



**SOMA TEXTILES &
INDUSTRIES LTD.**

69th ANNUAL REPORT
2006-2007



A SOMANY ENTERPRISE
Making technology pay



Annual Report 2006-2007

BOARD OF DIRECTORS

Shri S. K. Somany	(Chairman)
Shri A. K. Somany	(Managing Director)
Shri P. Bandyopadhyay	(Executive Director)
Shri Prafull Anubhai	
Shri Ashok C. Gandhi	
Shri Anupam Verma	(Nominee Director -ICICI Bank Ltd.)

SECRETARY

Shri R. S. Sharma

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AUDITORS

Pipara & Company
104, N.R.House, Ashram Road,
Ahmedabad-380009.

BANKERS

Dena Bank Ltd.
State Bank of India Ltd.

REGISTERED OFFICE

2, Red Cross Place, Kolkata - 700 001.

WORKS

- 1) Rakhial Road, Ahmedabad - 380 023.
- 2) Plot No. D-49, MIDC, Baramati - 413 133 Dist. Pune

SUBSIDIARY

Soma Textile FZE, Ajman Free Trade Zone, Ajman

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NOTICE

NOTICE is hereby given that the 69th ANNUAL GENERAL MEETING of the Members of Soma Textiles & Industries Limited will be held at Jhajharia Committee Room of Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata – 700 001 on, Monday, the 17th day of September, 2007 at 2-00 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ashok C. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

To consider, and if deemed fit, to pass with or without modification(s), the following Resolutions:

4. **Re-appointment of Shri A. K. Somany as Managing Director:**

As a Special Resolution

"RESOLVED THAT in accordance with the provisions of Sections 198,269,309,310 and 311 read with Schedule XIII and all other applicable provisions, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof), subject to all such approvals and/or sanctions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Shri A. K. Somany, as a Non-rotating Director of the Company, designated as "Managing Director", 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, 2008 on existing remuneration by way of salary, commission, perquisites and allowances and on the existing terms, conditions and stipulations as are set out in the draft agreement to be entered into between the Company and Shri A. K. Somany, extract of which is also set out in the Explanatory Statement, attached to the Notice of 69th Annual General Meeting, and a draft whereof is placed before this meeting and for the purpose of identification, is subscribed by the Chairman which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or remuneration and/or agreement as may be agreed to between the Board and Shri Somany, provided however that the remuneration payable to Shri Somany shall not exceed the maximum limits for payment of Managerial remuneration specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby vested with the sole authority and discretion to consider, grant and/or sanction an annual increment of, upto 20% of the last drawn salary, as the Board may consider fit and proper for Shri Somany."

"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 notwithstanding anything contained herein above wherein any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay the Managing Director minimum remuneration per month by way of salary, perquisites, dearness allowance and any other allowances subject to the maximum ceiling calculated in accordance with the scale laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 as applicable to the Company at the relevant time depending upon the effective capital of the Company."

"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 or increase the remuneration including salary, commission perquisites and/or allowances within the maximum limits for payment of managerial remuneration specified in Schedule XIII to the said Act, without any further reference to the Members of the Company in General Meeting."

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



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BOARD OF DIRECTORS

Shri S. K. Somany	(Chairman)
Shri A. K. Somany	(Managing Director)
Shri P. Bandyopadhyay	(Executive Director)
Shri Prafull Anubhai	
Shri Ashok C. Gandhi	
Shri Anupam Verma	(Nominee Director - ICICI Bank Ltd.)

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Shri R. S. Sharma

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2. To appoint a Director in place of Shri Ashok C. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

To consider, and if deemed fit, to pass with or without modification(s), the following Resolutions:

4. Re-appointment of Shri A. K. Somany as Managing Director:**As a Special Resolution**

"RESOLVED THAT in accordance with the provisions of Sections 198,269,309,310 and 311 read with Schedule XIII and all other applicable provisions, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof), subject to all such approvals and/or sanctions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Shri A. K. Somany, as a Non-rotating Director of the Company, designated as "Managing Director", 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, 2008 on existing remuneration by way of salary, commission, perquisites and allowances and on the existing terms, conditions and stipulations as are set out in the draft agreement to be entered into between the Company and Shri A. K. Somany, extract of which is also set out in the Explanatory Statement, attached to the Notice of 69th Annual General Meeting, and a draft whereof is placed before this meeting and for the purpose of identification, is subscribed by the Chairman which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or remuneration and/or agreement as may be agreed to between the Board and Shri Somany, provided however that the remuneration payable to Shri Somany shall not exceed the maximum limits for payment of Managerial remuneration specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby vested with the sole authority and discretion to consider, grant and/or sanction an annual increment of, upto 20% of the last drawn salary, as the Board may consider fit and proper for Shri Somany."

"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 notwithstanding anything contained herein above wherein any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay the Managing Director minimum remuneration per month by way of salary, perquisites, dearness allowance and any other allowances subject to the maximum ceiling calculated in accordance with the scale laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 as applicable to the Company at the relevant time depending upon the effective capital of the Company."

"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 or increase the remuneration including salary, commission, perquisites and/or allowances within the maximum limits for payment of managerial remuneration specified in Schedule XIII to the said Act, without any further reference to the Members of the Company in General Meeting."

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



5. Increase in limit of Investments by Foreign Investor in the Capital of the Company :

As a Special Resolution

RESOLVED THAT pursuant to the provisions of the Foreign Exchange Management Act, 1999 and subject to the approval of the Reserve Bank of India (RBI) and other appropriate authorities, if applicable, the consent of the shareholders be and is hereby accorded for purchase/acquisition of Equity Shares of the Company by Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) and other eligible Investors under the Investment Portfolio Scheme/Foreign Direct Investment Scheme of the RBI subject however, that such Investments in Equity Share Capital of the Company shall not exceed in aggregate 74% of the subscribed Equity Share Capital of the Company.

FURTHER RESOLVED THAT the said purchase/acquisition of shares as aforesaid upto a limit of 74% of the subscribed share capital shall be subject to the conditions and restrictions laid down under the Investment Portfolio Scheme/ Foreign Direct Investment Scheme of the RBI for the time being in force and as amended from time to time.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary and/or desirable to give effect to this resolution."

Registered Office:

2, Red Cross Place,

Kolkata - 700 001

Dated, the 25th June, 2007

By Order of the Board

R.S. Sharma

Company Secretary

NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to item Nos. 4 & 5 of the accompanying Notice is annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself. Such proxy need not be a member of the Company. Proxies, in order to be valid, should be duly completed, stamped and signed and must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 11th September, 2007 to Monday, the 17th September, 2007 (both days inclusive).
4. Members are requested to notify change in their address in block letters, if any, quoting their folio number to the Company and/or Pinnacle Registry Private Limited, the Registrar & Transfer Agents (RTA) of the Company.
5. Members/Proxies are requested to bring their copies of the Annual Report at the Meeting.
6. Pursuant to Section 205A of the Companies Act, 1956 and the Rules made thereunder, all unclaimed or unpaid dividends for and upto the financial year ended 31st March, 1995 have already been transferred to the General Revenue Account of the Central Government. Members, who have not yet claimed or collected their dividend for the said financial years, are requested to lodge their claim with the Registrar of Companies West Bengal, Nizam Palace, Hind MSO Building, 234/4 A.J.C. Bose Road, Kolkata – 700 020 by submitting an application in Form II, prescribed under the Companies unpaid Dividend (Transfer to General Revenue Account of the Central Government), Rules 1978 as amended upto date.
7. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Ordinance, 1999, the amount of Dividends for the financial year ended 31st March, 1996, 31st March 1997 and 31st March 1998 which remained unclaimed for a period of seven years from the date of payment or transfer of dividend to the unpaid dividend Account of the Company have already been transferred to the Investor Education and Protection Fund established by the Central Government. No dividend was declared by the company for the financial year ended 31st March 1999 and upto financial year ended 31st March 2006.
It may be noted that no claim shall lie against the Company or the said Fund in respect of individual amounts which were unclaimed and unpaid for a period of 7 (Seven) years from the date of payment and transferred to the said fund and no payment shall be made in respect of any such claim.
8. This Notice may also be treated as separate Notice, informing all the members concerned individually of particulars of dividends transferred to the General Revenue Account of the Central Government as required by the Companies unpaid Dividend (transfer to General Revenue Account of the Central Government) Rules 1978 as amended.
9. Members, holding shares in identical order of names in more than one folio, are requested to send details of such folios together with Share Certificates for consolidating their holdings in ONE FOLIO. Share Certificates will be returned to the members after making requisite change thereon.

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10. Members are requested to intimate to the Company, query (ies), if any, on the Accounts and operation at least 10 days before the Meeting to keep the information ready at the meeting.
11. Members who hold shares in dematerialised form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.

Brief Resume and other information in respect of the Director seeking re-appointment at the Annual General Meeting as required under Clause 49 of the Listing Agreement:-

Shri Ashok C. Gandhi, B.Com. L.L.B., aged about 68 years, a resident of Ahmedabad, is a Leading Advocate and a partner of M/s. C.C. Gandhi & Co., Advocates, Ahmedabad, a Leading Law Firm in Ahmedabad.

Shri Gandhi has been a Director of the Company since 24.01.2004. He is the Member of Audit Committee of the Company. He is presently on the Board of several Public Limited Companies, besides Private Limited Companies and continues as the Chairman and Member of Committee of Board of these Companies, as under :-

Name of the Company in which he is Director	Audit Committee	Investors' Grievance Committee	Remuneration Committee
Amol Dicalite Ltd.	-	-	Member
Bloom Dekor Ltd.	Chairman	-	Chairman
Aarvee Denims & Exports Ltd.	Member	-	Member
Ahmedabad Steelcraft Ltd.	Member	-	-
Dishman Pharmaceuticals and Chemicals Ltd.	Member	Member	Member
Gujarat Ambuja Exports Ltd.	Member	-	Chairman
MSK Projects (India) Ltd., Vadodara	Member	-	-
Mafatlal Industries Ltd.	Member	-	-
Soma Textiles & Industries Ltd.	Member	-	-

Shri Gandhi retires by rotation at this meeting and being eligible, seeks re-appointment as Director of the Company.

Explanatory Statement in terms of Section 173(2) of the Companies Act, 1956

Item No. 4

The present term of Shri A. K. Somany ("Shri Somany") as non-rotating Managing Director of the Company not liable to retire by rotation, will expire by efflux of time on 21st January 2008.

The Board, at its meeting held on 25th June 2007, re-appointed Shri A. K. Somany as Whole-time Director designated as "Managing Director" for a period of 3 (Three) years with effect from 22nd January 2008, subject however to the approval of the shareholders in the ensuing Annual General Meeting and the 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 Schedule XIII to the Act as embodied in the Agreement, entered/to be entered into with Shri Somany.

Shri Somany, aged about 51 years, is a Science Graduate who looks after the affairs of the Company. The dint of his foresight, planning and hard work remains the inspiration behind the consistent growth of the Company. He was the Chairman of Ahmedabad Mill Owners' Association for 2003-2004 and has been a member of The Indian Cotton Mills' Federation and several other committees constituted by governmental bodies. He combines a comprehensive mix of academic qualifications and professional experience. Having travelled widely around the world, he has a deep understanding of global business issues. Shri Somany is a member of Shareholders'/Investors Grievance Committee & Share Transfer Committee of the Company. Shri Somany shall be a non-retiring Director, who shall not be liable to retire by rotation, in terms of Section 257 of the Act, including other provisions of the Act.

The Board consider that his service will be useful to the Company and that it is in interest of the Company that he be re-appointed as Whole-time Director, designated as 'Managing Director' of the Company. His appointment and Remuneration so fixed by the board upon recommendation of the Remuneration Committee are in accordance with Schedule XIII to the Companies Act, 1956 ("the Act") and subject to the approval of Members of the Company at the ensuing 69th Annual General Meeting.

The material terms and conditions of the Agreement entered/to be entered into by Shri Somany with the Company, for his appointment and remuneration payable to Shri Somany are as follows:

- a) **Period of Appointment** : 3 (Three) years commencing from 22nd January, 2008.



- b) **Nature of Duties :** Subject to the superintendence, control and direction of the Board, Shri Somany shall perform such duties 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.

Remuneration :

Shri A. K. Somany (Shri Somany), a Whole-time Director designated as 'Managing Director' (hereinafter referred to as 'the appointee') shall in consideration of his service, be entitled to the following by way of remuneration.

- (a) **SALARY:** At the rate of Rs. 1,00,000/- per month (including Basic & DA) or such amount as may be decided by the Board with the yearly increment effective from the date, as may be considered by the Board. The Board may at its sole discretion, at the recommendation of the Remuneration Committee, consider and grant an annual increment to the Managing Director, subject however to a ceiling on increment of 20% of last drawn salary.)
- (b) **COMMISSION:** At the rate of 1% (One percent) of net profits of the Company for each financial year computed in the manner laid down in Section 198 and 309 of the Companies Act, 1956 subject however to a ceiling of Annual Salary.
- (c) **PERQUISITES:** The appointee shall be entitled to the following perquisites in addition to salary and commission restricted to an amount equal to the annual salary of appointee or Rs. 4,50,000/- per annum, whichever is less.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:

CATEGORY –A

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees on clubs and personal accident insurance and such other benefits, facilities and allowances as may be available and allowed to appointee, 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 per cent payable by the appointee.
- ii) In case the accommodation is owned by the Company, 10 (Ten) per cent 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-i

Explanation:

The Expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10 (Ten) per cent of the salary of 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 months' 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 Rs.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.

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.

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- 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.

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.

Overall Remuneration

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to the Managing Director and Executive Director(s) as calculated in accordance with Section 198 and 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may for the time being in force.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of the appointee, the Company shall pay his remuneration by way of salary, perquisites and allowances as specified under the Remuneration Clause above within the limits laid down under para 1 of Section II of the Part II of Schedule XIII to the Companies Act, 1956, now in force and as may be amended from time to time.

The perquisites specified in paragraph 2 of Section II of Part II of Schedule XIII to the Act, however shall not be included in the computation of the ceiling on the minimum remuneration specified under Para 1 of Section II of Part II of Schedule XIII to the Act.

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 or secrets processes of the Company and shall during the continuance of his employment hereunder use his best endeavours to prevent any other person from doing so.

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

Nothing herein contained shall entrust or be deemed to entrust the appointee with substantial powers of management of the affairs of the Company.

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

Termination

Notwithstanding anything contained in the Agreement, either party, shall be entitled to determine the Agreement by giving 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 six month's salary as specified in Remuneration Clause (a) hereinabove in lieu of 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 the case of the 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.

In compliance with the provisions of Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, a Special Resolution in terms as set out in item No. 4 of the accompanying Notice is now being placed before



the Members for their approval. The Board recommends passing of the Resolutions set out in item No.4 of the accompanying Notice.

MEMORANDUM OF INTEREST

Save and except Shri S. K. Somany and Shri A. K. Somany, being close relative to each other, none of the 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 appointment as Managing Director is available for inspection of the Members at the Registered Office of the Company on any working day between 12-00 A.M. and 2-00 P.M. 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 302 OF THE COMPANIES ACT, 1956 :

The terms and conditions of appointment and remuneration payable to Shri Somany as Managing Director of the Company, as set out in the Agreement and Explanatory Statement, duly annexed to the accompanying Notice should be treated as an "ABSTRACT" of the terms of his appointment and Memorandum of Interest under Section 302 of the Companies Act, 1956.

In terms of Part-II, Section II-1(B) of Schedule XIII to The Companies Act, 1956 the following information is given to the shareholders:

I. General Information :

- (1) Nature of Industry : Manufacturer of Textile and Cotton Yarn.
- (2) Date of commencement of Commercial production : 1969
- (3) Financial Performance : (Rs.in Lakhs)

Year ending 31st March	Sales	Operating Profit	Profit Before Tax	Net Profit After Tax
2003	14899	1299	660	197
2004	16213	1779	1078	837
2005	16705	1756	969	880
2006	18273	2121	1075	884
2007	18850	2374	1195	595

- (4) Export Performance : Export revenue for the year 2006-07 was at Rs. 28.92 Crore against Rs. 32.55 Crore in the previous year
- (5) Foreign investors or Collaborators : There are 3(three) Foreign Institution Investor holding 9000400 Equity shares and 1(One) Overseas Corporate Bodies holding 1176470 Equity Shares of the Company as on 31.03.2007. 26584 Equity Share are held by 40(forty) NRI Shareholders as on 31.3.2007. The Company does not have any Collaboration.

II. Information about the appointee

- (1) Background details : Shri A.K.Somany, aged about 51 years, is an Industrialist and currently the Managing Director of the Company. Shri Somany has over 30 years of experience with him in Textile Industry covering all areas of Management and Operations. He has been continuing as Managing Director of the Company since 22nd January 1988.

Brief particulars:

He has successfully and in a sustained way contributed significantly towards improvement in performance of the Company leading to company's successful turn around.

- (2) Past Remuneration :

2003-2004:	Rs. 7,06,651/-
2004-2005:	Rs. 7,06,850/-
2005-2006:	Rs. 7,12,688/-
2006-2007:	Rs. 13,88,709/-