

SOMA TEXTILES & INDUSTRIES LIMITED

Regd. Office: 2, Red Cross Place, Kolkata – 700 001
Phone: 91-33-2248 7406/07, Fax: 91-33-2248 7045

POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956)

NOTICE is hereby given to the Members of Soma Textiles & Industries Limited, pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rule, 2011, (including any Statutory modification or re-enactment thereof for the time being in force) for passing the following "Ordinary Resolution" to seek members consent and/or approval to sell, dispose, hive off or otherwise dispose of the whole or substantially the whole of the undertaking of the Company i.e. Baramati Unit, situated at Baramati, Dist. Pune in the State of Maharashtra, in terms of the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956.

Accordingly the said Ordinary Resolution and the Explanatory Statement along with the Postal Ballot form are being sent to you for your consideration.

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

You are requested to carefully read the instruction printed in the Postal Ballot Form and return the Postal Ballot Form duly completed in the attached self addressed Postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on Monday, the 20th May 2013.

Postal Ballot Form received after this date i.e., Monday, the 20th May 2013 will be considered invalid. The Scrutinizer will submit his report to the Chairman or, in his absence to the Executive Director or the Company Secretary of the Company as authorized by the Board of Directors of the Company after the completion of scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced on Friday, the 24th May 2013, at 11.30 A.M. at the Registered Office of the Company at 2, Red Cross Place, Kolkata – 700 001.

PROPOSED SPECIAL BUSINESS :

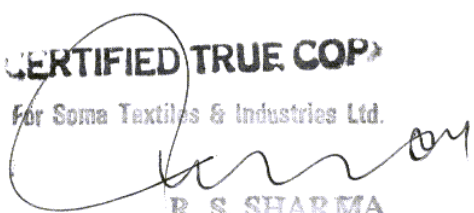
1. To consider and if thought fit, to pass with or without modification, as may be practical and permissible, the following resolution by Postal Ballot:

As an Ordinary Resolution

"RESOLVED that pursuant to the provisions of Section 293(1)(a), read with Section 192A and other applicable provisions, if any, of the Companies Act, 1956 and the Memorandum and Articles of Associations of the Company and subject to such other consents, sanctions, permissions and necessary approvals, as and where required, including that of Financial Institutions, Banks and other Lenders from whom the Company has borrowed money, and subject to such terms and conditions, as may be imposed by them or any of them and accepted by the Board of Directors of the Company ("the Board") (which term shall be deemed to include any committee constituted and/or to be constituted for exercising its powers, including the powers conferred by this Resolution thereof), consent of the shareholders of the Company be and is hereby accorded to the Board, for spinning off, by way of sale, lease and/or otherwise transfer or dispose of in any form or mode or manner, including by way of slump sale or hiving off the whole or substantially the whole of the business undertaking of the Company i.e. Baramati Unit, lying and situate at Baramati, Dist. Pune, in the State of Maharashtra, with all its Assets and Liabilities on a going concern basis, to any person, firm, body corporate or entity at and for such consideration and on such terms and conditions and with effect from such date(s) as the Board may consider fit and proper in the best interest of the Company and to do all such acts, deeds, matters and things, as may be considered necessary and expedient in connection therewith and incidental thereto.

CERTIFIED TRUE COPY

For Soma Textiles & Industries Ltd.


R. S. SHARMA
(Secretary)

RESOLVED FURTHER that the Board or its Committee or persons authorized by the Board/Committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in its discretion, in the best interest of the Company, for the purpose of giving effect to the Resolution for sale, lease, and/or otherwise transfer, dispose, or hive off, in any form or mode or in any other manner, the whole or substantially the whole of the Baramati Unit, lying and situate at Baramati, Dist. Pune, in the state of Maharashtra, and for matters connected herewith and incidental hereto, including but not restricted to negotiating and finalizing the terms and conditions including consideration as well as the forms, methods and modes of sale, lease, transfer and/or otherwise dispose or hiving off the Unit and to finalise and execute any and all the required documents including agreements, memoranda, deeds of assignment/conveyance and other papers/documents, necessary for effecting the aforesaid sale, lease and/or otherwise transfer or dispose or hiving off the Baramati unit, with such modifications as may be required from time to time and to resolve all questions, doubts and issues as may arise in implementation of the aforesaid Resolution."

By Order of the Board

Kolkata

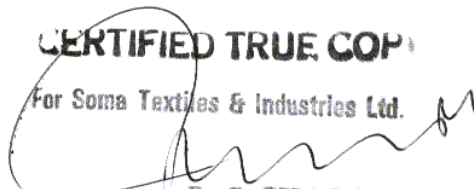
Dated: the 11th April, 2013

R.S. Sharma

Company Secretary

NOTES:

- 1) Explanatory Statement giving reasons for the above Ordinary Resolution is annexed to forming part of this Notice.
- 2) A Postal Ballot Form alongwith pre-paid self addressed envelope is attached hereto.
- 3) A Member entitled to vote is entitled to fill in and sign the Postal Ballot Form and send it to the Scrutinizer.
- 4) Voting right by a postal Ballot should not be exercised by a Proxy.
- 5) A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at item No. 11 of Postal Ballot Form.
- 6) Notice is being sent through post to all the members, whose name would appear in the Register of Members/Record of Depositories as on Friday, the 5th April, 2013.
- 7) Members are requested to read carefully the instructions printed on the Postal Ballot Form before exercising their vote.
- 8) The Result of Postal Ballot shall be announced by the Chairman or in his absence by the Executive Director or the Company Secretary, of the Company, duly authorized by the Board of Directors of the Company, on Friday, the 24th May, 2013 at the Registered Office of the Company at 2, Red Cross Place, Kolkata – 700 001 at 11.30 A.M. and the Resolution will be taken as passed effectively on the date of announcement of the result, if the result of the Postal Ballot indicates that the requisite majority of the members has assented to the Resolution.
- 9) The Result of the Postal Ballot will also be announced through Press advertisements for information of the Members and will be placed at the Website of the Company, besides communicating to the Stock Exchanges on which the shares of the Company are listed.

CERTIFIED TRUE COPY
For Soma Textiles & Industries Ltd.

R. S. SHARMA
(Secretary)

Explanatory Statement pursuant to the provisions of Section 173(2) and 192A of the Companies Act, 1956.

The Company is presently engaged in the production, marketing and distribution of Cotton/Blended yarn, processed denim and non denim fabric. The Company set up a 100% Export Oriented Unit (EOU) Cotton spinning at Baramati, Dist. Pune, in the state of Maharashtra, in the year 1993-94, engaged in manufacturing and production of high Quality Cotton Yarn with the installed capacity of 30240 Ring Spindles, producing around 10000 kg of cotton yarn per day with an average count of 30's.

This unit was de-bonded with requisite approval from Development Commissioner SEEPZ, Mumbai some time in 2006 and is presently free from EOU obligations and thereby also facilitating sales from this unit, to cater both domestic and international market.

For quite some years the performance of this unit has not been found up to expectation. While the business and operation of this unit made a marginal contribution to the earnings of the Company, it has not been in a position to fully absorb normal corporate overheads and as a result incurred/ incurring cash losses. And also given the size and scale of business of this unit and its modest financial performance, the Company has not found it fit to invest in the development of its technology and knowhow.

In view of the above and after a careful and comprehensive review of present business environment and in particular the review of present operation and activities of this unit i.e. Baramati unit, the Board of Directors of the Company (the Board) is of the view that it would be prudent to sell, hive off and otherwise dispose of Baramati unit and concentrate on strengthening the functioning of Ahmedabad unit of the Company.

The Board of Directors of the Company has, at its meeting held on 25th October, 2012, approved in principle, the sale, hive off and/or otherwise transfer and dispose of Company's undertaking known as "Baramati unit" lying and situate at Baramati, Dist. Pune, in the state of Maharashtra.

The consideration received would augment the Company resources, for expansion and modernization of its Ahmedabad unit and to cut down the debt burden.

The Board is satisfied, that it would be in the best interest of the Company and its shareholders and the employees, to sell and/or hive off this Baramati unit of the Company.

Your Directors thus considered the proposal received from Messrs GTN Engineering (India) Limited, a Public Limited Company in private sector, incorporated under the Companies Act, 1956, and having its registered office at plot No. 29, Nagarjuna Hills, Hyderabad, Andhra Pradesh and signed the Business Transfer Agreement (BTA) for sale and/or transfer of the said unit on a Slump Sale basis at a total consideration of a lump sum amount of Rs. 29,80,00,000/- (Rupees Twenty Nine Crore and Eighty Lacs Only), in exercise of the authority and power conferred upon them, vide a resolution passed at the Meeting of the Board held on 25th October, 2012.

Your directors consider that the proposed sale and/or transfer are fair and reasonable and that it would be in the interest of the Company and its Shareholders and all concerned.

The proposed sale and/or hive off of Baramti unit on a going concern basis attracts the provisions of Section 293(1) (a) of the Companies Act, 1956 ("the Act") and thereby requires approval of the Shareholders by way of an Ordinary Resolution, by means of a Postal Ballot, as required by Section 192A of the Act, read with the Rules made thereunder.

Section 293(1)(a) and Section 192A of the Act, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, provide, inter-alia that the Board of Directors of a Public Company, whose shares are listed on any Exchange shall not, except with the consent of the Shareholders by way of Postal ballot, sell, lease or otherwise dispose

of the Whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the Whole or substantially the Whole of any such undertaking.

Hence the Members approval is sought for under Section 293(1)(a) of the Companies Act, 1956, by way of an Ordinary Resolution through the process of Postal Ballot.

Copy of the Business Transfer Agreement is available for inspection of the Members of the Company at the Registered Office of the Company on any working day, except Saturday between 2:00 P.M. and 4:00 P.M., up to the date of declaration of the results of Postal Ballots. Agreement is subject to amendments and/or changes as may be mutually agreed between the parties herein.

None of the Directors of the Company are in any way concerned or interested in the Resolution except in the capacity of the shareholders and promoters of the Company.

The Board of the Company accordingly recommends the Ordinary Resolution, set out in the accompanying Notice for approval by the Members, by way of Postal Ballot.

By Order of the Board

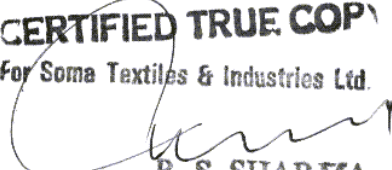
Kolkata

Dated: the 11th April, 2013

R.S. Sharma

Company Secretary

CERTIFIED TRUE COPY
For Soma Textiles & Industries Ltd.


R. S. SHARMA
(Secretary)

SOMA TEXTILES & INDUSTRIES LIMITED

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

POSTAL BALLOT FORM

(To be returned to the Company)

Serial No. :

1. Name and Registered
Address of the Sole/First
Named Shareholder

2. Name(s) of the Joint holder(s),
if any (in block letters)

3. Registered Folio Numer#/
DP ID No./Client ID No.
#(Applicable to shareholders holding
Shares in physical form)
(*Applicable to investors holding
shares in physical form)

4. Number of Shares held

5. I/We hereby exercise my/our vote(s) in respect of the Ordinary Resolution to be passed through postal ballot in respect of business stated in the Postal Ballot Notice dated 11th April, 2013 by sending my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below:

Resolution No.	Description	No. of Shares	Please mark the tick	
			I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Ordinary Resolution seeking approval under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for sale, Lease, Dispose, hive off and/or otherwise dispose of the Whole or Substantially the Whole of the Undertaking viz. Baramati unit of the Company.			

Place:

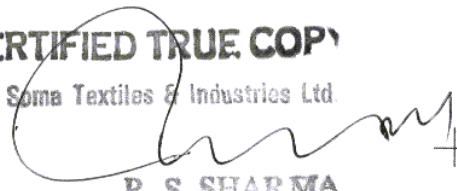
Date:

(Signature of the Shareholder)

- NOTE: 1 Please read the instructions in the Postal Ballot carefully before exercising the vote.
2 Last Date for receipt of Postal Ballot Forms duly filled in by the Scrutinizer is Monday, the 20th May, 2013.

CERTIFIED TRUE COPY

For Soma Textiles & Industries Ltd.


R. S. SHARMA
 (Secretary)

Notes/Instructions

1. Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the assent or dissent of the members in respect of the "Ordinary Resolution" shall be determined through postal ballot.
2. The Votes should be cast either in favour or against by putting the tick (✓) mark in the Column provided for assent or dissent. Postal Ballot Form bearing Tick (✓) marks in both the column will render the Form invalid.
3. A shareholder desiring to exercise his/her vote by Postal Ballot may complete this form and send it to the Scrutinizer, appointed by the Company, in the attached prepaid self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot form, if sent through courier/registered post at the expense of the Registered Shareholder will also be accepted or if deposited with the Company, in person, will also be accepted.
4. The Company has appointed Mr. P.K. Drolia, F.C.S., Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot process. The self-addressed envelope bears the name and address of the scrutinizer appointed by the Company.
5. There shall be one postal ballot for every folio/client ID irrespective of the number of joint holders. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders as on Friday, the 5th April, 2013.
6. The Postal Ballot Form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder as per the specimen signature registered with the Company/Depositories as the case may be.
7. In case of shares held by the Companies, trustees, Societies, the duly completed postal Ballot Form should be accompanied by a certified true copy of the Board resolution/authority to the person voting on the Postal Ballot Form. A Member may sign the form through an Attorney appointed specifically for this purpose in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot form.
8. In case the Postal Ballot form is signed by the holder of Power of Attorney, the reference to the Power of Attorney, already registered with the Company should be mentioned by quoting the Registration No beneath the signature of the Shareholder. In case of Postal Ballot form is signed by the Authorised Representative of a Body Corporate, a certified copy of the relevant authorization to vote on the Postal Ballot should be attached to the Postal Ballot form.
9. Voting rights through a Postal Ballot cannot be exercised by a proxy.
10. A shareholder need not use all his votes nor he needs to cast all his votes in the same manner.
11. Duly completed Postal Ballot Forms should be received by the Scrutinizer not later than the close of business hours on Monday, the 20th May, 2013. Postal Ballot Forms received after this date will be strictly treated as if no reply from the shareholder has been received. Members are requested to send the duly complied Postal Ballot Form(s) well before Monday, the 20th May, 2013, providing sufficient time for Postal transit.
12. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.
13. The Board of Directors of the Company has appointed Mr. Shreekant Bhat, Executive Director and Mr. R.S. Sharma, Company Secretary of the Company as the persons responsible for the entire postal ballot voting process.
14. The Scrutinizer will submit his final report as soon as possible after the last date of receipt of postal ballot but not later than Wednesday, the 22nd May, 2013.
15. The Chairman or in his absence Executive Director or the Company Secretary, of the Company, duly authorized by the Board of Directors of the Company, shall announce the result of the Postal Ballot resolution at the Registered Office of the Company at 2, Red Cross Place, Kolkata - 700 001 at 11.30 A.M. on Friday, the 24th May, 2013. Members who wish to be present at the time of declaration of result may do so at the above venue at the appointed time.
16. The date of declaration of the result of Postal Ballot resolution will be taken to be the date of passing of the resolution.
17. The Result will be published in News-papers within 48 hours of the declaration of the result for information of the Members of the Company and uploaded on the website of the Company
18. Members are requested not to send any other matters/papers along with the postal Ballot Forms in the enclosed Postage-Pre-Paid Self addressed envelope. If any extraneous papers/matters are found in such envelope, the same will be destroyed by the Scrutinizer.
19. Non-Resident Members, having foreign address, as their registered address, may send, duly completed and signed Postal Ballot Form by paying applicable postage, so as to reach the Scrutinizer not later than the close of business hours on Monday, 20th May, 2013.
20. A Shareholder may request for a duplicate Postal Ballot form if so, required. All such requests should be addressed to the Company's Registrar & Transfer Agents (RTA) at Sharepro Services (India) Private Limited, 13AB Samitha Warehousing Complex, Sakinaka Telephone Lane, Sakinaka, Andheri East, Mumbai - 400 072, through E-mail I. D. - sharepro@shareproservices.com, or at its branch office at Office No. 416-420, Devnandan Mega Mall, 4th Floor, Opp. Sanyas Ashram, Ashram Road, Ahmedabad - 380 006, through E-mail I. D. - sharepro.ahmedabad@shareproservices.com, or its factory office at Rakhial Road, Ahmedabad - 380 023. However the duplicate Postal Ballot Form, duly filled in, in any case should reach the Scrutinizer, not later than the close of business hours on Monday, 20th May, 2013.
21. All the Postal Ballot form should be delivered on or before Monday, the 20th May, 2013 at the following address :-

Mr. P. K. Drolia (Scrutinizer)
C/O. Soma Textiles & Industries Ltd.,
2, Red Cross Place, (1st Floor)
KOLKATA - 700 001

CERTIFIED TRUE COPY

for Soma Textiles & Industries Ltd.

R. S. SHARMA
(Secretary)