent - M/s. Link Intime India Private Limited, at 5th

ANNUAL REPORT 2018-19

Floor, 506 to 508, Amarnath Business Centre - I (ABC - I), Besides Gala Business Center, Near St. Xavier's College Corner, Off. C. G. Road, Navarangpura, Ahmedabad, Gujarat - 380009, quoting their folio nos. at E-mail ID: rnthelpdesk@linkintime.co.in. Such registration of e-mail address may also be made with the Company at its Registered Office as per the address mentioned above or at the E-mail ID: investors@somatextiles.com. Any changes in the E-mail address may also be communicated from time to time.

Brief Resume and other information in respect of the Director, retiring by rotation seeking re-appointment at the 81st Annual General Meeting of the Company, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Shri Surendra Kumar Somany (Shri S. K. Somany) (DIN: 00001131), aged about 88 years, is an Industrialist and a promoter of the Company. He is a graduate in Commerce. Shri S. K. Somany has enriched himself with a business experience of over 6 decades and has a rich and vast all-round knowledge and experience in the business of Ceramic, Glass and Textiles Industry. He is currently a Director and Chairman of the Company. Shri S. K. Somany is a member of the Nomination and Remuneration Committee, re-constituted in line with requirements of 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015 and also a member of Audit Committee of the Company, constituted in line with requirements of 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. He is also Chairman of Share Transfer Committee & Stakeholders Relationship Committee of the Company, re-constituted in line with requirements of 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015. Shri S. K. Somany holds 29,65,695 constituting 8.98% of the Equity Share Capital of the Company.

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

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

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

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

Shri Arvind Kumar Somany (Shri Somany) (DIN:00024903), an industrialist and a co-promoters of the Company, aged about 63 years, is a science graduate (B.Sc.). He holds Membership of All India Management Association (MIMA). He is son of Shri S. K. Somany, Chairman of the Company.

He has extensive working experience of more than 39 years in Textile and Ceramic Industry, of which more than 31 years, belong to Textile Industry as the Managing Director of the Company. He traveled around the world and accumulated a good understanding of Global business issues. He combines comprehensive mix of academic qualification and professional experience. He is currently the Managing Director of the Company and looks after the Management Control and affairs of the Company. Shri Somany is a member of Stakeholders Relationship Committee and Share Transfer Committee of the Company. Shri Somany holds 728217 Equity Shares, constituting 2.20% of the Equity Share Capital of the Company.

He is holding directorship in Pudumjee Industries Limited and KGPL Industries & Finvest Private Limited. He is past Chairman of the Ahmedabad Mills Owners' Association and has been a member of the Indian Cotton Mills' Federation and several other committees constituted by Government Boards.

Shri A. K. Somany's present term of appointment expires by efflux of time on 21st January, 2020. Therefore his re-appointment for further term of 3 years effective from 22nd January, 2020, was to be considered, well in advance to seek Shareholders approval at the ensuing Annual General Meeting of the Company.

Registered Office:

2, Red Cross Place,
Kolkata – 700 001

By order of the Board

A. K. Mishra
(Company Secretary & Compliance Officer)

Dated, the 30th May, 2019



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

Item No. 3 & 4

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified by SEBI on 9th May, 2018, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Shri Surendra Kumar Somany ("Shri S. K. Somany"), who was appointed as a Non-executive Promoter Director of the Company since 1st April, 1949 and Shri Brijkishore Ramniwas Hurkat ("Shri Hurkat"), who was appointed as a Non-executive Independent Director of the Company at the 76th Annual General Meeting of the Company held on 29th August, 2014 for a period of five years by way of Ordinary Resolution, have attained the age of 75 years.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Nomination and Remuneration Committee discussed the matter and recommended the continuation of Directorship of the above Non-executive Director and Non-executive Independent Director, of the Company w.e.f. 1st April, 2019. Shri S. K. Somany is an Industrialist and a Promoter of the Company. He is a graduate in Commerce, he has enriched himself with a business experience of over six decades and has a rich and vast all-round knowledge and experience in the business of Ceramic, Glass and Textiles Industry. He is currently a Director and Chairman of the Company.

Shri Hurkat is a businessman and holds a Bachelor degree in Commerce. He has a rich and all-round knowledge and experience in textile and yarn business armed with strength in strategic thinking and business skills and he is conversant with the Company's business, industry and other areas relating to the Company. He brings an independent judgement on the Board's discussions especially on issues related to strategy, operational performance and risk management.

The above mentioned Non-executive Director and Non-executive Independent Director are experts in their respective fields and their experience and valuable guidance is beneficial to the Company. The Board based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid Non-executive Director and Non-executive Independent Director, has recommended the resolution for approval of shareholders by way of Special Resolutions.

Except Shri S. K. Somany and Shri A. K. Somany, who are father and son in relation, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 3 and in case of Shri B. K. Hurkat, except Shri B. K. Hurkat, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at item no. 4.

Item No. 5

Shri Brij Kishor Ramniwas Hurkat ('Shri Hurkat') was appointed as a Non-Executive Independent Director on the Board of Directors of the Company, effected from 29th August, 2014, vide resolution passed by the members at the 76th Annual General Meeting of the Company held on 29th August, 2014 pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly he holds office of Independent Director of the Company up to 28th August, 2019.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act read with SEBI (LODR) Regulation 2015, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of a Company, and shall be eligible for re-appointment upon passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Pursuant to the recommendation of Nomination and Remuneration Committee on the basis of performance evaluation of Independent Directors and taking into account the external business environment, his business knowledge, core skills and experience, it is proposed to re-appoint Shri Hurkat, as an Independent Director, not liable to retire by rotation, for the second term of five (5) consecutive years on the Board of the Company commencing from 29th August, 2019.

The Company has received a declaration from Shri Hurkat confirming that he meets the criteria of independence under the Act and Listing Regulations. Further, the Company has also received his consent to act as a Director in terms of section 152 of the Act and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Hurkat for the office of Independent Director.

In the opinion of the Board of Directors, Shri Hurkat fulfills the conditions specified in the Act and Listing Regulations for

ANNUAL REPORT 2018-19

his re-appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Shri Hurkat as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Hurkat as an Independent Director. Therefore, the Board recommends the resolution set forth in item no. 5 for the approval of the members.

Except Shri Hurkat, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item no. 5.

Brief Profile of Shri Hurkat forms part of this Notice. This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 6

Shri Malay Harshadbhai Shah ('Shri Shah') was appointed as a Non-Executive Independent Director on the Board of Directors of the Company, effected from 10th February, 2015, vide resolution passed by the members at the 77th Annual General Meeting of the Company held on 17th September, 2015 pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly he holds office of Independent Director of the Company up to 9th February, 2020.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act read with SEBI (LODR) Regulation 2015, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of a Company, and shall be eligible for re-appointment upon passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Pursuant to the recommendation of Nomination and Remuneration Committee on the basis of performance evaluation of Independent Directors and taking into account the external business environment, his business knowledge, core skills and experience, it is proposed to re-appoint Shri Shah, as an Independent Director, not liable to retire by rotation, for the second term of five (5) consecutive years on the Board of the Company commencing from 10th February, 2020.

The Company has received a declaration from Shri Shah confirming that he meets the criteria of independence under the Act and Listing Regulations. Further, the Company has also received his consent to act as a Director in terms of section 152 of the Act and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Shah for the office of Independent Director.

In the opinion of the Board of Directors, Shri Shah fulfills the conditions specified in the Act and Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Shri Shah as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Shah as an Independent Director. Therefore, the Board recommends the resolution set forth in item no. 6 for the approval of the members.

Except Shri Shah, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item no. 6.

Brief Profile of Shri Shah forms part of this Notice. This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 7

Mrs. Nisha Singh ('Mrs. Singh') was appointed as a Non-Executive Independent Director on the Board of Directors of the Company, effected from 11th February, 2015, vide resolution passed by the members at the 77th Annual General Meeting of the Company held on 17th September, 2015 pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly she holds office of Independent Director of the Company up to 10th February, 2020.



SOMA TEXTILES & INDUSTRIES LIMITED

Pursuant to the provisions of Section 149 and other applicable provisions of the Act read with SEBI (LODR) Regulation 2015, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of a Company, and shall be eligible for re-appointment upon passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Pursuant to the recommendation of Nomination and Remuneration Committee on the basis of performance evaluation of Independent Directors and taking into account the external business environment, her business knowledge, core skills and experience, it is proposed to re-appoint Mrs. Singh, as an Independent Director, not liable to retire by rotation, for the second term of five (5) consecutive years on the Board of the Company commencing from 10th February, 2020.

The Company has received a declaration from Mrs. Singh confirming that she meets the criteria of independence under the Act and Listing Regulations. Further, the Company has also received her consent to act as a Director in terms of section 152 of the Act and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mrs. Singh for the office of Independent Director.

In the opinion of the Board of Directors, Mrs. Singh fulfills the conditions specified in the Act and Listing Regulations for her re-appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Mrs. Singh as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mrs. Singh as an Independent Director. Therefore, the Board recommends the resolution set forth in item no. 7 for the approval of the members.

Except Mrs. Singh, being the appointee, or her relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item no. 7.

Brief Profile of Mrs. Singh forms part of this Notice. This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 8

The present tenure of Shri Arvind Kumar Somany (Shri Somany), as the Managing Director, being Key Managerial Personnel, of the Company, who is not subject to retirement by rotation, will expire by an efflux of time on 21st January, 2020.

The Board of Directors of the Company ('the Board') at its meeting held on 30th May, 2019, have re-appointed Shri Somany as Managing Director for a period of 3 (Three) years, effective from 22nd January, 2020, subject however to the approval of the shareholders in the ensuing 81st Annual General Meeting (AGM) and of the Banks/Financial Institutions, if required, who have granted financial assistance to the Company and subject further to such other approvals and/or sanctions, as may be required, on the terms and the remuneration permissible under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act"), as amended up to date and embodied in the Agreement, to be entered into with Shri Somany. Shri Somany shall be a non-retiring Managing Director, who shall not be liable to retire by rotation, in terms of Section 160 of the Act, including other provisions of the Act.

The Board considers that his service will be useful to the Company and that it is in interest of the Company that he be re-appointed as 'Managing Director' of the Company. His appointment and remuneration 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 at the ensuing 81st AGM.

The Board of Directors have fixed the following remuneration as per the recommendation of the Nomination and Remuneration Committee to be paid to Shri Somany, as Managing Director of the Company during his respective tenure 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:-

1) Period of Appointment:

3 (Three) years commencing from 22nd January, 2020 to 21st January, 2023

2) Nature of Duties:

Subject to the superintendence, control and direction of the Board, Shri Somany shall perform such duties

ANNUAL REPORT 2018-19

and exercise such powers as may from time to time be entrusted to or vested in him by the Board and shall devote the whole of his time and attention to his service as the Managing Director of the Company.

3) Remuneration (including maximum limit)

Shri A. K. Somany, Managing Director (hereinafter referred to as the appointee), shall be entitled to the following remuneration with effect from 22nd January, 2020 for the period of his office from 22nd January, 2020 to 21st January, 2023 or as may be determined and revised by the Board at its discretion from time to time within the maximum permissible limit.

A. Salary (Basic & D.A.) At ₹ 2,04,125/- lacs per month, effective from 22nd January, 2020.

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 ₹ 7.50 lacs (Rupees Seven Lacs Fifty Thousands Only) per month or ₹ 90 lacs (Rupees Ninety Lacs Only) per annum and such other perquisites, allowances and benefits.

First Annual increment is due and effective from 1st April, 2020 and thereafter from 1st April, each year.

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 up to a maximum Salary of ₹ 7.50 Lacs per month or ₹ 90 Lacs per annum.

Such special allowances or such other allowances or additional salary, will however not be eligible for retrieval benefits such as Provident fund, Gratuity/Super Annuation Fund and other perquisites, allowances and benefits.

B. 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 Remuneration Committee at its discretion from time to time or at the end of such Financial Year.

C. Perquisites In addition to Salary and Commission the appointee shall be entitled to the following perquisites, subject however to a ceiling restricted to 100% of annual salary of appointee, unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:-

CATEGORY – A

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

Housing

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

MEDICAL REIMBURSEMENT

Expenses incurred for the appointee and his 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 appointee and his family once in a year, while on leave, incurred in accordance with the rules of the Company.

CLUB FEES

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

PERSONAL ACCIDENT INSURANCE

Of an amount, the annual premium of which does not exceed ₹ 10,000/- per annum.

OTHER BENEFITS AND ALLOWANCES

Any other benefits, facilities and allowances as may be available and allowed to the appointee, as per rules of the Company.

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 appointee.

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 appointee.

Provided the aggregate of salary, commission, perquisites, allowances and benefits as contemplated in Clauses (A), (B) and (C) 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 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 Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being in force.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits under Sections 198 of the Companies Act, 2013, as amended up to date, in any financial year(s) during the currency of tenure of office of appointee, the Company shall pay him in respect of such financial year(s) remuneration by way of consolidated salary, perquisites, allowances and benefits,

ANNUAL REPORT 2018-19

as "Minimum Remuneration" as he may be the then time drawing as specified in Clauses (A), (B) & (C) of the Remuneration Clause 3 above, subject to an overall limits laid down under Section II of the Part II of Schedule V to the 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(C), above in terms of paragraph 1 of Section IV of Part II of Schedule V to the Act, however shall not be included in the computation of the ceiling on the "Minimum Remuneration" specified under Section II of Part II of Schedule V to the Act, as amended up to date.

SITTING FEE

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

RETIREMENT BY ROTATION

The appointee shall not be liable to retire by rotation. If at any time the appointee ceases to be a Director of the Company for any cause whatsoever he shall cease to be a Managing Director of the Company.

OTHER TERMS

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

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

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

TERMINATION

Notwithstanding anything contained in the Agreement, either party, shall be entitled to determine the Agreement by giving 6(six) calendar months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason, whatsoever to terminate the Agreement on giving to the appointee 6(six) month's salary as specified in Remuneration Sub-clause (A) of Remuneration Clause 3 above in lieu of 6(six) calendar months' notice required to be given under this Clause.

SERVICE OF NOTICE

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

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

The limits specified in the Statement attached to this Notice in regard to Resolution set out at item no. 8 is only the maximum limits and the Board may in exercise of the delegated authority pay Shri Somany, a lower remuneration and may revise the same from time to time within the maximum limits stipulated in the Statement attached to the notice forming part of the Resolution.

However, in the absence, or inadequacy of profits in any financial year, during the tenure of Shri Somany, Managing Director, of the Company, the minimum remuneration payable by the Company to him by way of salary, commission and perquisites shall not exceed the maximum limit of ₹ 90 Lacs plus 0.01% of the effective capital in excess of ₹ 250 Crores, as prescribed under Section II(A) of Part II of Schedule V of the Act, as amended up to date, as envisaged under the said Schedule V of the Act, as amended up to date.



SOMA TEXTILES & INDUSTRIES LIMITED

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 calling the Annual General Meeting.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Act, a Special Resolution as set out in item No. 8 of the accompanying Notice is now being placed before the Members for their approval.

The Board therefore recommends passing of the Resolution set out in item No.6 of the accompanying Notice.

MEMORANDUM OF INTEREST

Save and except Shri S. K. Somany, Chairman and Shri A. K. Somany, Managing Director, being close relatives to each other, none of the other Directors of the Company are, in any way concerned or interested or deemed to be concerned and interested in this Resolution.

INSPECTION OF DOCUMENTS

The draft copy of the service Agreement proposed to be entered into between the Company and Shri Somany in connection with his re-appointment as Managing Director is available for inspection of the Members at the Registered Office of the Company on any working day between 11-00 A.M. and 1-00 P.M. upto and including the date of Annual General Meeting or any adjournment or adjournments thereof. The same will also be available at the meeting.

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

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

The requisite information required to be provided to the Shareholders of the Company in the Notice convening the 81st Annual General Meeting of the Company in terms of Part-II, Section II of Schedule V to the Companies Act, 2013, is set out below :-

I. General Information:-

- (1) Nature of Industry : Manufacturer of Textile and Cotton Yarn.
- (2) Date or expected date of commencement of commercial production : 1969.
- (3) Financial performance on given indicators : (₹ in Lacs)

Year ending 31st March	Sales	Operating Profit/(Loss)	Profit/(Loss) before Tax	Net Profit/(Loss) after Tax
2015	22,554	(960)	(4,375)	(3,358)
2016	17,024	473	(1,786)	(1,422)
2017	12732	791	(904)	(1114)
2018	8226	458	(343)	(823)
2019	3846	(791)	(1625)	(1717)

- (4) Export performance and net foreign exchange earnings : Due to stiff competition and adverse situation, the Company was unable to export during the current year as against the export of ₹ 170 lacs achieved in the previous year.

Foreign exchange earned and used during the financial year 2018-19 and 2017-18 :-

(₹ in lacs)

	2018-19	2017-18
Foreign Exchange earned	-	170
Foreign Exchange used	41	258

- (5) Foreign Investments or Collaborators, if any : Holdings of FIIs/NRIs and other non-residents is 0.31% in the Company as at 31st March, 2019.

The Company has no foreign Collaborator.

ANNUAL REPORT 2018-19

II. Information about the appointee:-

(1) Background details : **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 63 years' is a Science Graduate (B.Sc.) and holds Membership of All India Management Association (MIMA). He has more than 39 years' experience in Textile and Ceramic Industry, to his credit, of which more than 31 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.

(2) Past remuneration	:	2014-2015:	₹ 3,613,344/-
		2015-2016:	₹ 3,847,200/-
		2016-2017:	₹ 5,191,200/-
		2017-2018:	₹ 5,906,880/-
		2018-2019:	₹ 33,92,060/-

(3) Recognition or Awards : 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.

(4) Job profile and his suitability : 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 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.

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.

(5) Remuneration proposed : (a) Salary (Basic + DA) at ₹ 2,04,125/- per month within and up to a maximum of ₹ 7,50,000/- per month with authority to the Board to fix the salary and to consider an annual increment/accelerated increment at its discretion upto and within the said maximum amount of salary, upon due recommendation of the Remuneration Committee,

(b) 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,

(c) Perquisites, allowances and benefits, as spelt out in the Statement annexed to the Notice convening the 81st Annual General Meeting of the Company subject to a ceiling restricted to 100% of his annual salary (BASIC + D.A.) or as may be determined by the Board from time to time within the maximum limit for remuneration fixed by the Company provided the aggregate of salary, Commission, perquisites, allowances & 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,



SOMA TEXTILES & INDUSTRIES LIMITED

read with Schedule V of the said Act as may for the time being in force (5% of the net profits in case of one Whole-time Director and 10% of the net profits for more than one Whole-time Director as calculated under Sections 197 of the Companies Act, 2013).

- (6) Comparative remuneration : 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.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Shri S. K. Somany, the Non-executive Chairman of the Company, is the father of Shri A. K. Somany (Shri Somany). Shri Somany holds 728217 Equity Shares, constituting 2.20% of the paid up Equity Share Capital of the Company and belongs to promoters' group having control over the management of the Company.
- 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 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.

III. Other Information:-

- (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 :

- (1) The Shareholders shall be informed of the remuneration package of the managerial person : Yes, the Remuneration package has been fully disclosed under the Statement, in regard to special resolution set out at item no. 8 of the Notice relating to re-appointment and remuneration payable to Shri A. K. Somany, the Managing Director duly annexed to the Notice convening the 81st Annual General Meeting of the Company, as determined and fixed by the Board subject to overall ceiling laid down in Sections 197 & other applicable provisions of the Companies Act, 2013, including Schedule V to the Act, to seek members' approval.
- (2) All elements of remuneration package such as salary benefits, bonuses, stock option, perquisites of all the Directors : The Remuneration package and other terms applicable to the Directors have been disclosed in the Corporate Governance Report forming part of the Annual Report for the year 2018-2019.

ANNUAL REPORT 2018-19

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| (3) Details of fixed components and performance linked incentives along with performance criteria | : | The Remuneration package and other terms applicable to the Directors have been disclosed in the Corporate Governance Report forming part of the Annual Report for the year 2018-2019. |
| (4) Service contracts, notice period, severance fees etc | : | Service Agreement is for a period of Three (3) years from 22nd January, 2020 to 21st January, 2023. Notice period is Six (6) 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. |

Except Shri S. K. Somany, who is father of Shri A. K. Somany, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 8 of the Notice.

The Board recommends the Special Resolution set out at item no. 8 of the Notice for approval by the shareholders.

Item No. 9

The Board on the recommendation of Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at item no. 9 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 9 of the Notice for approval by the shareholders.

Registered Office:

2, Red Cross Place,
Kolkata – 700 001

Dated, the 30th May, 2019

By order of the Board

A. K. Mishra

(Company Secretary & Compliance Officer)



ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING

