

SOMA TEXTILES & INDUSTRIES LIMITED

Minutes of the proceedings of the Seventy Fifth (75th) Annual General Meeting of the Members of Soma Textiles & Industries Limited, held on Monday, the 9th September, 2013 at 2-30 P.M. at Jhajharia Committee Room of MCC Chamber of Commerce & Industry, 15 B, Hemanta Basu Sarani, Kolkata – 700 001.

P R E S E N T:

Shri S. K. Somany - Chairman & Shareholder

Shri B. K. Hurkat - Director & Chairman of
Audit Committee

Shri R. S. Sharma - In attendance
(Secretary & Shareholder)

Total 47 (Forty Seven) Members of the Company were present in person (including proxies and Corporate representations) as per Attendance Register.

1. Shri S. K. Somany, the Chairman of the Board of Directors, took the Chair in accordance with Article 67 of the Articles of Association of the Company.
2. The Chairman declared that the requisite quorum was present. The Chairman thereafter called the meeting to order and commenced the formal proceedings of the meeting.
3. The Chairman declared that the Company had received 2 (Two) representation under Section 187 of the Companies Act, 1956 representing 1,06,84,960 Equity Shares constituting 32.35 % of the Paid-up Share Capital of the Company and Proxy(ies) representing 8,79,768 Equity Shares, constituting 2.66 % of the Paid-up Equity Share Capital of the Company, aggregating thereby to 1,15,64,728 Equity Shares, constituting 35.01 % of the Paid-up Equity Share Capital of the Company.
4. The Register of Directors' Shareholding maintained by the Company pursuant to the provisions of Section 307 of the Companies Act, 1956, was produced at the commencement of the meeting and was kept open and accessible during the continuance of the meeting to any person having right to attend the meeting.
5. With the consent of the Shareholders present, the Notice dated 29th July, 2013, convening the 75th Annual General Meeting ("AGM") together with the explanatory statements, the Annual Accounts of the Company for the year ended 31st March, 2013, as well as Directors' Report thereon, already in the hands of the Shareholders, were taken as read.
6. The Chairman requested the Company Secretary to read the Auditors' Report. The Auditors' Report on the Audited Accounts had been read out

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For Soma Textiles & Industries Ltd

R. S. SHARMA
(Secretary)

by Shri R. S. Sharma, Company Secretary of the Company in compliance with the requirement under the Companies Act, 1956.

7. After a brief discussion on the working of the Company, the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit & Loss Account for the year ended 31st March 2013, together with the Report of Directors and Auditors thereon were laid before the meeting. The Chairman thereafter proposed a resolution for adoption of the Audited Annual Accounts for the year ended on that date together with the Report of Directors and Auditors thereon.

Before moving the resolution to this effect, the Chairman invited Members present in person to make observations and comments, if any on the Report and Accounts and other Resolutions set out in the Notice of 75th AGM of the Company. The audited accounts were considered by the Members present. Observations and Comments were made by the Members and the queries put forth and clarifications sought for by them were answered by the Chairman. The Chairman thanked the Members for their keen interest in Company's working.

The following business of the meeting as per the Notice of 75th AGM was taken up item wise one after the other on show of hands.

ORDINARY BUSINESS :

Item No. 1 – Adoption of Annual Accounts, Directors' & Auditors' Report

(As an Ordinary Resolution)

Proposed by : Shri Surendra Kumar Somany

Seconded by : Shri Bharat Kumar Mehta

"RESOLVED THAT the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon be and are hereby approved and adopted."

On a show of hands, the Chairman declared the aforesaid ordinary resolution –

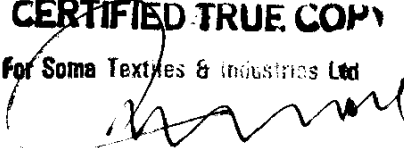
(Carried Unanimously)

Item No. 2 – Re-appointment of Shri S. K. Somany (Retiring Director)

(As an Ordinary Resolution)

Proposed by : Shri Mahesh Kumar Bubna

Seconded by : Shri Subrata Chatterjee

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(Secretary)

“RESOLVED THAT Shri S. K. Somany, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed a Director of the Company.”

On a show of hands, the Chairman declared the aforesaid ordinary resolution –

(Carried Unanimously)

Item No. 3 – Appointment of Statutory Auditors

(As an Ordinary Resolution)

Proposed by : Shri Shome Nath Ghosh

Seconded by : Shri Satya Narayan Pal

“RESOLVED THAT M/s. Pipara & Company, Chartered Accountants, Ahmedabad, having registration no.107929W allotted by Institute of Chartered Accountants of India (ICAI), the retiring Statutory Auditors of the Company be and are hereby re-appointed Statutory Auditors of the Company to hold office from the conclusion of this 75th Annual General Meeting until the conclusion of the next 76th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company upon recommendation of the Audit Committee and/or Committee of the Board of Directors of the Company, plus service tax and reimbursement of actual traveling and out of pocket expenses as may be incurred by them for performance of their duties.”

On a show of hands, the Chairman declared the aforesaid ordinary resolution -

(Carried Unanimously)

SPECIAL BUSINESS :

Item No. 4 – Amendment to Capital Clause in Articles of Association of the Company

(As a Special Resolution)

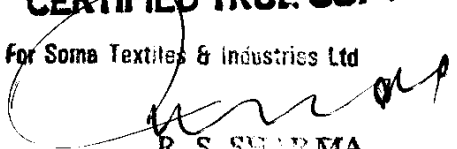
Proposed by : Shri Shyam Sundar Bhattacharyya

Seconded by : Shri Ravi Kedia

“RESOLVED THAT pursuant to provisions of Article 48 and Article 54 of the Articles of Association of the Company, read with Section 94 and other applicable provisions, if any of the Companies Act, 1956, the Authorised Share Capital of the Company, which is, at present, Rs. 50,00,00,000 (Rupees Fifty Crores Only) divided in to 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- each, be and is hereby reclassified and restructured by cancellation and conversion of 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each, amounting to Rs.10,00,00,000/- (Rupees

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Ten Crores Only) out of the unissued and unallotted Equity Shares of the Company, forming part of the existing Authorised Share Capital of the Company and simultaneously creating, in lieu thereof 10,00,000 (Ten lacs) 0.01% Cumulative Redeemable Non-convertible Preference Shares of Rs. 100/- each, amounting to Rs.10,00,00,000/- (Rupees Ten Crores Only), in the Authorised Share Capital of the Company and consequently the existing clause no. 5 relating to Share Capital in the Memorandum of Association, do stand altered accordingly and the same be amended suitably.

RESOLVED FURTHER THAT, pursuant to Section 16 and all other applicable provisions, if any, of the Companies Act, 1956, read with Article 48 of the Articles of Association of the Company, the existing Capital Clause 5 of the Memorandum of Association of the Company be and is hereby altered/amended by deleting the same and substituting in its place and stead thereof the following as new Capital Clause 5:-

5. "The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores Only), divided into 4,00,00,000 (Four Crores) Equity Share of Rs. 10/- each amounting to Rs.40,00,00,000/- (Rupees Forty Crores Only) and 10,00,000 (Ten Lacs) 0.01% Cumulative Redeemable Non-convertible Preference Shares of Rs. 100/- each amounting to Rs.10,00,00,000/- (Rupees Ten Crores Only), with power to increase or reduce the Capital of the Company and to divide the Shares in the Capital for the time being in to several classes and to attach thereto respectively any Preferential, deferred, qualified or special rights privileges conditions and restrictions thereto, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privilege conditions or restrictions in such manner as may be for the time being permitted by the Articles of Association of the Company and the legislative provisions for the time being in force in that behalf."

RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized to take all such steps and actions as may be considered necessary or expedient for giving effect to this resolution and to settle any questions that may arise in this regard."

(Carried Unanimously)

Item No. 5 - Issue of Cumulative Redeemable Non-Convertible Preference Shares to the Promoters' and / or Promoters Group Companies on Preferential / Private Placement Basis

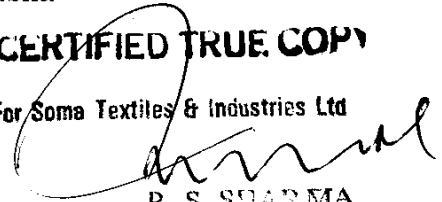
(As a Special Resolution)

Proposed by : Shri Asish Majumdar

Seconded by : Shri Mahesh Kumar Bubna

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(Secretary)

"RESOLVED THAT in supersession of the earlier Resolution adopted by the Shareholders of the Company at an Extra-Ordinary General Meeting held on 7th December, 2009 for issuance of Equity Share of Rs.10/- each on Rights basis upto Rs. 10 Crores and, in lieu thereof, pursuant to Sections 80, 81(1A) and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and in accordance with the relevant provisions of the Memorandum and the Articles of Association of the Company, the Rules/Regulations/ Guidelines/ Notifications/ Circulars, if any, prescribed by the Securities and Exchange Board of India (SEBI) and/or any other Regulatory Authority, the Listing Agreement entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to the consent of all concerned authorities, if and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed under applicable laws or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, which unless specifically stated, would include a Committee constituted/to be constituted by the Board of Directors to exercise its powers conferred by this Resolution and the powers conferred by the Board of Directors from time to time (hereinafter referred to as 'the Board') the consent of the Company be and is hereby accorded to the Board to offer/issue and allot, 0.01% Cumulative Redeemable Non-Convertible Preference Shares (hereinafter referred to as "Preference Shares") of the face value of Rs. 100/- (Rupees One hundred Only) each for an amount not exceeding Rs.9,75,00,000/- (Rupees Nine Crores Seventy Five Lacs Only), in one or more tranches subscribed/to be subscribed in Rupees by the promoters' and/or promoters' group companies, whether or not they are shareholders of the Company, as the Board may at its absolute discretion think fit, on such terms and conditions including amount of premium on Redemption, if any, redemption period, manner of redemption and matter incidental thereto as may be decided by the Board in the best interest of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilization of the proceeds of issue and the Board be and is hereby authorized further to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notifications, rules and regulations, to the extent applicable, as SEBI or any other Regulatory Authority may prescribe from time to time and to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit and to make and accept any modification in the proposal as may be considered necessary or as may be required by the relevant authorities."

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"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate or sub-delegate all or any of the powers or authorities herein conferred upon, as it may in absolute discretion deem fit to the Chairman/ Managing Director/any Director(s)/officer(s)/authorized representative(s) of the Company to give effect to the aforesaid resolution."

(Carried Unanimously)

Item No. 6 – Re-appointment of Shri A. K. Somany, as Managing Director of the Company

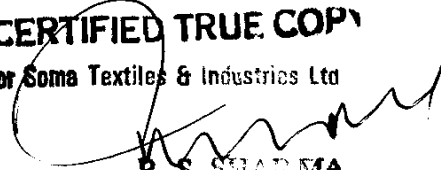
(As a Special Resolution)

Proposed by : Shri Sunil Kumar Paul

Seconded by : Shri Rajesh Kumar Shaw

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and rules made thereunder and any amendments thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government, if required, and such other approvals, permissions and sanctions as may be required and subject to such conditions and modifications as may be imposed and/or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as are agreed to by the Board of Directors (hereinafter referred to as 'the Board' which terms shall include any committee constituted/to be constituted by the Board and any person authorized by the Board in this behalf) and acceptable to Shri Somany, the consent of the Company be and is hereby accorded to the re-appointment of Shri A. K. Somany (Shri Somany), as Managing Director of the Company, who shall not be subject to retirement by rotation in terms of Section 255 read with other relevant provisions including Section 257 of the Companies Act, 1956 for a period of 3 (Three) years with effect from 22nd January, 2014 to 21st January, 2017, on such remuneration by way of salary, commission, perquisites, allowances and/or benefit(s), within and up to the maximum limit as have been determined, fixed and approved by the Board subject to overall limit, stipulated in Sections 198 and 309 of the Companies Act, 1956 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 Explanatory Statement, annexed to the Notice of 75th Annual General Meeting of the Company ("AGM Notice"), which forms the part of this resolution and Draft of the AGREEMENT, as placed before this meeting and initialed by the Chairman of the Company for the purpose of identification, is hereby specifically approved and sanctioned.

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(Secretary)

"RESOLVED FURTHER THAT Board may in its absolute discretion pay to Shri Somany, a Managing Director lower remuneration within the said maximum limits as stipulated in the Draft Agreement and the Explanatory Statement hereinabove referred to."

"RESOLVED FURTHER THAT the Managing Director shall not be entitled to any sitting fee for attending meeting of the Board and/or Committee(s) thereof."

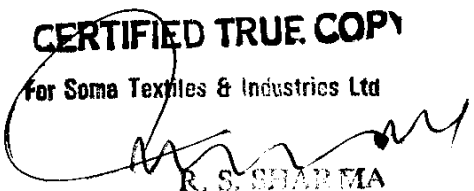
"RESOLVED FURTHER THAT, within the terms of remuneration as set out in the Explanatory Statement and the 'Draft Agreement' referred to hereinabove and as approved herein by the shareholders, the Board of Directors of the Company be and is hereby authorised to revise, vary or increase the remuneration (salary, commission, perquisites and allowances) payable to Shri Somany from time to time, to the extent the Remuneration Committee of the Board of Directors and/or the Board of Directors may consider appropriate and as may be permitted or authorized 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 XIII 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, 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 Explanatory Statement annexed to the AGM Notice, subject to and within the maximum ceiling limits laid down under para 1 of Section II of Part II of Schedule XIII to the Act as applicable to the Company at the relevant time depending upon the effective capital of the Company or such other limits as may be prescribed by the Central Government from time to time as to minimum remuneration or any amendments thereto or any modifications or statutory re-enactment thereof and/or any rules or regulations framed thereunder unless otherwise prior approval of the Central Government is obtained if and to the extent necessary."

"RESOLVED FURTHER THAT, in the event Central Government approval is sought for, the remuneration payable to Shri Somany, as set out in 'Draft Agreement' and also in the Explanatory Statement annexed to the Notice of 75th AGM and referred to hereinabove will be subject to such modifications/amendments/changes as the Central Government may suggest or require or direct and which the Board of Directors/Remuneration Committee is authorised to accept on behalf of the Company and as may be acceptable to Shri Somany."

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(Secretary)

"RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to Schedule XIII 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 XIII to the said Act and other applicable provisions, if any, of the Companies Act, 1956 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."

(Carried Unanimously)

Item No. 7 - Commission to Directors of the Company in the event of profits (other than the Managing and Whole-time Directors)

(As a Special Resolution)

Proposed by : Shri Satya Narayan Pal

Seconded by : Shri Abhishek Kumar Mishra

"RESOLVED THAT in accordance with and subject to the provision of Section 309 (4) read with Section 309 (7) of the Companies Act, 1956, the Company do hereby authorise the payment to the Directors of the Company (Other than the Managing and Whole-time Directors, if any) of a commission (to be divided amongst them, in such amounts or in proportions and in such manner as may be determined by the Board of Directors of the Company from time to time and in default of such determination equally) of 1% (One percent) per annum of the net profits of the Company, to be computed in the manner prescribed in Sub-section (1) of Section 198, referred to in Sub-section (5) of Section 309 of the Companies Act, 1956 in any financial year of the Company, for a further period of 5 years, commencing from 1st April 2013 and upto 31st March 2018."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient in order to give effect to the above Resolution"

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(Secretary)

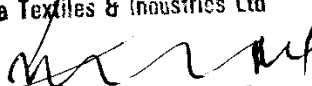
On a show of hands, the Chairman declared the aforesaid special resolution -

(Carried Unanimously)

There being no other business to transact, the meeting closed with a vote of thanks to the Chair.

CHAIRMAN

Dated : September 9, 2013

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(Secretary)