



Ludlow Jute & Specialities Limited
6, Nandalal Basu Sarani (formerly Little Russell Street)
Kolkata - 700071

NOTICE

Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

Dear Member(s),

NOTICE is hereby given pursuant to section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and any amendments thereto, to transact the following special business by the Members of the Company by passing the resolution through postal ballot.

Members consent is requested for the proposal contained in the resolution appended below. The explanatory statement pertaining to the said resolution setting out the material facts and the reasons thereof is annexed hereto.

1. Revision in remuneration payable to Shri J. P. Sonthalia, Managing Director of the Company, w.e.f. 17th August, 2012

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**, through postal ballot:

"**RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310, 349 and 350 of the Companies Act, 1956 read with schedule XIII thereto and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded for a revision in the remuneration of Shri J.P. Sonthalia, Managing Director of the Company w.e.f. 17th August, 2012 as per the following terms & conditions:

i) Salary

Rs.3,30,000.00 (Rupees three lacs thirty thousand only) per month. The Board may at its discretion, consider and grant an annual increment upto 50% of the last drawn salary, within the permissible limits as prescribed in Schedule XIII to the Companies Act, 1956 or any amendment thereto.

ii) Commission

At the rate of 1% (one percent) of the net profits of the Company for each financial year, computed in the manner laid down in Sections 198 and 309 of the Companies Act, 1956 and restricted to the amount equal to the annual salary and shall be payable on pro-rata basis for any broken period/financial year.

iii) Perquisites

Shri J. P. Sonthalia shall also be entitled to the following perquisites in addition to salary and commission, being restricted to an amount equal to 50% of his annual salary. Unless the context otherwise requires, the perquisites are classified into three categories A, B and C as follows :-

Category - A

This will comprise of house rent allowance, medical reimbursement, leave travel concession, fees of clubs and personal accident insurance. These may be provided for as under :

Housing

- a) Monthly House Rent Allowance to the maximum extent of 60% of the Salary.
- b) Reimbursement of expenditure on Gas, Electricity, Water and Furnishings which shall be valued as per the Income Tax Rules, 1962.

Medical Reimbursement

Reimbursement of expenses actually incurred on self and family.

Leave Travel Concession

For self and family once in a year, to and from any place in India, subject to the condition that only actual fares and no hotel expenses, will be allowed.

Club Fees

Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

Personal Accident Insurance

Of an amount, the premium on which does not exceed Rs.10,000.00 per annum.

Category - B

- a) Contributions to Provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites/remuneration to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity not exceeding half a month's salary for each completed year of service. This will not be included in computation of ceiling on perquisites/remuneration.
- c) Consolidated leave of 45 days including sick and casual leave with pay for each completed year of service. Encashment of unavailed leave will be permitted as per the rules of the Company, subject to a maximum of 3 (three) months' salary and will not be included in the computation of the ceiling on perquisites/remuneration.

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 Shri J. P. Sonthalia.

Perquisites shall be evaluated as per Income Tax Rules 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

Overall Remuneration

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively, payable to all the managerial personnel together, as calculated in accordance with sections 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 Shri J. P. Sonthalia, the Company may pay him, in respect of such financial year, remuneration by way of consolidated salary, perquisites and allowances as minimum remuneration in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956 or any amendment thereto, as may be applicable at the relevant time.

Other terms and conditions

- (1) THAT Shri J. P. Sonthalia 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.
- (2) THAT Shri J. P. Sonthalia 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/buying agency of the Company in future, without the prior approval of the Central Government.
- (3) THAT Shri J. P. Sonthalia 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 secrets or secret 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.
- (4) THAT Shri J. P. Sonthalia's services shall be liable to be transferred anywhere in India.
- (5) THAT subject to the supervision and control of the Board of Directors, the day to day management of the Company shall be in the hands of Shri J. P. Sonthalia who shall be empowered to engage and dismiss Presidents, Vice Presidents, Managers, Engineers, Assistants etc. and shall have the general direction, management and superintendence of the business of the Company with full powers to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business and concerns of the Company and to make and sign all such contracts, and to draw, accept, endorse and negotiate on behalf of the Company all such bills of exchange, promissory notes, hundis, cheques, drafts, Government promissory notes and other Government papers and other instruments as shall be necessary, proper or expedient for the carrying on the business of the Company. All the receipts signed, on behalf of the Company, by the Managing Director shall be effectual discharge for the moneys therein stated to have been received. The said Managing Director may, with the sanction of the Board of Directors, delegate any of his Powers, to such Directors, Presidents, Vice Presidents, Managers or other persons, as he may deem fit, and shall have power to grant to such Directors, Presidents, Vice Presidents, Managers or other delegates, such Powers of Attorney as the said Managing Director may, subject to the approval of the Board of Directors, deem expedient and to revoke such powers at pleasure.

- (6) THAT Shri J. P. Sonthalia shall carefully keep himself acquainted with various laws, including Factories Act, Pollution Control Act, FEMA, P.F, E.S.I, Excise, Companies Act, Income Tax, VAT and Sales Tax Acts and Rules and Regulations and other legal requirements and amendments therein from time to time whether promulgated or brought into force by the Central, State and/or other Governments, local and/or other authorities from time to time affecting or concerning directly or indirectly the Company and its business and affairs and ensure that those are carefully observed and complied with and also principles of sound commercial practice are observed. He will take necessary steps to see that no infringement or violation thereof takes place in any of the units of the Company.
- (7) THAT without prejudice to the powers contained in the previous clause, the Board may from time to time entrust to Shri J. P. Sonthalia such of the powers exercisable by it as it thinks fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with restrictions as it may think expedient.
- (8) THAT Shri J. P. Sonthalia shall not, however, be entitled to exercise the power (a) to make calls upon the Members of the Company in respect of moneys unpaid on the shares held by them (b) to borrow any sum or sums of moneys for the purposes of the Company or to make loans out of the funds of the Company or (c) to invest any of the moneys of the Company except within such limits as may from time to time be previously fixed by the Board of Directors.
- (9) THAT subject to the provisions of Section 255 of the Companies Act 1956, Shri J. P. Sonthalia shall not be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire but he shall ipso facto and immediately cease to be the Managing Director if he ceases to hold the office of Director for any cause.
- (10) THAT the terms and conditions of appointment and payment of remuneration of Shri J. P. Sonthalia may be altered, varied or increased from time to time during his tenure of appointment in such manner, as may be agreed to between the Board of Directors and Shri J. P. Sonthalia, provided such terms and conditions are within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, or any amendment thereto.
- (11) THAT this appointment may be terminated by either side by giving notice of three months or such shorter period as may be mutually agreed to between the Company and Shri J. P. Sonthalia or salary in lieu of such notice without assigning any reason."

"**RESOLVED FURTHER THAT** Smt Puja Guin, Company Secretary of the Company be authorised by the Board to do and perform all such acts, deeds and things as may be necessary, to give effect to the aforesaid resolution."

Registered Office : 6, Nandalal Basu Sarani
(formerly Little Russell Street)
Kolkata 700071
Dated : 5th October, 2012

By order of the Board
for **Ludlow Jute & Specialities Limited**
Puja Guin
Company Secretary

NOTES :

1. The relative explanatory statement pursuant to sections 173(2) and 192A(2) of the Companies Act 1956, setting out material facts is annexed hereto.
2. The Board of Directors has appointed Smt Mamta Binani, Practising Company Secretary, having her office at 2A, Ganesh Chandra Avenue, Kolkata 700013 as scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the ballot papers received from the Members. The postal ballot form and the self-addressed business reply envelope are enclosed for use of Members.
3. Members are requested to carefully read the instructions printed in the postal ballot form and return the said postal ballot form (no other form or photocopy of the postal ballot form is permitted) duly completed with the assent (for) or dissent (against), in the attached self addressed postage pre-paid envelope, so as to reach the scrutinizer before the close of working hours (1700 hours) on or before 19th November, 2012, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. Members who do not receive the postal ballot form may apply to the Company and obtain a duplicate thereof. Facility of voting through electronic mode is not being provided by the Company.
4. The Scrutinizer will submit her report to the Chairman of the Company after completion of scrutiny of the postal ballot forms and the results of the postal ballot will be announced/ declared on 23rd November, 2012 and put up on the notice board of the Company at the registered office being 6, Nandalal Basu Sarani (formerly Little Russell Street), Kolkata 700071 and will also be informed to the stock exchange and shall be hosted on the Company's website, i.e. www.ludlowjute.com.
5. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company, upto 19th November, 2012, on all working days between 11:00 a.m. to 3:00 p.m.
6. The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes, if any, casted against the said Resolution.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) AND 192A(2) OF THE COMPANIES ACT, 1956

Item no.1

- 1) At a meeting of the Board of Directors ("the Board") of the Company held on 11th August 2011, the Board passed a resolution appointing Shri J. P. Sonthalia as Managing Director of the Company for a period of 3 years, with effect from 17th August 2011, on the remuneration and terms & conditions as recommended by the Remuneration Committee, subject to the approval of the Members in the Annual General Meeting of the Company.
- 2) The Members vide its Annual General Meeting dated 7th August, 2012 appointed Shri J. P. Sonthalia as Managing Director of the Company for a period of 3 years with effect from 17th August, 2011 on the terms and conditions including remuneration under sections 198, 269, 309 read with Schedule XIII thereto and other applicable provisions, if any, of the Companies Act, 1956 ('Act'), as was set out in the Agreement executed by the Company with Shri J. P. Sonthalia on 17th August, 2011.
- 3) Subsequently, at a meeting of the Board of the Company held on 7th August 2012, the Board passed a resolution relating to revision in remuneration payable to Shri J. P. Sonthalia, Managing Director of the Company with effect from 17th August 2012, based on the revision in remuneration as recommended by the Remuneration Committee.
- 4) The said revision in remuneration payable to Shri J.P. Sonthalia, Managing Director is pursuant to the provisions of sections 198, 269, 309, 310, 349 and 350 of the Companies Act, 1956 read with schedule XIII thereto and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and is subject to the approval of the Members of the Company, vide this Postal Ballot.
- 5) The proposed revised remuneration has been detailed in the resolution.
- 6) The remuneration approved by the Members in the Annual General Meeting dated 07.08.2012 is reproduced below for the ready reference of the Members :

i) Salary

Rs.2,50,000.00 (Rupees two lakh fifty thousand only) per month. His annual increment will be decided by the Board within the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto.

ii) 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 Sections 198 and 309 of the Companies Act, 1956 and restricted to the amount equal to the annual salary and shall be payable on pro-rata basis for any broken period/financial year.

iii) Perquisites

Shri J. P. Sonthalia will be entitled to the following perquisites in addition to salary and commission, being restricted to an amount equal to 50% of his annual salary. Unless the context otherwise requires, the perquisites are classified into three categories A, B and C as follows :

Category - A

This will comprise of house rent allowance, medical reimbursement, leave travel concession, fees of clubs and personal accident insurance. These may be provided for as under :

Housing

- a) Monthly House Rent Allowance to the maximum extent of 60% of the Salary.
- b) Reimbursement of expenditure on Gas, Electricity, Water and Furnishings which shall be valued as per the Income Tax Rules, 1962.

Medical Reimbursement

Reimbursement of expenses actually incurred on self and family.

Leave Travel Concession

For self and family once in a year, to and from any place in India, subject to the condition that only actual fares, and no hotel expenses, will be allowed.

Club Fees

Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

Personal Accident Insurance

Of an amount, the premium on which does not exceed Rs.10,000.00 per annum.

Category - B

- a) Contribution to Provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites/remuneration to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity not exceeding half a month's salary for each completed year of service. This will not be included in computation of ceiling on perquisites/remuneration.
- c) Consolidated leave of 45 days including sick and casual leave with pay for each completed year of service. Encashment of unavailed leave will be permitted as per the rules of the Company, subject to a maximum of 3 (three) months' salary and will not be included in the computation of the ceiling on perquisites/remuneration.

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 Shri J. P. Sonthalia.

Perquisites shall be evaluated as per Income Tax Rules 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

Overall Remuneration

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to all the managerial personnel together, as calculated in accordance with sections 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 Shri J. P. Sonthalia, the Company may pay him, in respect of such financial year, remuneration by way of consolidated salary, perquisites and allowances as minimum remuneration in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956 or any amendment thereto, as may be applicable at the relevant time.

Other terms and conditions

- (1) THAT Shri J. P. Sonthalia 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.
- (2) THAT Shri J. P. Sonthalia 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/ buying agency of the Company in future, without the prior approval of the Central Government.
- (3) THAT Shri J. P. Sonthalia 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 secrets or secret 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.
- (4) THAT Shri J. P. Sonthalia's services shall be liable to be transferred anywhere in India.
- (5) THAT subject to the supervision and control of the Board of Directors, the day to day management of the Company shall to be in the hands of Shri J. P. Sonthalia who shall be empowered to engage and dismiss Presidents, Vice Presidents, Managers, Engineers, Assistants etc. and shall have the general direction, management and superintendence of the business of the Company with full powers to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business and concerns of the Company and to make and sign all such contracts, and to draw, accept, endorse and negotiate on behalf of the Company all such bills of exchange, promissory notes, hundis, cheques, drafts, Government promissory notes and other Government papers and other instruments as shall be necessary, proper or expedient for the carrying on the business of the Company. All the receipts signed, on behalf of the Company, by the Managing Director shall be effectual discharge for the moneys therein stated to have been received. The said Managing Director may, with the sanction of the Board of Directors, delegate any of his Powers, to such Directors, Presidents, Vice Presidents, Managers or other persons, as he may deem fit, and shall have power to grant to such Directors, Presidents, Vice Presidents, Managers or other delegates, such Powers of Attorney as the said Managing Director may, subject to the approval of the Board of Directors, deem expedient and to revoke such powers at pleasure.
- (6) THAT Shri J. P. Sonthalia shall carefully keep himself acquainted with various laws, including Factories Act, Pollution Control Act, FEMA, P.F, E.S.I, Excise, Companies Act, Income Tax, VAT and Sales Tax Acts and Rules and Regulations and other legal

requirements and amendments therein from time to time whether promulgated or brought into force by the Central, State and/or other Governments, local and/or other authorities from time to time affecting or concerning directly or indirectly the Company and its business and affairs and ensure that those are carefully observed and complied with and also principles of sound commercial practice are observed. He will take necessary steps to see that no infringement or violation thereof takes place in any of the units of the Company.

- (7) THAT without prejudice to the powers contained in the previous clause, the Board may from time to time entrust to Shri J. P. Sonthalia such of the powers exercisable by it as it thinks fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with restrictions as it may think expedient.
- (8) THAT Shri J. P. Sonthalia shall not, however, be entitled to exercise the power (a) to make calls upon the Members of the Company in respect of moneys unpaid on the shares held by them (b) to borrow any sum or sums of moneys for the purposes of the Company or to make loans out of the funds of the Company or (c) to invest any of the moneys of the Company except within such limits as may from time to time be previously fixed by the Board of Directors.
- (9) THAT subject to the provisions of Section 255 of the Companies Act 1956, Shri J. P. Sonthalia shall not be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire but he shall ipso facto and immediately cease to be the Managing Director if he ceases to hold the office of Director for any cause.
- (10) THAT the terms and conditions of appointment and payment of remuneration of Shri J. P. Sonthalia may be altered, varied or increased from time to time during his tenure of appointment in such manner, as may be agreed to between the Board of Directors and Shri J. P. Sonthalia, provided such terms and conditions are within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, or any amendment thereto.
- (11) THAT this appointment may be terminated by either side by giving notice of three months or shorter period as may be mutually agreed to between the Company and Shri J. P. Sonthalia or salary in lieu of such notice without assigning any reason.

The present proposal is to seek the Members approval for the revision in the remuneration payable to Shri J. P. Sonthalia as Managing Director of the Company, in terms of the applicable provisions of the Companies Act, 1956.

The information required to be furnished to the Members in terms of section 302 of the Companies Act, 1956 and Schedule XIII is being furnished herein below :

Statement pursuant to clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 :

I. General Information

- 1) Nature of Industry Manufacturer of Jute Goods
- 2) Date of commencement of commercial production 1921
- 3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus Being an existing Company, not applicable.
- 4) Financial performance based on given indicators :

(Rs. in lacs)

Year ending 31st March	Revenue from Operations (Net)	Operating Profit	Profit before Tax	Profit after Tax
2008	15574	593	432	293
2009	17123	620	416	229
2010	19354	809	553	334
2011	31608	2444	2175	1453
2012	28095	1056	695	490

- 5) Export performance and net foreign exchange collaboration Export for the year 2011-12 was Rs. 9656 lacs.
- 6) Foreign Investments or Collaborators, if any The Company does not have any foreign collaborator.

II. Information about the Appointee

- 1) Background Details Shri J.P. Sonthalia possesses over 44 years of business experience. He has held positions as Managing Director, Chief Commercial Executive, Chemical Engineer, Development Officer, Production Manager and Export Manager etc., in reputed Companies. He

has an impressive academic background which includes Bachelor of Technology (Chem.) from University of Madras and Master of Business Administration from Calcutta University. Shri J.P. Sonthalia has travelled extensively to various parts of the world and has a rich experience.

He is a member of the Share Transfer and Shareholder's Grievances Committee of the Board of Directors of the Company.

2) Past Remuneration

Rs. 37,22,258.00
(17.08.2011 to 31.07.2012)

3) Recognition or awards

Past President of Indian Association of Surabaya.

4) Job profile and his suitability

Shri J.P. Sonthalia devotes whole time attention to the management of the affairs of the Company and exercises powers subject to the superintendence, direction and control of the Board of Directors. He is responsible for the day-to-day management of the Company and carries out duties as entrusted to him from time to time by the Board of Directors.

5) Proposed Remuneration

Salary Rs.3,30,000.00 per month (The Board may at its discretion, consider and grant an annual increment upto 50% of the last drawn salary, within the permissible limits as prescribed in Schedule XIII to the Companies Act, 1956 or any amendment thereto) along with commission @ 1% of the net profits computed in the manner laid down under Sections 198 and 309 of the Companies Act, 1956 and other perquisites, as spelt out in the explanatory statement hereinabove.

6) Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person

The remuneration proposed is in consonance with similar position in the Industry.

7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Except salary, commission and perquisites to be received from the Company, Shri J.P. Sonthalia does not have any pecuniary relationship directly or indirectly with the Company or relationship with any managerial personnel of the Company.

III. Other information

1) Reasons of loss or inadequate profits

2) Steps taken or proposed to be taken for improvement



There is profit in the Company at present, but as abundant caution for payment of minimum remuneration to Shri J.P. Sonthalia, in case of no profit or inadequate profit in any particular year, this information is provided to the shareholders.

3) Expected increase in productivity and profits in measurable terms 15% approximately.

IV. Disclosures

1) For Remuneration Package offered to Shri J.P. Sonthalia, Managing Director, please refer the details given in the resolution.

2) Detailed salary drawn is being disclosed herewith :

Managing Director	Business Relationship with the Company, if any	Total Salary for the period 17.08.2011 to 31.07.2012 (in Rs.)
Shri J.P. Sonthalia	Managing Director of the Company	37,22,258.00

Notes :

1. The Managing Director is paid remuneration as per his Agreement with the Company. This Agreement has been approved by the Members in the Annual General Meeting of the Company held on 07.08.2012.

2. Salary includes basic salary, allowances, contribution to provident and other funds and perquisites (including monetary value of perquisites) etc., the break-up of which is as below :

Basic Salary : Rs. 26,20,968.00

Perquisites : Rs. 8,39,193.00

Provident fund : Rs. 2,62,097.00

The figure mentioned herein is for the period 17.08.2011 to 31.07.2012.

3. His appointment is for tenure of three years commencing from 17.08.2011 to 16.08.2014. The revision in remuneration is proposed for the remaining two years.
4. The Company does not have any scheme for grant of stock options to its Directors or Employees.
5. For termination of Agreement, the Company or the Managing Director is required to give a notice of three months or three months' salary in lieu thereof.

Approval of the Members is sought by voting by postal ballot in terms of the provisions of section 192A of the Companies Act 1956, read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

As per the requirements of Part II of Section II of Schedule XIII before the amendment dated 14.07.2011, the Company would have been required to apply to the Central Government for paying under clause (C) of Part II of Section II of Schedule XIII. But keeping in view the amendments brought in by the Ministry of Corporate Affairs vide notification number G.S.R. 534(E) dated 14.07.2011, approval of Central Government under Schedule XIII to the Companies Act, 1956 (read with sections 198, 269, 310 and 311 of the Companies Act) with regard to such payment of managerial remuneration is waived as Shri J. P. Sonthalia satisfies all the conditions laid down for waiver of Central Government approval. To enumerate, Shri J. P. Sonthalia do not have any interest in the capital of the Company nor in its holding Company. He does not have any direct or indirect interest nor is related to the directors or promoters of the Company or its holding Company, any time during the last two years before or on the date of his appointment and that he is a person with high qualifications and has expert knowledge in his field of profession. The Board also places on record that the Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of Shri J. P. Sonthalia.

The Board of Directors recommend the resolution set out at item no.1 of the accompanying notice for the approval of the Members.

None of the Directors of the Company except Shri J. P. Sonthalia, Managing Director is concerned or interested in the said resolution.

Registered Office : 6, Nandalal Basu Sarani
(formerly Little Russell Street)
Kolkata 700071
Dated : 5th October, 2012

By order of the Board
for **Ludlow Jute & Specialities Limited**
Puja Guin
Company Secretary



Ludlow Jute & Specialities Limited

6, Nandalal Basu Sarani (formerly Little Russell Street)
Kolkata - 700071

POSTAL BALLOT FORM

(Please read the instructions before completing the Form)

Serial No :

1. Name(s) of Member(s)/ Shareholder(s) :
(including joint-holder(s), if any)

2. Registered Address of the sole/first :
named Member/Shareholder

3. Registered Folio No./DP ID No.* :
/ Client ID No.*
(*Applicable to investors holding shares
in dematerialized form)

4. No. of Shares held :

5. I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through postal ballot for the business stated in the notice dated 5th October, 2012 of the Company by sending my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below :

Item No.	Description	No. of Shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Special Resolution under Sections 198, 269, 309, 310, 349 and 350 of the Companies Act, 1956 read with schedule XIII thereto and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) relating to revision in the remuneration of Shri J.P. Sonthalia, Managing Director of the Company w.e.f. 17th August, 2012 as per the terms & conditions as stated in Item No.1 of the Notice.			

Place :

Date :

(Signature of the Member/ Shareholder)

NOTE : PLEASE READ THE INSTRUCTIONS PRINTED OVERLEAF CAREFULLY BEFORE EXERCISING YOUR VOTES

INSTRUCTIONS

1. A Member/ Shareholder desiring to exercise his/her vote by postal ballot may complete this postal ballot form (no other form of photocopy thereof is permitted to be used for the purpose) and send it to the scrutinizer at the address of the Company in the attached self-addressed envelope. The postage will be borne and paid by the Company. Envelopes containing postal ballot forms, if deposited with the Company in person or if sent by courier at the expense of the shareholder(s), shall also be accepted by the Company.
2. The self-addressed envelope(s) bears the name of the scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed with assent (for) or dissent (against) and signed by the Member/ Shareholder. In case of joint share holding, this form should be completed and signed (as per specimen signatures registered with the Company) by the first named Member/ Shareholder and in his/her absent, by the next named Member/ Shareholder.
4. Unsigned postal ballot forms will be rejected.
5. Duly completed postal ballot forms should reach the Company before the close of working hours (1700 hours) on Monday, 19th November, 2012. Postal ballot forms received after this date will be strictly treated as if the reply from such shareholders has not been received.
6. In the case of shares held by companies, trusts, societies etc. the duly completed postal ballot form should be accompanied by a certified true copy of the relevant board resolution/ authorization.
7. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Members/ Shareholders on the date of dispatch of notice pursuant to Section 192A(2) of the Act.
8. Shareholders are requested not to send any other paper along with the postal ballot form in the enclosed self-addressed postage prepaid envelope, as such envelopes will be sent to the scrutinizer and any extraneous paper found in such envelope would be destroyed by the scrutinizer.
9. The Scrutinizer's decision on the validity of a postal ballot form will be final.
10. The result of the Postal Ballot will be declared at the registered office of the Company as specified in the notice and shall also be hosted on the Company's website, i.e. www.ludlowjute.com.