



SOMI CONVEYOR BELTINGS LTD.

4F-15, 'OLIVER HOUSE' New Power House Road, JODHPUR - 342 001 (RAJ.) INDIA
Tel: +91-291-2765400 to 09, 2610472, Cell No. +91-95496 50303, +91-94141 29472
E-mail : export@somiconveyor.com Visit us at : www.somiconveyor.com
MFG ALL TYPE OF FABRIC, STEEL CORD & BUCKET ELEVATOR BELTS OUR CIN NO. L25192RJ2000PLC016480

SOMI/LEGAL & SECRETARIAL/NSE/2018/39
~~FAX/REGD.A.D/COURIER/E-MAIL/E-FILING~~
DATE: 29/09/2018

To,
The National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
BandraKurla Complex,
Bandra (East), Mumbai-400 051
Phones: +91-22-2659 8151/65/68

NSE Symbol: SOMICONVEY

Sir,

SUBJECT: EIGHTEENTH ANNUAL REPORT 2017-18.

In pursuance of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Eighteenth Annual Report 2017-18 of Somi Conveyor Beltings Limited.

FOR SOMI CONVEYOR BELTINGS LIMITED

AMIT BAXI
(Company Secretary and Compliance Officer)
Enclosure: As Above

SOMI CONVEYOR BELTINGS LIMITED

CIN: L25192RJ2000PLC016480



18TH ANNUAL REPORT



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. O P Bhansali	Chairman & Managing Director
Mr. Vimal Bhansali	Whole Time Director
Mr. Gaurav Bhansali	Whole Time Director
Mr. Mahendra Rakecha	Independent & Non-Executive Director
Mr. Yogesh Maheshwari	Independent & Non-Executive Director
Mr. Sharad Gyanmal Nahata	Independent & Non-Executive Director
Ms. Surbhi Rath	Independent Woman & Non-Executive Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Amit Baxi

CHIEF FINANCIAL OFFICER

Mr. Manish Bohra

AUDITORS

M/s Singhvi & Mehta
Chartered Accountants,
Jodhpur

BANKERS

Punjab National Bank,
Pal Road Branch,
Jodhpur, Rajasthan

REGISTERED OFFICE

4 F-15, "Oliver House",
New Power House Road, Jodhpur-342003
Web : www.somiinvestor.com

WORKS

- K.No.-58, 58/5, 58/6, Village Tanawara, Tehsil Luni, Disttict Jodhpur.
- H-2, 463-466, Sangaria Industrial Area, Jodhpur.

REGISTRAR AND TRANSFER AGENT

Universal Capital Securities Pvt Ltd.
(Formerly: Mondkar Computers Pvt. Limited)
21, Shakil Niwas, Opp. Satya Sai Baba Temple,
Mahakali Caves Road, Andheri (East), Mumbai - 400 093
Tel: (+91 22) 28257641, 28366620 Fax: (+91 22) 28262920
Web: www.unisec.in



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NOTICE

NOTICE is hereby given that the **EIGHTEENTH Annual General Meeting** of the members of the Company will be held on **SATURDAY, 29th SEPTEMBER 2018** at 11:30 A.M at its registered office at 4F-15, "Oliver House", New Power House Road, Jodhpur-342003, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Reports of the Board of Director's and the Auditor's thereon.
2. To declare dividend on equity shares for the financial year 2017-18.

To consider and if thought fit pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT in terms of recommendation of Board of Directors of the company, the approval of the members of the company be and is hereby granted for payment of dividend @ Re. 0.50 per share (i.e. 5 %) on the fully paid up equity shares of Rs. 10/- each of the company for the year 2017-18 and same be paid to all the members whose name appear in the register of members and in case of the shares held in the electronic mode to those members whose name appears in the records of the depository participant as on September 22, 2018."

BY ORDER OF THE BOARD
For **SOMI CONVEYOR BELTINGS LIMITED**

Place: Jodhpur
Date: 3RD September, 2018

(**AMIT BAXI**)
Company Secretary

Registered Office
4F-15, "Oliver House"
New Power House Road
Jodhpur-342 003



Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
 - a) As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights.
 - b) Provided that a member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
 - c) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.
 - d) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
 - e) A Proxy form is annexed to this Report, Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as may be applicable.
2. A shareholder or his proxy will be required to produce at the entrance of the Meeting Hall, the Attendance Slip sent herewith duly completed and signed. Neither photocopies nor torn/mutilated Attendance Slips will be accepted. The Validity of the Attendance Slip will, however, be subject to the Shareholder continuing to hold shares on the date of meeting.
3. A Member or his Proxy is required to bring his copy of Annual Report to the Meeting as extra copies will not be provided.
4. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 23rd September, 2018 to Saturday, 29th September, 2018 (both days inclusive) for annual closing and determining the names of members eligible for dividend on equity shares for the financial year ended 31st March, 2018, if declared at the meeting.
6. Dividend, if sanctioned at the meeting will be payable to the members whose names appear on the Company's Register of Members as on the close of the day before start of the Book Closure date and to those members who hold the shares in demat form as per the record of Depositories, National Securities Depository Ltd. (NSDL) and Central Depository System (India) Ltd. (CDSL), as on the close of the day before start of Book Closure dated from 23.09.2018 to 29.09.2018 both days inclusive.
7. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on September 22, 2018. The dividend is Re. 0.50 per equity share.



Annual Report 2018

8. Members who have not encashed dividend warrant(s) for the Financial Year ending 31st March, 2016 are requested to seek issue of duplicate warrant(s) by writing to the Company or the Company's RTA, immediately.
9. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the DEMAT Account of the IEPF Authority after complying with the procedure laid down under the Rules.
10. The details of the unclaimed dividends are available on the Company's website at www.somiinvestor.com and Ministry of Corporate Affairs at www.mca.gov.in
11. It is in the Members interest to claim any un-encashed dividends and for future, opt for National Electronic Clearance System (NECS)/National Automated Clearing House (NACH), so that dividends paid by the Company are credited to the investor's account on time.
12. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialized form or to Universal Capital Securities Pvt. Ltd. in case of holdings in physical form, mentioning your correct reference folio number. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to Universal Capital Securities Pvt. Ltd.
13. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with Universal Capital Securities Pvt. Ltd. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
14. Pursuant to amendment of Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI notification dated June 8, 2018, all the Shareholders holding Shares in Physical form are required to convert their holding in Dematerialized form before 5th December, 2018 as SEBI has mandated all Listed Companies to carry out transfer of Securities in dematerialized form only with effect from December 05, 2018. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact Universal Capital Securities Pvt. Ltd. for assistance in this regard.
15. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and Universal Capital Securities Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Universal Capital Securities Pvt. Ltd.
16. Documents referred to in the Notice are open for Inspection at the Registered Office of the Company on all working days between 11:00 AM to 1:00 PM up to the date of Annual General Meeting and will also be available for inspection at the meeting.
17. Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Private Limited) is our Registrar and Share Transfer Agent. All the investor related communication may be addressed to them at their following address:

UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED

21, Shakil Niwas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East),
Mumbai - 400 093. Tel: +91-22-28257641, 28 Fax: +91-22-28262920



Somi Conveyor Beltings Ltd.

18. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same.
19. The copies of the Annual Report will also be available on Company's website www.somiinvestor.com and at the registered office of the company for inspection during normal business hours on working days.
20. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotions of Green initiative has introduced enabling provisions for sending notice of the meeting and other shareholder correspondence through electronic mode. Members holding shares in physical mode are requested to register their e-mail ID's with the company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs), if there is any change in the e-mail ID already registered with the Company.
21. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by e-voting. They shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. **The instructions for e-voting are annexed to the Notice.**
22. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 22, 2018
23. **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 22, 2018 only shall be entitled to avail the facility of remote e-voting / through Poll Paper at the Annual General Meeting.**

The instructions for members voting electronically are as under:

- (i) The remote e-voting period commences on Wednesday, 26th September, 2018 at 9:00 am and ends on 28th September, 2018 at 5:00 pm. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) The Shareholders should Log on to the e-voting website <http://www.evotingindia.com>
- (iii) Click on "Shareholders" tab.
- (iv) Now, select "Somi Conveyor Beltings Limited" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on "Login".
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) IF YOU ARE A FIRST TIME USER FOLLOW THE STEPS GIVEN BELOW FOR LOGIN:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
USER ID	For NSDL : 8 Character DP ID followed by 8 Digits Client ID For CDSL : 16 digits beneficiary ID	Folio Number Registered with the Company
Permanent Account Number (PAN*)	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and last 8 digits of the folio number or demat account number in the PAN field. In case folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters e.g. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.	
Date of Birth (DOB#)	Enter the DOB as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in the PAN column above	

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Company / Depository Participant, please enter the client id / folio number in the Dividend Bank details field.

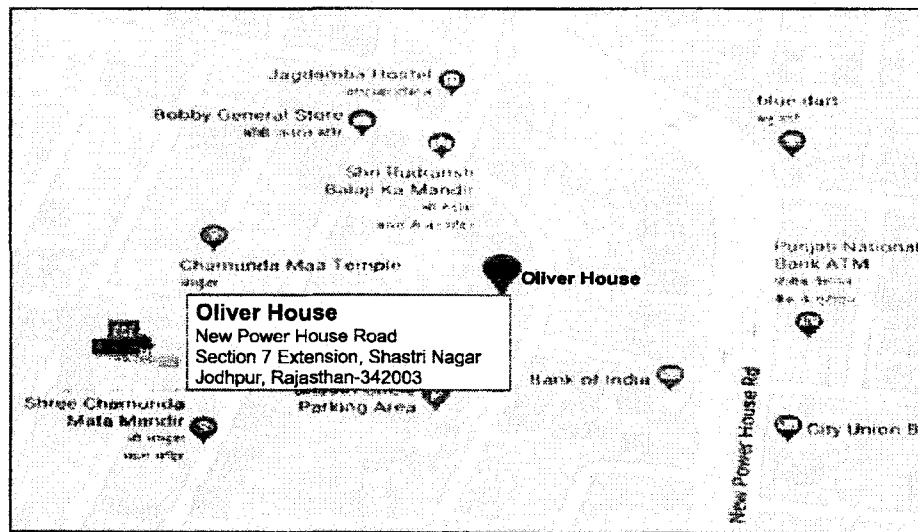
- (ix) After entering these details appropriately, click on SUBMIT* tab.
- (x) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the Electronic Voting Sequence Number (EVSN) of SOMI CONVEYOR BELTINGS LIMITED to vote.
- (xiii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



Somi Conveyor Beltings Ltd.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Note for Non-Individual Shareholders and Custodians:
 - a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - b) Institutional shareholders should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - c) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) Institutional shareholders should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian. if any, in PDF Format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
24. The Board of Directors of the Company has appointed Mr. Avijit Vasu (ACS: 37968; PCS: 14198) Practising Company Secretary, to act as the Scrutinizer to scrutinize the Polling taking place at annual general meeting. He has communicated his willingness to be appointed and will be available for same purpose.
 25. The Board of Directors of the Company has appointed Mrs. Ira Baxi (FCS: 5456; PCS: 4712), Practising Company Secretary for remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
 26. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three (3) days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman of the Company who shall countersign the same and declare the result of the voting forthwith.
 27. The Results shall be declared after the receipt of the Scrutinizer's Report from conclusion of the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.somiinvestor.com. The results shall also be immediately forwarded to the stock exchanges BSE Limited and NSE of India Limited.
 28. To ensure correct identity of the members for the smooth conduct of the Annual General Meeting, each Member and Proxy Holder attending the meeting is requested to bring with him/her an appropriate photo ID document like a Driving License, Aadhaar Card, Passport or Voter ID Card.
 29. As per section 118(10) of the Companies Act, 2013, read with the Secretarial Standard 2 on General Meetings issued by Institute of Company Secretaries of India, "No gifts, gift coupons or cash in lieu of gifts shall be distributed to members in connection with the meeting".

30. Route Map of 18th AGM:



BY ORDER OF THE BOARD
For **SOMI CONVEYOR BELTINGS LIMITED**

Place: Jodhpur
Date: 3RD September, 2018

(AMIT BAXI)
Company Secretary

Registered Office
4F-15, "Oliver House"
New Power House Road
Jodhpur-342 003

CIN : L25192RJ2000PLC016480
Website: www.somiinvestor.com



Somi Conveyor Beltings Ltd.



SOMI CONVEYOR BELTINGS LIMITED

Registered Office: 4 F-15 "Oliver House", New Power House Road, Jodhpur - 342003

CIN : L25192RJ2000PLC016480, Website : www.somiinvestor.com

PROXY FORM

[FORM MGT - 11]

(Pursuant to Section 105 (6) of the Companies Act, 2013 and rules 19 (3) of the Companies

(Management and Administration) Rules, 2014)

18th ANNUAL GENERAL MEETING, 29TH SEPTEMBER, 2018

CIN : L25192RJ2000PLC016480

Name of Company : **SOMI CONVEYOR BELTINGS LIMITED**

Registered Office : **4 F-15 "Oliver House", New Power House Road, Jodhpur - 342003**

Name of the member (s) :

Registered address :

E-mail ID :

Folio No./Client ID :

DP ID:

I/We, being the member (s) ofshares of the above named company, hereby appoint

1. Name : Address :

E-mail ID : Signature :, of failing him

2. Name : Address :

E-mail ID : Signature :, of failing him

3. Name : Address :

E-mail ID : Signature :, of failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the EIGHTEENTH ANNUAL GENERAL MEETING of the company, to be held on the Saturday, 29th day of September, 2018 at 11:30 AM. at 4F-15, "Oliver House" New Power House Road, Jodhpur-342003 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements for the Year ended 31st March, 2018, Auditors' and Directors' Report thereon.

2. To declare dividend on Equity Shares for the Financial Year 2017-18.

Signed thisday of20.....

Signature of shareholder

Signature of Proxy holder (s)

Affix Rs. 1
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



SOMI CONVEYOR BELTINGS LIMITED

Registered Office: 4 F-15 "Oliver House", New Power House Road, Jodhpur - 342003

CIN : L25192RJ2000PLC016480

Website : www.somlinvestor.com

ATTENDANCE SLIP

18th ANNUAL GENERAL MEETING, 29th SEPTEMBER, 2018

Joint Shareholders may obtain additional Attendance Slip on request. (Folio No. , DP ID No. , Client ID & Name of Shareholder / Joint Holders / Proxy, to be furnished below).

Name & Address of Shareholder :

Reg. Folio No. DP ID No. # Client ID No. #

Applicable for Member holding Shares in electronic form

I certify that I am a registered Member / Proxy for registered member of the Company.

I hereby record my presence at the **EIGHTEENTH ANNUAL GENERAL MEETING** of the company on Saturday, September 29, 2018 at 11:30 AM at 4F-15, "Oliver House", New Power House Road, Jodhpur-342003.

Members / Proxy's name in BLOCK Letters

Members / Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the entrance of the hall.



MESSAGE FROM THE CHAIRMAN

**Dear Stakeholder,
Namaskar!**

It gives me great pleasure to write to you at the end of another year in our 18-year long journey.

The year 2017-18 was marked by the implementation of Goods and Services Tax (GST) w.e.f. 1st July 2017. This major reform in India's taxation structure led to a temporary slowdown in the growth momentum as pre-GST jitters gripped the trade leading to significant pipeline reduction during the first and second quarters. These jitters were, however, short lived as both demand and the economy posted a recovery in the months that followed the GST roll-out. Adverse macroeconomic conditions and currency volatility in some of our international markets also posed additional challenges during the year.

During the FY 2017-18, the performance of your company has been impacted with events unfolding in the economic environment prevailing in the Indian Conveyor Belt Industry. Despite adverse situations, your company has achieved Turnover of Rs.6472.08 Lakhs resulting in slight decline in Company's Total Revenue by 3.45% whereas the Net Profit of the company has shown a considerable increase of 155% amounting to Rs. 101.11 Lakhs.

The industrial activities are likely to grow with impetus on make in India, infrastructure development and growing foreign investments. An anticipated increase in mining, cement, power, steel sectors would benefit all the leading Conveyor Belt manufacturing players in the industry.

According to the recent research, conveyors market is projected to grow at a CAGR of 9% to reach \$8.8Bn by 2021 there by resulting in more business which will lead to higher productivity and ultimately increased profits for the company.

I am assured of higher growth in the coming quarters as many projects are lined up for execution and the same will reflect in FY 2018-19.

On behalf of the entire Board and the Management of Somi Conveyor Beltings Limited, I would like to express my gratitude to all our employees, suppliers, consumers, distributors, partners and shareholders for their continuing faith and confidence in the company, our brands and products. We look forward to continuing this journey together in the current fiscal and beyond.

Many thanks and kind regards,

O P BHANSALI

Chairman and Managing Director



DIRECTOR'S REPORT

To,
The Members,
Somi Conveyor Beltings Limited,
Jodhpur.

The Directors of your company have pleasure in presenting the 18th Annual Report together with the audited statement of accounts for the year ended on 31st March, 2018.

(Rs. in Lakhs)

SUMMARISED FINANCIAL RESULTS *	2017-18	2016-17
Total Sales	6472.08	6703.54
Profit Before Interest, Depreciation and Taxation	887.70	863.58
Interest	260.37	228.99
Depreciation	485.41	568.13
Profit Before Tax	141.92	66.46
Provision for Tax	(83.84)	(88.66)
Add/(Less) Deferred Tax	43.04	61.85
Profit After Tax	101.11	39.65
Other Comprehensive Income	4.76	2.32
Total Comprehensive Income for the year	105.87	41.97

*The Company in line with the statutory requirement has adopted Ind-AS w.e.f. April 01, 2017. Accordingly, Financial Statements for the Financial Year ended March 31, 2018 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions thereof. Previous periods figures have been restated as per Ind-AS to make them comparable. Accordingly, the financial highlights as stated above are an extract of the Financial Statements prepared in accordance with the said Standards.

OPERATIONS

During the Financial Year under review, the Company has achieved Turnover of **Rs. 6472.08 Lakhs** as against **Rs. 6703.54 Lakhs** in the previous year and the Net Profit after Tax of **Rs. 101.11 Lakhs** as against **Rs. 39.65 Lakhs** in the previous year, resulting in decrease in Turnover of Company by 3.45 % and increase in Profits of the Company by 155% during the Financial Year 2017-18. The Board is confident of higher growth in the current year.

The Company does not have any Subsidiary Company, Associate Company or any other Joint Venture; therefore it is not required to prepare Consolidated Financial Statements.

DIVIDEND

Your directors recommended a dividend of Re. 0.50/- per equity share of Rs. 10/- each (i.e. 5%) for the financial year ended March 31, 2018. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on September 22, 2018 and in respect of shares held in dematerialised form, it will be paid to members whose names are



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furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

TRANSFER TO RESERVE

The provisions of the Companies Act, 2013 does not mandate any transfer of profits to General Reserve. Hence, no transfer has been made to the General Reserve for the year under review.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of sections 92(3) and 134(3)(a) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this Board's Report in Form MGT-9 as Annexure - I.

MEETINGS OF THE COMPANY

During the current financial year, the Board of Directors of the Company duly met Eight times on 29.05.2017, 22.07.2017, 12.08.2017, 04.09.2017, 11.09.2017, 14.09.2017, 14.11.2017 and 14.02.2018 of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book as required by the Articles of Association of the Company and the Act. Detail information is given in the Corporate Governance Report.

The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

DETAILS OF COMMITTEE OF DIRECTORS

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Stakeholder Relationship Committee of Directors, Corporate Social Responsibility Committee of Directors, number of meetings of each Committee held during the financial year 2017-18 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forms part of the report.

The recommendation(s) by the Audit Committee as and when made to the Board have been accepted by it.

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

Changes in the composition of the Board of Directors and other Key Managerial Personnel

Mr. Om Prakash Bhansali was appointed as Managing Director at the seventeenth annual general meeting of the Company held on 29th September, 2017 on the Board of the Company for the period of Five years effective from 1st September, 2017.

Mr. Vimal Bhansali and Mr. Gaurav Bhansali were appointed as Whole-Time Director at the seventeenth annual general meeting of the Company held on 29th September, 2017 on the Board of the Company for the period of Five years effective from 1st September, 2017.

Directors Training and Familiarization Programmes and Board Evaluation Process

The details of training and familiarization programmes and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.



DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) of section 134 of Companies Act, 2013 directors, to the best of their knowledge and belief, state that -

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit or loss of the Company for the year ended on that date;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178

Information regarding Directors' Remuneration Policy and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 are provided in the Corporate Governance Report.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. O.P. Bhansali, Chairman and Managing Director
Mr. Vimal Bhansali, Whole-time Director
Mr. Gaurav Bhansali, Whole-time Director
Mr. Amit Baxi, Company Secretary
Mr. Manish Bohra, Chief Financial Officer

During the year, there was no change (appointment or cessation) in the office of KMP.

STATUTORY AUDITORS

M/s. **SINGHVI & MEHTA**, Chartered Accountants (Firm Registration No. **002464W**) were appointed as Statutory Auditors of your Company at the 17th AGM of the Company held on September 29, 2017 till the conclusion of the 22nd AGM of the Company to be held in the year 2022, subject to annual ratification by

members at every Annual General Meeting on such remuneration as may be decided by the Audit Committee of the Board.

In accordance with the Companies (Amendment) Act, 2017, enforced on May 7, 2018, the appointment of Statutory Auditors is not required to be ratified at every AGM.

REPORT OF STATUTORY AUDITORS

M/s. Singhvi & Mehta, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the FY 2017-18, which forms part of the Annual Report 2017-18. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of its Board, appointed FCS Ira Baxi (FCS: 5456; CP: 4712), Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2018. The Secretarial Audit Report is annexed herewith as Annexure - II.

There are no qualifications, reservation or adverse remark or disclaimer made by the Secretarial auditor in the report save and except disclaimer made by them in discharge of their professional obligation.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors and Secretarial Auditor of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

MAINTENANCE OF COST AUDIT RECORDS

The maintenance of cost records is not applicable to the Company as per the amended Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Information regarding loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are detailed in the Financial Statements.

RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and as such provisions of Section 188(1) of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All Related Party Transactions were placed before the Audit Committee and also to the Board for approval.

As required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on dealing with Related Party Transactions. The Policy has been uploaded on to the Company website www.somiinvestor.com

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or



interest on deposits from public was outstanding as on the date of the balance sheet.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy of the Company as required under the Listing Regulations was adopted to set out the parameters and the circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders. The policy is available on the Company's website at www.somiinvestor.com.

RISK MANAGEMENT

Your Company recognises that managing risk is an integral part of the good management practice and an essential element of good corporate governance. It aims to have a common, formalised and systematic approach for managing risk and implementing a risk management process across the Company. The intent of the policy is to ensure the effective communication and management of risk across all risk categories. The Company has identified element of risk, which may threaten the existence and financial position of the Company, which are set out in the Management Discussion and Analysis Report.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and in line with the best international governance practices. The Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Directors and employees, to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases. Whistle Blower Policy has been uploaded on Company's Website www.somiinvestor.com.

DISCLOSURE ON CONFIRMATION WITH THE SECRETARIAL STANDARDS

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The "Code of Fair Disclosure, Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" has been adopted and has been disclosed on the website of the Company at www.somiinvestor.com.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

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INTERNAL FINANCIAL CONTROL

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's) and audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from M/S B.P. BANG & COMPANY, Chartered Accountants, Jodhpur (FRN: 010621C), the Internal Auditors.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board.

We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) being an integral part encompasses social, economic, and environmental actions. While philanthropy is one aspect of it, we also lend our support to building institutions, and supporting the preservation of our depleting natural resources by finding new technology that can offer safeguards against the global risks of climate change.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, all companies having a net worth of Rs.500 crore or more, or a turnover of Rs. 1,000 crore or more or a net profit of Rs.5 crore or more during any financial year are required to constitute a CSR committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director. All such companies are required to spend at least 2% of the average net profits of their three immediately preceding financial years on CSR-related activities.

The Company has in place a CSR policy in line with Schedule VII of the Companies Act, 2013. As per the policy the CSR activities are focused not just around the plants and offices of the Company, but also in other geographies based on the needs of the communities. The CSR Committee comprises of Mr. Om Prakash Bhansali who serves as Chairman of the Committee and Mr. Vimal Bhansali and Mr. Mahendra Kumar Rakecha as its members. The composition, terms of reference etc. of the CSR Committee are laid out in the Corporate Governance Report which forms part of this Annual Report. The said Committee has been entrusted with the responsibility and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The CSR policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment and lowering its resource footprint. Further, the CSR policy of the Company has been uploaded on to the Company website www.somiinvestor.com.

This year there has been a decline in the turnover of the company and the profits of the company are not that much enough to commensurate with the requirement of the Company future projects, hence the company was unable to spend the requisite amount in CSR activities. Annual Report on CSR activities have been provided in Annexure – III.



CORPORATE GOVERNANCE

Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Your Company has recognized its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting the best practices.

Corporate governance principles are enshrined in the Spirit of the Company. These guiding principles are also articulated through the Company's code of business conduct, Corporate Governance Guidelines, charter of various subcommittees and disclosure policy. In line with our principles of corporate governance, the Board oversees how the Management serves and protects the long-term interests of our stakeholders. As on March 31, 2018, the majority of our Board members — Four out of Seven include independent members. We follow the practice of nominating an independent director as the chairperson of our committees, namely, the audit, nomination and remuneration and stakeholders relationship committees.

A separate report on Corporate Governance Compliance as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included and forms part of the Annual Report along with the requisite Certificate regarding compliance of the conditions of Corporate Governance as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on the Management's Discussion and Analysis(MDA) which forms part of this Annual Report deals with Company's Operational performance – industry trends and other material changes with respect to company and also current and future outlook of the Company.

SHARE REGISTRY ACTIVITIES

All work related to share registry is handled by Universal Capital Securities Pvt Ltd. (Formerly known as Mondkar Computers Private Limited), a Registrar and Share Transfer Agent registered with SEBI.

LISTING WITH STOCK EXCHANGE

Equity shares of your company continues to remain listed with National Stock Exchange of India Limited and BSE Limited. There are no arrears in payment of listing fees and the stipulated listing fee for financial year 2017-18 has been paid.

DEMATERIALIZATION OF SHARES

The shares of your company are traded in dematerialized form either with the National Securities Depository Limited (NSDL) or the Central Depository Services (India) Limited (CDSL).

INSURANCE

Assets of your Company remain adequately insured against various perils.

HEALTH, SAFETY AND ENVIRONMENT

The Company has maintained Health and Safety policy, which has been implemented across all its locations. Health, Safety and Environment policies involve identifying the risks involved in daily activities of the company



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so that it causes no harm to employees, environment and the public. The Company has taken all possible steps to promote the well-being of its employees. Our core principles of 'reuse', 'recycle' and 'replenish' are aimed at:

- Pollution Control
- Minimizing Waste
- Reduced Effluent Discharge

In pursuance to this Policy Your Company's management has devoted their all efforts to protect and maintain safety environment in the Company. The Company has taken all possible measures to segregate hazardous and non-hazardous substance. Health, Safety and Environment involves proactive approach to create safe working environment, continuous safety education and training, periodic review of programs and evaluation of incidents.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM FINANCIAL YEAR END AND TILL THE DATE OF THIS REPORT

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is as follows:-

(a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non-Executive Directors	Ratio to Median Remuneration
Mr. Mahendra Kumar Rakecha	NIL
Mr. Yogesh Maheshwari	NIL
Mr. Sharad Gyanmal Nahata	NIL
Ms. Surbhi Rathi	NIL
Executive Directors	
Mr. Om Prakash Bhansali	3.07 : 1
Mr. Vimal Bhansali	2.15 : 1
Mr. Gaurav Bhansali	2.15 : 1

(b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% Increase in remuneration
Mr. Mahendra Kumar Rakecha	NIL
Mr. Yogesh Maheshwari	NIL
Mr. Sharad Gyanmal Nahata	NIL
Ms. Surbhi Rathi	NIL
Mr. Om Prakash Bhansali, MD & CEO	NIL
Mr. Vimal Bhansali	NIL
Mr. Gaurav Bhansali	NIL
Mr. Manish Bohra, Chief Financial Officer	32.09%
Mr. Amit Baxi, Company Secretary	NIL

Percentage in brackets represents negative percentage.



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- (c) the percentage increase in the median remuneration of employees in the financial year: 56.67%
- (d) the number of permanent employees on the rolls of company: 202
- (e) the explanation on the relationship between average increase in remuneration and company performance;

There is no direct relation between the average remuneration of the employees vis-à-vis Company Performance

- (f) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Particulars	Rs.(in lakhs)
Remuneration of Key Managerial Personnel (KMP) during financial year 2017-18 (aggregated)	29.36
Revenue from operations	6472.08
Remuneration (as % of revenue)	0.45%
Profit before tax (PBT)	141.92
Remuneration (as % of PBT)	20.69%

- (g) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 31 st Mar 18	As at 31 st Mar 17	Variation
Closing rate of share at BSE	Rs.	47.70	56.35	(8.65)
Closing rate of share at NSE	Rs.	48.20	56.25	(8.05)
EPS (Consolidated)	Rs.	0.86	0.33	0.53
Market Capitalization (BSE)	Rs. (in lakhs)	5618.90	6637.84	(1018.84)
Market Capitalization (NSE)	Rs. (in lakhs)	5677.79	6626.06	(948.27)
Price Earning Ratio (BSE)	Ratio	55.47	170.76	(115.29)
Price Earning Ratio (NSE)	Ratio	56.05	170.45	(114.4)

Figures in brackets represents negative percentage.

- (h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Not Applicable as there has been no increase in the Managerial Remuneration

(i) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company.**

Particulars	Om Prakash Bhansali Managing Director	Vimal Bhansali Whole-Time Director	Gaurav Bhansali Whole-Time Director	Chief Financial Officer	Company Secretary
	Rs.(in lakhs)	Rs.(in lakhs)	Rs.(in lakhs)	Rs.(in lakhs)	Rs.(in lakhs)
Remuneration	6.00	4.20	4.20	11.35	3.60
Revenue	6472.08	6472.08	6472.08	6472.08	6472.08
Remuneration (as % of revenue)	0.09%	0.06%	0.06%	0.17%	0.06%
Profits before tax (PBT)	141.92	141.92	141.92	141.92	141.92
Remuneration (as % of PBT)	4.23%	2.96%	2.96%	8.00%	2.54%

(j) **the key parameters for any variable component of remuneration availed by the directors;**

No variable remuneration is provided to the executive directors.

(k) **the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 1 : 1.89**

(l) **affirmation that the remuneration is as per the remuneration policy of the Company**

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

POLICY ON SEXUAL HARASSMENT OF EMPLOYEES

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

The policy aims at educating employees on conduct that constitutes sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence. Internal Complaints Committee (ICC) has been constituted in accordance with the Act.

The ICC is responsible for redressal of complaints related to sexual harassment of women at the workplace in accordance with procedures, regulations and guidelines provided in the Policy.

During the financial year 2017-18 under review there were no complaints referred to the ICC.

RESEARCH AND DEVELOPMENT

Research and developments are ongoing activities which have a significant role in providing inputs for developing new products, devising energy saving measures, upgrading methods of production and quality of



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products. These activities have helped the company in attaining leadership in its conveyor beltings products and substantial qualitative change in other operational areas. Raw material cost is continuously rising and is critical to the sustainability of manufacturers. Therefore, our R&D department seeks to maximize utilization of raw material.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

(A) CONSERVATION OF ENERGY

a. Energy Conservation Measures taken

Continuous and substantial efforts were made to ensure optimum consumption of fuel and electricity at all the plants of the company. These efforts resulted in general improvement in energy consumption in the business.

b. Capital Investment on energy conservation equipments

NIL

FORM A

I. Disclosure of Particulars with respect to Conservation of Energy

	Power & Fuel Consumption	Unit of Measurement	Current Year (2017-18)	Previous Year (2016-17)
1.	Electricity	KWH/MWH	-	-
a)	Purchased			
	Unit		2,769,456.00	2,985,590.00
	Total Amount		23,881,178.00	25,461,468.00
	Rate/ Unit		8.62	8.53
b)	Own Generation	NIL	NIL	NIL
2.	Coal	NIL	NIL	NIL
3.	Furnace oil	NIL	NIL	NIL
4.	Others / internal generation	NIL	NIL	NIL

II. Consumption per unit of Production – unit (KMH/MT)

S. No.	Product	Standard Budget Norms (2017-18) (Rs)	Current Year (2017-18) (Rs)	Previous Year (2016-17) (Rs)
1	Conveyor Belt	94.40	92.58	115.08

(B) TECHNOLOGY ABSORPTION

FORM B

Disclosure of Particulars with respect to Technology Absorption

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Your company continues to upgrade its technology to ensure that it remains a frontrunner in its field of operations.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lakhs)

FOREIGN EXCHANGE	2017 - 18	2016 - 17
Foreign Exchange Earnings	537.12	1266.34
Foreign Exchange Outgo	968.17	916.86

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to acknowledge, with sincere gratitude, the support of its esteemed customers, the continued support and co-operation from its employees, and the loyalty of the large family of the Company's Dealers, Suppliers and valued Shareholders.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
SOMI CONVEYOR BELTINGS LIMITED**

Place : Jodhpur
Date : 3RD September, 2018

O P BHANSALI
(Managing Director)
DIN : 00351846

GAURAV BHANSALI
(Whole time Director)
DIN : 00351860

**Annexure-I****FORM NO. MGT - 9****Extract of Annual Return**

As on the financial year ended on 31/03/2018

[Pursuant to Section 92(3) of the Companies Act, 2013]

And

Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]**I. Registration and other details:-**

i. CIN	L25192RJ2000PLC016480
ii. Registration Date	16/06/2000
iii. Name of the Company	SOMI CONVEYOR BELTINGS LIMITED
iv. Category/Sub-Category of the Company	Public Company Limited by Shares
v. Address of the Registered office & contact details	4F-15, OLIVER HOUSE, NEW POWER HOUSE ROAD, NEAR BANK OF INDIA, JODHPUR (RAJASTHAN) - 342003 Tel: 0291-2765400 to 09 Email: cmd@somiconveyor.com Website: www.somiinvestor.com and www.somiconveyor.com
vi. Whether listed company	Yes
vii. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Universal Capital Securities Pvt Ltd. (Formerly: Mondkar Computers Pvt. Limited) 21, Shakil Niwas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Tel: (+91 22) 28257641, 28366620 Fax: (+91 22) 28262920 Web: www.unisec.in

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II. Principal business activities of the company

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Conveyor Belt	25192	96.24%

III. Particulars of holding, subsidiary & associate companies

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
-	-	-	-	-	-

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6905787	50000	6955787	59.05	6955787	-	6955787	59.05	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	6905787	50000	6955787	59.05	6955787	-	6955787	59.05	-



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(2) Foreign									
(a) NRI - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Bank/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6905787	50000	6955787	59.05	6955787	-	6955787	59.05	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-

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2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	1438699	822000	2260699	19.19	1357412	822000	2179412	18.50	-0.69
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1564828	10	1564838	13.28	1942976	10	1942986	16.49	3.21
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	906624	0	906624	7.70	544445	0	544445	4.62	-3.07
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Clearing Members	68944	0	68944	0.59	68594	0	68594	0.58	0.00
ii) Trusts	-	-	-	-	-	-	-	-	-
iii) NRI/OCBs	22764	0	22764	0.19	88357	0	88357	0.75	0.56
iv) Foreign Nationals	-	-	-	-	-	-	-	-	-
v) Foreign Corporate Body	-	-	-	-	-	-	-	-	-
vi) NBFC registered with RBI	-	-	-	-	75	0	75	0.00	0.00
Sub-total (B)(2)	4001859	822010	4823869	40.95	4001859	822010	4823869	40.95	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	4001859	822010	4823869	40.95	4001859	822010	4823869	40.95	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10907646	872010	11779656	100.00	10957646	822010	11779656	100.00	-



(ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	GAURAV BHANSALI	572335	4.86	—	572335	4.86	—	—
2	OM KUMARI BHANSALI	1091221	9.26	—	1091221	9.26	—	—
3	OM PRAKASH BHANSALI HUF	135000	1.15	—	135000	1.15	—	—
4	OM PRAKASH BHANSALI	4417011	37.50	—	4417011	37.50	—	—
5	PRIYA BHANSALI	68691	0.58	—	68691	0.58	—	—
6	RUCHI BHANSALI	72689	0.62	—	72689	0.62	—	—
7	VIMAL BHANSALI	598840	5.08	—	598840	5.08	—	—
	Total	6955787	59.05	—	6955787	59.05	—	—

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year 1. GAURAV BHANSALI 2. OM KUMARI BHANSALI 3. OM PRAKASH BHANSALI HUF 4. OM PRAKASH BHANSALI 5. PRIYA BHANSALI 6. RUCHI BHANSALI 7. VIMAL BHANSALI	572335 1091221 135000 4417011 68691 72689 598840	4.86 9.26 1.15 37.50 0.58 0.62 5.08	6955787	59.05
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc)	NO CHANGE			
	At the end of the year 1. GAURAV BHANSALI 2. OM KUMARI BHANSALI 3. OM PRAKASH BHANSALI HUF 4. OM PRAKASH BHANSALI 5. PRIYA BHANSALI 6. RUCHI BHANSALI 7. VIMAL BHANSALI	572335 1091221 135000 4417011 68691 72689 598840	4.86 9.26 1.15 37.50 0.58 0.62 5.08	6955787	59.05

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

S. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	TRANSLAND SHARES PRIVATE LIMITED				
	At the beginning of the year	456183	3.87	456183	3.87
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			456183	3.87
2.	ROYAL JAISAL FINANCIAL CONSULTANTS PRIVATE LIMITED				
	At the beginning of the year	382553	3.25	382553	3.25
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			382553	3.25
3.	MANISH TRADECOM PRIVATE LIMITED				
	At the beginning of the year	301732	2.56	301732	2.56
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			301732	2.56
4.	SINA CHEMTRADE PRIVATE LIMITED				
	At the beginning of the year	298000	2.53	298000	2.53
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			298000	2.53
5.	JOSHNA TRADING PRIVATE LIMITED				
	At the beginning of the year	286000	2.43	286000	2.43
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			286000	2.43
6.	RAJENDRAKUMAR S BHIMRAJKA				
	At the beginning of the year	275000	2.33	275000	2.33
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			275000	2.33
7.	SAJOY RUBBER PRIVATE LIMITED				
	At the beginning of the year	238000	2.02	238000	2.02
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			238000	2.02

8.	RELIGARE FINVEST LTD				
	At the beginning of the year	120000	1.02	120000	1.02
	28/04/2017 (Transfer)	-610	-0.01	119390	1.01
	03/11/2017 (Transfer)	-2390	-0.02	117000	0.99
	01/12/2017 (Transfer)	-6000	-0.05	111000	0.94
	08/12/2017 (Transfer)	-10367	-0.09	100633	0.85
	15/12/2017 (Transfer)	-13762	-0.12	86871	0.74
	22/12/2017 (Transfer)	-2500	-0.02	84371	0.72
	30/12/2017 (Transfer)	-2000	-0.02	82371	0.70
	05/01/2018 (Transfer)	-4000	-0.03	78371	0.67
	12/01/2018 (Transfer)	-3371	-0.03	75000	0.64
	16/02/2018 (Transfer)	-75000	-0.64	0	0.00
	At the end of the year			0	0.00
9.	G V NAGABRAHMA				
	At the beginning of the year	104293	0.89	104293	0.89
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			104293	0.89
10.	ADITYA SHYAMSUNDER CHANDAK HUF				
	At the beginning of the year	82502	0.70	82502	0.70
	07/04/2017 (Transfer)	-67161	-0.57	15341	0.13
	14/04/2017 (Transfer)	-1290	-0.01	14051	0.12
	28/04/2017 (Transfer)	-14051	-0.12	0	0.00
	At the end of the year			0	0.00
11.	BURLINGTON FINANCE LIMITED				
	At the beginning of the year	50000	0.42	50000	0.42
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			50000	0.42
12.	VLS FINANCE LTD				
	At the beginning of the year	40000	0.34	40000	0.34
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			40000	0.34

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1. OM PRAKASH BHANSALI(MD) 2. VIMAL BHANSALI(WTD) 3. GAURAV BHANSALI (WTD) 4. MAHENDRA KUMAR RAKECHA (INE) 5. YOGESH MAHESHWARI(INE) 6. SHARAD GYANMAL NAHATA (INE) 7. SURBHI RATHI(INEW) 8. MANISH BOHRA (CFO) 9. AMIT BAXI (CS)	4417011 598840 572335 0 0 0 0 0 0	37.50 5.08 4.86 0 0 0 0 0 0	5588186	47.44
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE			
	At the end of the year 1. OM PRAKASH BHANSALI(MD) 2. VIMAL BHANSALI(WTD) 3. GAURAV BHANSALI (WTD) 4. MAHENDRA KUMAR RAKECHA (INE) 5. YOGESH MAHESHWARI(INE) 6. SHARAD GYANMAL NAHATA (INE) 7. SURBHI RATHI(INEW) 8. MANISH BOHRA(CFO) 9. AMIT BAXI (CS)	4417011 598840 572335 0 0 0 0 0 0	37.50 5.08 4.86 0 0 0 0 0 0	5588186	47.44

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	26,39,50,938	-	-	26,39,50,938
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	26,39,50,938	-	-	26,39,50,938
Change in Indebtedness during the financial year				
-Addition	10,17,540	1,35,71,313	-	1,45,88,853
- Reduction	(1,38,77,423)	-	-	(1,38,77,423)
Net Change	(1,28,59,883)	1,35,71,313	-	7,11,430
Indebtedness at the end of the financial year				
i) Principal Amount	25,10,91,055	1,30,00,000	-	26,40,91,055
ii) Interest due but not paid	-	5,71,313	-	5,71,313
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	25,10,91,055	1,35,71,313	-	26,46,62,368



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		O.P. BHANSALI MD	VIMAL BHANSALI WTD	GAURAV BHANSALI WTD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600000	420000	420000	1440000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	600000/-	420000/-	420000/-	1440000/-
	Ceiling as per the Act				

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/Manager/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	AMIT BAXI CS	MANISH BOHRA CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,60,000	11,35,794	14,95,794/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	3,60,000	11,35,794	14,95,794/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



Annexure – II
Form MR-3

Secretarial Audit Report for the Financial Year Ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Somi Conveyor Beltings Limited
4F-15, "Oliver House",
New Power House Road, Jodhpur

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SOMI CONVEYOR BELTINGS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **SOMI CONVEYOR BELTINGS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **SOMI CONVEYOR BELTINGS LIMITED** ("the Company") for the financial year ended on **March 31, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable to the Company during the Financial Year under review;**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, **Not Applicable to the Company during the Financial Year under review;**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, **Not Applicable to the Company during the Financial Year under review;**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **Not Applicable to the Company during the Financial Year under review**; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, **Not Applicable to the Company during the Financial Year under review**;
- (vi) Other Laws as applicable to the company [Provided in **Appendix B**] : I further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Managing Director taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws, Environment laws and other legislations.
- I further report that** the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws, Service tax and others detailed under Tax Legislations, I have relied on the representations made by the Company, its Officers and Reports issued by the Statutory Auditors.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India,
- (ii) The Listing Agreements entered into by the Company with Stock Exchange;
- (iii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company has not spent the amount which was required to be spent during the year towards Corporate Social Responsibility.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and there were no dissenting views to be recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there are no instances of:

- i) Public/Rights/Preferential issue of shares / debentures/sweat equity, etc.
- ii) Redemption / buy-back of securities
- iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv) Merger / amalgamation / reconstruction, etc.
- v) Foreign technical collaborations .

Place : Jodhpur

Date : September 3, 2018

Company Secretary in Practice : IRA BAXI

FCS No. : 5456

C.P. No. : 4712

Note: This report is to be read with our letter of even date which is annexed as **Appendix A** and forms an integral part of this report.



APPENDIX-A

To,
The Members
SOMI CONVEYOR BELTINGS LIMITED
CIN: L25192RJ2000PLC016480
4F-15, "OLIVER HOUSE",
NEW POWER HOUSE ROAD,
JODHPUR (RAJ.)

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Jodhpur
Date : September 3, 2018

Company Secretary in Practice : IRA BAXI
FCS No. : 5456
C.P. No. : 4712

APPENDIX-B

LIST OF OTHER LAWS APPLICABLE TO SOMI CONVEYOR BELTINGS LIMITED

Sr. No.	Name of Acts/Rules/Regulations		
1.	The Competition Act, 2002	27.	The Vehicle Operation, Maintenance Manual, Motor Vehicles Act/ Rules & Important instructions/ order
2.	Charter of Consumer Rights	28.	The Income Tax Act, 1961
3.	The Environment (Protection) Act, 1986	29.	Rajasthan Value Added Tax Act, 2003
4.	The Water (Prevention & Control of Pollution) Act, 1974	30.	Rajasthan Sales Tax Act, 1994
5.	The Air (Prevention & Control of Pollution) Act, 1981	31.	The Rajasthan Tax on Entry of Goods into Local Areas Rules, 1999
6.	The Public Liability Insurance Act, 1991	32.	The Central Sales Tax Act, 1956
7.	The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008	33.	The Central Excise Act, 1944
8.	The Factories Act, 1948	34.	The Customs Act, 1962
9.	The Industrial Disputes Act, 1947	35.	The Service Tax Statutory Provisions, 1994
10.	The Payment of Wages Act, 1936	36.	The Foreign Exchange Management Act, 1999
11.	The Minimum Wages Act, 1948	38.	The Employees Personnel Regulations, 1988 & Employees General P.F. Regulation, 1988
12.	The Employees' State Insurance Act, 1948	39.	The Employees Conduct Regulations, 1976
13.	The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	40.	The Employees (Classification, Control & Appeal) Regulations, 1962
14.	The Payment of Bonus Act, 1965	41.	The Engineers Services (Recruitment, Promotion & Seniority) Regulation, 1974
15.	The Payment of Gratuity Act, 1972	42.	The Employees Pension Scheme, 1995
16.	The Contract Labour (Regulation and Abolition) Act, 1970	43.	Accounting Standards
17.	The Maternity Benefit Act, 1961	44.	General Financial & Accounting Rules (GF&AR)
18.	The Child Labour (Prohibition and Regulation) Act, 1986	45.	The Provident Fund & Pension Regulation, 1989
19.	The Industrial Employment (Standing Orders) Act, 1946	46.	The Indian Penal Code, 1860
20.	The Employees' Compensation Act, 1923	47.	The Indian Evidence Act, 1872
21.	The Apprentices Act, 1961	48.	The Code of Criminal Procedure, 1973
22.	The Equal Remuneration Act, 1976	49.	The Code of Civil Procedure, 1908
23.	The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959	50.	The Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013
24.	Micro, Small and Medium Enterprises Development (MSMED) Act, 2006	51.	The Central Goods And Services Tax Act, 2017
25.	Indian Trade Union Act, 1926	52.	The Integrated Goods And Services Tax Act, 2017
26.	The Person with Disability Act, 1995	53.	The Union Territory Goods And Services Tax Act, 2017
		54.	The Goods And Services Tax (Compensation To States) Act, 2017
		55.	All Rules/Regulations in relation to above specified Acts.

Place : Jodhpur

Date : September 3, 2018

Company Secretary in Practice : IRA BAXI

FCS No. : 5456

C.P. No. : 4712



ANNEXURE – III

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR Policy

Somi Conveyor Beltings Limited (hereafter referred to as the Company) is committed to fulfilling its responsibilities to society in a qualitative manner beyond statutory obligations in line with the vision of inculcating good corporate citizenship. Sustained economic performance, environmental & social stewardship are the key factor for holistic business growth. Considering the present scenario, the focus of Company is to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

The details of CSR policy and projects or programs are available on the website of the Company viz. http://www.somiinvestor.com/images/pdf/Policies/SOMI_-_Corporate_Social_Responsibility_Policy.pdf

2. Composition of the CSR Committee

Mr. Om Prakash Bhansali (Chairman) – Executive Director

Mr. Vimal Bhansali – Executive Director

Mr. Mahendra Kumar Rakecha – Non – Executive and Independent Director

3. Average net profit of the Company for last three financial years

Average net profit **Rs. 36,101,638/-**

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above)

The Company was required to spend **Rs. 722,033/-**

5. Details of CSR Spend during the financial year

a. Total amount spent during the financial year: **NIL**

b. Amount unspent, if any: **Rs. 722,033/- (FY 2017-18), Rs. 995,267/- (FY 2016-17) and Rs. 1,147,084/- (FY 2015-16)**

6. Reasons for falling short of the required spend

a) There has been a decline in the turnover of the Company and the profits are not even near to the estimate figures. The Company is also in requirement of Capital for completion of its future Projects and serving its clients without any delay.

b) There are also certain philanthropic/CSR activities/initiatives undertaken by the Company for the substantial well-being of the people in the community, which are not getting covered under the above CSR report due to the specified format under the applicable Rules.

7. Responsibility statement of the CSR committee

The Board of the Company and the CSR Committee is responsible for the implementation and monitoring of CSR activities. The vision of the Company encapsulates its Corporate Social Responsibility (CSR) ethos and places its stakeholders at the centre of its operations. In pursuance of its vision of inculcating good corporate citizenship, the Company engages itself in strategic philanthropic programs to improve the quality of life of under-served, disadvantaged and marginalized communities. Though during the year, the Company was not able to spend 2% of average net profit of last three years. However, the CSR Committee has ensured the Board of the Company that it will implement impact-driven projects that address critical social, environmental and economic needs of the sections of the society. The Company will also endeavor to build and maintain transparent and lasting relationships with its stakeholders through timely and transparent communication.

Place : Jodhpur

Date : September 3, 2018

O.P. BHANSALI
(Managing Director and Chairman)
DIN : 00351846

CORPORATE GOVERNANCE REPORT

[As required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)]

Corporate Governance is the system of rules, practices and processes through which objectives of a corporate entity are set and pursued in the context of the social, regulatory and market environment. It essentially involves balancing the interests of various stakeholders, such as shareholders, Management, customers, suppliers, financiers, Government and the community. Fundamentals of Corporate Governance includes transparency, accountability and independence. For ensuring sound Corporate Governance practices, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Global trends and some governance failures across the world drive the demand for a high quality of governance practices.

Your Company has complied in all material respects with the requirements of the corporate governance provisions as specified in chapter IV of the Listing Regulations.

A report for the Year ended 31st March, 2018 on the implementation of the corporate governance provisions of the Listing Regulations by the Company is given below:

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on the code of governance is to observe the highest level of ethics in all its dealings, to ensure efficient conduct of the Company and help the Company achieve its goal in maximizing value for all its stakeholders. The Company believes that it is imperative to manage the business and its affairs in the most transparent manner with a firm commitment to our values. Sound Corporate Governance is critical for enhancing and retaining investor trust and thus seeks to ensure that its performance goals are met with integrity. The Company maintains highest levels of transparency, accountability and good Management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal, social and ethical responsibilities.

The Company believes that Corporate Governance is the key element in improving efficiency, growth and investor's confidence.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Our corporate governance philosophy is based on the following principles:

- Corporate governance standards should satisfy both the spirit of the law and the letter of the law
- Ensure transparency and maintain a high level of disclosure
- Clearly distinguish between personal conveniences and corporate resources
- Communicate externally, and truthfully, about how the Company is run internally
- Comply with the laws of all countries in which we operate
- Have a simple and transparent corporate structure driven solely by business needs
- The Management is the trustee of the shareholders' capital and not the owner.

A detailed disclosure on the Board of Directors, Shareholders and Stock Performance related to year 2017-2018 are detailed below:

II. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and



Somi Conveyor Beltings Ltd.

duties. The business of the company is conducted by the management under the directions of the Board. The Board formulates the strategy, regularly reviews the performance of the company and ensures that the previously agreed objectives are met on a consistent basis.

a) Composition of Board

The Board comprises of a majority of Independent Directors. It has a good mix of Executive and Non-Executive Directors including Independent Directors. Presently the company has a board consisting of seven members. The Board as on 31st March, 2018 comprises of three executive directors and four Non-Executive Directors. All the non-executive directors are Independent Directors.

The Non-Executive Directors are eminent and experienced persons in their respective fields of industry, finance, accountancy and law.

The details of each member of the Board along with the number of Directorship(s)/ Committee Membership(s)/Chairmanship(s) and date of joining the Board are provided hereinbelow:

Composition and Directorship(s) / Committee Membership(s)/Chairmanship(s) as on 31st March, 2018

Name of the Director	Category*	Number of shares held in the Company	Date of Original Appointment	No. of outside Directorship in Public Limited Companies	No. of Committee Position Held in other Public Limited Companies	
					Chairman	Member
Mr. Om Prakash Bhansali	PE & CMD	4417011	16/06/2000	2	NIL	NIL
Mr. Vimal Bhansali	PE & WTD	598840	16/06/2000	1	NIL	NIL
Mr. Gaurav Bhansali	PE & WTD	572335	16/06/2000	1	NIL	NIL
Mr. Mahendra Kumar Rakecha	INE	-	30/09/2006	1	NIL	NIL
Mr. Yogesh Maheshwari	INE	-	10/01/2007	NIL	NIL	NIL
Mr. Sharad Gyanmal Nahata	INE	-	12/02/2014	NIL	NIL	NIL
Ms. Surbhi Rathi	INEW	-	28/03/2015	NIL	NIL	NIL

*PE = Promoter Executive, CMD = Chairman cum Managing Director, INE = Independent Non- Executive, WTD = Whole Time Director, INEW = Independent Non-Executive Woman

b) Appointment and Tenure

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Managing Director, Whole-Time Director and Independent Directors of the Company, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election. The Managing Director and Whole-Time Director(s) of the Company are appointed for a term of five years as per the requirement of the statute.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Regulations.
- The Independent Directors will serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013.

c) Board Procedure

The Company Secretary prepares the agenda and the explanatory notes in consultation with the Chairman of the Board of Directors and circulates the same in advance to the Directors to enable the Board to take informed decisions. The Board meets at least once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. Presentations are made to the Board for complete update on projects/business.

d) Number of Board Meetings and Attendance Record of Directors

The Board meets at least once in a quarter to consider amongst other business, the performance of the Company and financial results. Additional meetings are held to address specific needs of the Company. In case of any exigency/emergency, resolutions are also passed by circulation. The particulars of Board Meetings held during 2017-18 as well as attendance of Directors at the Board Meetings and the last AGM are provided below:

Details of Board Meetings

Number of Board Meetings held during 2017-18: Five (8)			
S.No	Date of Board Meeting	S.No	Date of Board Meeting
1	29/05/2017	5	11/09/2017
2	22/07/2017	6	14/09/2017
3	12/08/2017	7	14/11/2017
4	04/09/2017	8	14/02/2018

Attendance Record of Board of Directors

Name of Director	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM held on 30.09.2017
Mr. Om Prakash Bhansali	8	8	Yes
Mr. Vimal Bhansali	8	8	Yes
Mr. Gaurav Bhansali	8	8	Yes
Mr. Mahendra Kumar Rakecha	8	5	Yes
Mr. Yogesh Maheshwari	8	5	Yes
Mr. Sharad Gyanmal Nahata	8	5	Yes
Ms. Surbhi Rath	8	5	Yes

e) Meeting of Independent Directors

The Independent Directors met on March 30, 2018, inter alia, to discuss:

- Evaluation of performance of Non-independent Directors. Audit Committee members and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the board that is necessary for the Board to effectively and reasonably perform its duties.

Attendance Record of Meetings of Independent Directors

Name of Director	Number of Board Meetings held	Number of Board Meetings attended
Mr. Mahendra Kumar Rakecha	1	1
Mr. Yogesh Maheshwari	1	1
Mr. Sharad Gyanmal Nahata	1	1
Ms. Surbhi Rathi	1	1

f) Code of Conduct

The Company has its Code of conduct for all the Board Members and Senior Management of the company. All Board Members and senior Management personnel have affirmed compliance of the Code of Conduct. A Declaration signed by the Managing Director to this effect is enclosed at the end of this report.

g) Familiarisation Programme for Directors

The provision of an appropriate Familiarization programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part. The Independent Directors, from time to time, request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The Familiarization programme is designed as such to :

- build an understanding of Somi Conveyor, its businesses and the markets and regulatory environment in which it operates;
- provide an appreciation of the role and responsibilities of the Director;
- fully equip Directors to perform their role on the Board effectively; and
- develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of Familiarization programme for Directors are available on Company's Website at

http://www.somiinvestor.com/images/pdf/Policies/SOMI_-_Familiarization_Programme_for_IDs.pdf

h) Board Evaluation

During the year, in terms of the requirements of the Act and Listing Regulations, Board Evaluation was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process is based on the criteria specified by Nomination and Remuneration Committee focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Board Evaluation was carried out on parameters such as :

- Performance of Directors
- Governance & Compliance

- Participation at the Board/Committee meetings
- Commitment
- Effective deployment of knowledge and expertise
- Relationship with Stakeholders
- Integrity & Confidentiality
- Independence of Behaviour and Judgement
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on an action to further improve the effectiveness and functioning of the Board and Committees. The Chairman of respective Board Committees also shared the results of evaluation with the respective Committee Members. The Board approved the evaluation results as collated by the nomination and remuneration committee.

i) Whistle Blower Policy

The policy provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle blower Policy has been uploaded on the website of the Company at

http://www.somiinvestor.com/images/pdf/Policies/SOMI_-_Whistle_Blower_Policy.pdf

III. GOVERNANCE BY THE COMMITTEES OF THE BOARD

Your Board has constituted the following Committees and each Committee has their terms of reference as a Charter. The Chairperson of each Committee along with the other Members of the Committee and if required other Members of the Board, decide the agenda, frequency and the duration of each meeting of that Committee. The Committees Chairperson provides a brief committee update during the Board meetings. The Board had the following Committees during the year 2017-18:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee

a) Audit Committee

Details of the Composition of the Audit Committee, meetings and attendance of the members are as follows:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The Company's Audit Committee comprises of three Directors out of which two are Independent Directors and one is Whole-Time Director. The Audit Committee is headed by Mr. Mahendra Kumar Rakecha and has Mr. Sharad Gyanmal Nahata and Mr. Gaurav Bhansali as its members. All the



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members of the Committee have relevant experience in financial matters. The CFO, the Internal Auditor and the Statutory Auditors are invitees to the meetings of the Audit Committee.

The Committee reviews various aspects of internal controls and the internal auditors' report. The requirements under Regulation 18 of the SEBI (LODR) Regulations, 2015 as amended from time-to-time are also reviewed by the committee.

The Audit Committee has met Six times during the financial year 2017-2018 on:

May 29, 2017; August 12, 2017; September 11, 2017; September 14, 2017; November 14, 2017 and February 14, 2018.

Details of meetings attended by the members of the Audit Committee during the financial year 2017-2018 are as follows:

Name of Committee Member	Category	Position	Number of Committee Meetings held	Number of Committee Meetings attended
Mr. Mahendra Kumar Rakecha	Non- Executive and Independent Director	Chairman	6	6
Mr. Sharad Gyanmal Nahata	Non- Executive and Independent Director	Member	6	6
Mr. Gaurav Bhansali	Whole-Time Director	Member	6	6

Terms of reference:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, the internal control system;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and back ground, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b) Nomination & Remuneration Committee**Details of the Composition of the Nomination and Remuneration Committee and attendance of the members are as follows:**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Company comprises of three directors all of whom are non-executive directors namely Mr. Yogesh Maheshwari (Chairman), Mr. Mahendra Kumar Rakecha and Mr. Sharad Gyanmal Nahata.

One meeting of the Nomination & Remuneration Committee was held on 30th March, 2018 and was attended by all the members of the Committee.

Role of Nomination and Remuneration Committee

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial



Personnel and Senior Management.

4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustain ability of talented managerial persons and create competitive advantage.
6. To devise a policy on Board diversity.
7. To develop a succession plan for the Board and to regularly review the plan;

Details of Remuneration to all the directors:

a) Executive Directors

The Company has one Managing Directors Mr. Om Prakash Bhansali and Two Whole-Time Directors Mr. Vimal Bhansali and Mr. Gaurav Bhansali. The remuneration payable to them has been fixed by the Board of Directors as per Section 197, 198 read with Schedule V of the Companies Act, 2013 after receiving sanction from the Shareholders in the duly convened General Meeting. The remuneration policy is directed towards rewarding performance. The Nomination & Remuneration Committee of the Company shall, inter-alia, evaluate the performance of the Executive Directors.

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2018 are given below:

Name of Directors	Remuneration	Commission	Value of Perquisites/ Reimbursement of Expenses	Sitting Fees	Annual Amount in Rs.
					Total Remuneration (Per Annum)
Mr. Om Prakash Bhansali, Chairman and Managing Director	Rs.6,00,000/-	NIL	NIL	NIL	Rs.6,00,000/-
Mr. Vimal Bhansali, Whole time Director	Rs. 4,20,000/-	NIL	NIL	NIL	Rs. 4,20,000/-
Mr. Gaurav Bhansali, Whole time Director	Rs 4,20,000/-	NIL	NIL	NIL	Rs 4,20,000/-
TOTAL	Rs.14,40,000/-	NIL	NIL	NIL	Rs.14,40,000/-

b) Non-Executive and Independent Directors

The Company has no pecuniary relationship or transaction with its Non-executive and Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings. Non-Executive and Independent Directors have been paid remuneration by way of sitting fee.

The company does not have any Employee's Stock Option Scheme and there is no separate provision for payment of Severance fee.

c) Stakeholder Relationship Committee

Details of the Composition of the Stakeholder Relationship Committee and attendance of the members are as follows:

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee of the Company comprises of three directors out of which two are Independent Directors and one is Whole-Time Director. The Stakeholders Relationship Committee is headed by Mr. Sharad Gyanmal Nahata and has Mr. Mahendra Kumar Rakecha and Mr. Vimal Bhansali as its members.

The role of the committee is to consider and resolve the grievances of security holders and perform such roles as may be required. Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of investors. A status report of shareholders complaints and redressal thereof is prepared and placed before Stakeholders Relationship/Grievance Committee of Directors.

The Secretary of the Company is to act as the Compliance Officer.

The shareholders/investors can send shares/debentures related complaints, if any, through e-mail Id: - cmd@somiconveyor.com designated exclusively for this purpose.

One(1) meeting of the Stakeholder and Relationship Committee was held on 30th March, 2018 and was attended by all the members of the Committee.

The Committee consists of three Directors and the attendance of each committee member is as under:

Name of Committee Member	Category	Position	Number of Committee Meetings held	Number of Committee Meetings attended
Mr. Sharad Gyanmal Nahata	Non- Executive and Independent Director	Chairman	1	1
Mr. Vimal Bhansali	Whole-Time Director	Member	1	1
Mr. Mahendra Kumar Rakecha	Non- Executive and Independent Director	Member	1	1

Status of Shareholders'/Investors' Complaints for the period

01st April, 2017 to 31st March, 2018

Opening Balance	Complaints Received during the year 2017-18	Complaints Resolved during the year 2017-18	Closing Balance
NIL	1	1	NIL

Mr. Amit Baxi, Company Secretary, is the Compliance Officer for resolution of Shareholder's/Investor's complaints. During the Financial Year ended 31st March, 2018, One (1) Complaint was received from the Shareholder. All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on 31st March, 2018.

d) Corporate Social Responsibility Committee

Details of the Composition of the Corporate Social Responsibility Committee and attendance of the members are as follows:

The Corporate Social Responsibility Committee of the Company is constituted in line with the provisions



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of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee of the Company comprises of three directors namely Mr. Om Prakash Bhansali (Chairman) and has Mr. Vimal Bhansali and Mr. Mahendra Kumar Rakecha as its Members. During the year, the Committee met once on March 30, 2018.

The Committee consists of three Directors and the attendance of each committee member is as under:

Name of Committee Member	Category	Position	Number of Committee Meetings held	Number of Committee Meetings attended
Mr. Om Prakash Bhansali	Managing Director	Chairman	1	1
Mr. Vimal Bhansali	Whole-Time Director	Member	1	1
Mr. Mahendra Kumar Rakecha	Non- Executive and Independent Director	Member	1	1

Terms of Reference

- ◆ Formulation and Recommendation to the Board, a CSR Policy indicating the activities to be undertaken by the company as specified in Schedule VII;
- ◆ Recommendation of amount of expenditure to be incurred on the activities referred in Schedule VII;
- ◆ Monitoring the CSR Policy of the company from time to time.
- ◆ Ensuring that the programs, projects and activities supported through Somi Conveyor Beltings Limited are aligned with the approved CSR policy of the Company and Section 135 and Schedule VII of the Act;
- ◆ Reviewing and approving annual budgets with respect to CSR programs;
- ◆ In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board; the reasons shall also be included in the Board's report;
- ◆ Receiving and reviewing reports from Implementing Partners to assess the performance and effectiveness of projects supported by the Company;
- ◆ Reviewing the findings and recommendations regarding the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants;
- ◆ Responding to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR supported initiatives;
- ◆ Ensuring that the Company's website displays the approved CSR policy of the Company;
- ◆ Developing and institutionalizing a CSR reporting mechanism in terms of Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

II. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

III. GENERAL BODY MEETINGS

Date, Time and Location where last Three AGMs were held:

Financial Year	Date	Time	Location
2014-15	30.09.2015	11.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 003
2015-16	30.09.2016	11.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 003
2016-17	29.09.2017	11.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 003

WHETHER ANY SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMs:

1. In the 17th Annual General Meeting held on 29th September, 2017, Three Special Resolutions were proposed and passed pertaining to:
 - a) Approval for re-appointment of Mr. Om Prakash Bhansali as Managing Director on monthly remuneration of Rs. 50,000/- pursuant to section 196, 197, 198 read with Schedule V of the Companies Act, 2013 and other applicable provisions for the period of five years w.e.f. 1st September, 2017.
 - b) Approval for re-appointment of Mr. Vimal Bhansali as Whole-Time Director on monthly remuneration of Rs. 35,000/- pursuant to section 196, 197, 198 read with Schedule V of the Companies Act, 2013 and other applicable provisions for the period of five years w.e.f. 1st September, 2017.
 - c) Approval for re-appointment of Mr. Gaurav Bhansali as Whole-Time Director on monthly remuneration of Rs. 35,000/- pursuant to section 196, 197, 198 read with Schedule V of the Companies Act, 2013 and other applicable provisions for the period of five years w.e.f. 1st September, 2017.
2. In the 16th Annual General Meeting held on 30th September, 2016, no Special Resolutions were proposed and passed
3. In the 15th Annual General Meeting held on 30th September, 2015, Two Special Resolutions were proposed and passed pertaining to:
 - a) Consent of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or charge by the Board of Directors any immovable and movable properties/assets of the Company including undertaking(s) to secure the borrowings.
 - b) Consent of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to the Board of Directors to borrow amount not exceeding at any time Rs. 100 Crs. over and above the paid up capital and free reserves of the Company.



WHETHER ANY EXTRA ORDINARY GENERAL MEETING HELD DURING THE YEAR :

- ◆ No Extra Ordinary General Meeting was held during the year under review.

WHETHER SPECIAL RESOLUTION WERE PUT THROUGH POSTAL BALLOT EXERCISE :

- ◆ No

DETAILS OF VOTING PATTERN :

a) Approval for re-appointment of Mr. Om Prakash Bhansali as Managing Director on monthly remuneration of Rs. 50,000/- pursuant to section 196, 197, 198 read with Schedule V of the Companies Act, 2013 and other applicable provisions for the period of five years w.e.f. 1st September, 2017.

Promoter/ Public	No. of shares held (1)	No. of votes polled (including e-voting) (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes- in favour (4)	No. of Votes- against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)] *100	% of Votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	6955787	6955787	100%	6955787	0	100%	0
Public – Institutional holders	0	0	0	0	0	0	0
Public- Others	18706	18706	100%	1205	17501	6.441%	93.559%
Total	6974493	6974493	100%	6956992	17501	99.75%	0.25%

b) Approval for re-appointment of Mr. Vimal Bhansali as Whole-Time Director on monthly remuneration of Rs. 35,000/- pursuant to section 196, 197, 198 read with Schedule V of the Companies Act, 2013 and other applicable provisions for the period of five years w.e.f. 1st September, 2017.

Promoter/ Public	No. of shares held (1)	No. of votes polled (including e- voting) (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes- in favour (4)	No. of Votes- against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)] *100	% of Votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	6955787	6955787	100%	6955787	0	100%	0
Public – Institutional holders	0	0	0	0	0	0	0
Public- Others	18706	18706	100%	1205	17501	6.441%	93.559%
Total	6974493	6974493	100%	6956992	17501	99.75%	0.25%

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c) Approval for re-appointment of Mr. Gaurav Bhansali as Whole-Time Director on monthly remuneration of Rs. 35,000/- pursuant to section 196, 197, 198 read with Schedule V of the Companies Act, 2013 and other applicable provisions for the period of five years w.e.f. 1st September, 2017.

Promoter/ Public	No. of shares held (1)	No. of votes polled (including e- voting) (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes- in favour (4)	No. of Votes- against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)] *100	% of Votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	6955787	6955787	100%	6955787	0	100%	0
Public – Institutional holders	0	0	0	0	0	0	0
Public- Others	18706	18706	100%	1205	17501	6.441%	93.559%
Total	6974493	6974493	100%	6956992	17501	99.75%	0.25%

PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE :

- ◆ No Applicable

WHETHER ANY RESOLUTIONS ARE PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT :

- ◆ None of the resolutions are required to be put through postal ballot.

PROCEDURE FOR POSTAL BALLOT :

- ◆ No Applicable

VI. DISCLOSURES

a) Related Party Transactions / Materially significant related party transactions:

The Company has formulated a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of Companies Act, 2013 and Listing Regulations.

The policy has been disclosed on the website of the Company at www.somiinvestor.com. Web link for the same is http://www.somiinvestor.com/images/pdf/Policies/SOMI_-_Related_Party_Transaction_Policy.pdf

All Related Party Transactions are approved by the Audit Committee prior to the transaction. The Audit Committee has, after obtaining approval of the Board of Directors, laid down the criteria for granting omnibus approval which also forms part of the Policy. Related Party Transactions of repetitive nature are approved by the Audit Committee on omnibus basis for one

financial year at a time. The Audit Committee satisfies itself regarding the need for omnibus approval and that such approval is in the interest of the Company and ensures compliance with the requirements of Listing Regulations and the Companies Act, 2013. All omnibus approvals are reviewed by the Audit Committee on a quarterly basis.

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no transactions between the Company and the Promoters, Directors or Management, their subsidiaries or relatives, etc. that had a potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which directors are interested is placed before the Board regularly.

b) Disclosure of accounting treatment in preparation of financial statements

The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provision of the Act. The Company has uniformly applied the Accounting Policies during the period presented.

c) Statutory Compliance, Penalties and Strictures:

There were no instances of non-compliance or penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets, during the last three years.

d) Compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations.

The Company has partially adopted the non-mandatory requirements. Disclosures of the extent to which the discretionary requirements have been adopted are given elsewhere in this report.

e) Risk Management Framework:

The company has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures.

f) Disclosure on Commodity price risks or foreign exchange risk and hedging activities:

This has been discussed in detail in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

g) Disclosure on compliance with Corporate Governance Requirements specified in SEBI (LODR) Regulations, 2015:

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015 and necessary disclosures thereof have been made in this Corporate Governance Report.

h) Dividend Distribution Policy

To bring transparency in the matter of declaration of dividend and to protect the interests of investors, Somi has in place a Dividend Policy in line with Regulation 43A of the Listing Regulations and the Companies Act, 2013 which has been displayed on the Company's website, www.somiinvestor.com. Dividend, if sanctioned at the meeting will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on September 22, 2018.

- i) **CEO/ CFO certification:**
As required by Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the CEO and CFO of the Company have furnished the Compliance Certificate of the financial statements for the year to the Board of Directors. The same is enclosed at the end of the report.
- j) **Certificate on corporate governance:**
As required by the SEBI (LODR) Regulations, 2015, the compliance certificate from Practising Company Secretary regarding compliance of conditions of corporate governance is annexed to the directors' report.
- k) **All non- executive directors of the company do not hold any shares in the company as on 31/03/2018.**

V. MEANS OF COMMUNICATION

The company publishes Quarterly/Half yearly/Annual results as required under the SEBI (LODR) Regulations, 2015.

Communication of Audited Financial Results (Quarterly and Annual)	The Company has regularly furnished, through email and electronic filing systems and such other mode, as may be required by the exchanges - within 30 (thirty) minutes (as applicable under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the case may be) of closure of the Board meeting, the quarterly audited as well as annual audited results to both the Stock Exchanges i.e., BSE & NSE. Quarterly and Annual financial results are also published in English and Hindi daily newspaper, i.e., Business Standard/Financial Express and Nafa Nuksaan.
Website	Pursuant to the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website www.somiinvestor.com where all the information as may be required by the Shareholders is available including financial results, shareholding pattern, stock exchange filings, Annual Reports, Corporate Governance Compliance Report, additional disclosures, etc.,
NSE Electronic Application Processing System (NEAPS) and BSE Online Listing Centre	The Company uploads its disclosures and announcements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the link, https://www.connect2nse.com/LISTING/ to NSE Electronic Application Processing System (NEAPS) and to BSE Online Listing Centre at the link, https://listing.bseindia.com/
SCORES (SEBI complaints redressal system)	SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.



Somi Conveyor Beltings Ltd.

Quarterly results and presentations made by the Company are available on Company's website on the following link: <http://www.somiinvestor.com/index.php/financials/quarterly-results>.

No presentations have been made to institutional investors/analysts during the financial year.

VI. GENERAL SHAREHOLDERS INFORMATION

a) Date, time and venue of the 18th Annual General Meeting:

Annual General Meeting is proposed to be held on Saturday, 29th September, 2018 at 11:30 A.M at its Registered Office at 4F-15, "Oliver House", New Power House Road, Jodhpur-342003

b) Financial Calendar:

Financial year is 1st April to 31st March and financial results will be declared as per the following schedule.

Particulars	Tentative Schedule
Quarterly Results	
Quarter ending on 30th June, 2018	Within Forty Five Days of the End of the Quarter
Quarter ending on 30th September, 2018	Within Forty Five Days of the End of the Quarter
Quarter ending on 31st December, 2018	Within Forty Five Days of the End of the Quarter
Annual Results of 2018-19	Within Sixty Days of the End of the Quarter
Annual General Meeting for the year ending March 31, 2019	In September, 2019

c) Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Sunday, the 23rd September, 2018 to Saturday, 29th September, 2018 (both days inclusive) for the purpose of 18th Annual General Meeting.

d) Listing Details:

Name and Address of Stock Exchange	Stock Code
Bombay Stock Exchange Ltd. (BSE) [w.e.f. 24th July, 2008]	533001
Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	
National Stock Exchange of India Limited (NSE) [w.e.f. 18th July, 2016]	SOMICONVEY
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	
ISIN	INE323J01019

There are no arrears in payment of listing fees.

e) (A) Market Price Data (in Rs.) (BSE Index) :

Month & Year	High (Price)	Low (Price)	Volume (No. of Shares)
Apr 2017	64.50	54.00	3,60,687
May 2017	59.95	49.30	1,04,215
Jun 2017	52.00	47.00	58,964
Jul 2017	58.50	47.00	1,51,894
Aug 2017	53.80	42.35	55,165
Sep 2017	51.00	42.00	79,549
Oct 2017	73.60	44.00	8,41,403
Nov 2017	69.00	59.00	4,68,291
Dec 2017	76.20	62.50	5,16,046
Jan 2018	87.00	66.20	4,41,807
Feb 2018	69.80	58.05	1,64,622
Mar 2018	60.85	43.20	94,848

BSE SENSEX		
Month & Year	High	Low
Apr 2017	30,184.22	29,241.48
May 2017	31,255.28	29,804.12
Jun 2017	31,522.87	30,680.66
Jul 2017	32,672.66	31,017.11
Aug 2017	32,686.48	31,128.02
Sep 2017	32,524.11	31,081.83
Oct 2017	33,340.17	31,440.48
Nov 2017	33,865.95	32,683.59
Dec 2017	34,137.97	32,565.16
Jan 2018	36,443.98	33,703.37
Feb 2018	36,256.83	33,482.81
Mar 2018	34,278.63	32,483.84

(B) Market Price Data (in Rs.) (NSE Index) :

Month & Year	High (Price)	Low (Price)	Volume (No. of Shares)
Apr 2017	62.50	52.25	2,18,005
May 2017	60.40	48.15	1,35,286
Jun 2017	52.70	46.00	68,772
Jul 2017	58.30	46.05	2,69,051
Aug 2017	49.90	40.10	65,456
Sep 2017	50.75	40.05	99,723
Oct 2017	73.40	44.60	17,75,416
Nov 2017	69.85	57.30	7,01,607
Dec 2017	76.35	61.25	13,70,555
Jan 2018	86.40	66.55	10,97,474
Feb 2018	69.80	57.50	2,57,728
Mar 2018	61.00	45.00	2,67,279

NSE NIFTY		
Month & Year	High	Low
Apr 2017	9367.15	9075.15
May 2017	9649.6	9269.9
Jun 2017	9709.3	9448.75
Jul 2017	10114.85	9543.55
Aug 2017	10137.85	9685.55
Sep 2017	10178.95	9687.55
Oct 2017	10384.5	9831.05
Nov 2017	10490.45	10094
Dec 2017	10552.4	10033.35
Jan 2018	11171.55	10404.65
Feb 2018	11117.35	10276.3
Mar 2018	10525.5	9951.9

Note: The information is compiled from the data available on the BSE & NSE website.

f) Registrars and Share Transfer Agents:

Universal Capital Securities Private Limited (Formerly: Mondkar Computers Pvt. Limited)

21, Shakil Niwas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093

Tel: (+91 22) 28257641, 28207203-05, Fax: (+91 22) 28262920, Web: www.unisec.in



g) Distribution of Shareholding As At 31st March 2018

No. of Equity Shares Held	No. of Shares	% to Capital	No. of Holders	% to Total
UPTO - 500	562576	4.776	3170	76.848
501 - 1000	390424	3.314	480	11.636
1001 - 2000	368508	3.128	243	5.891
2001 - 3000	226319	1.921	87	2.109
3001 - 4000	118483	1.006	33	0.800
4001 - 5000	171297	1.454	36	0.873
5001 - 10,000	316591	2.688	43	1.042
10,001 AND ABOVE	9625458	81.713	33	0.800
TOTAL	11779656	100	4125	100.00

h) Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. The Company's shares are regularly traded on the 'Bombay Stock Exchange Limited' and 'National Stock Exchange of India Ltd.'. The shares in physical form are processed by the Registrar and transfer Agent and approved by the Share Holder Relationship Committee. The applications for transfer of shares held in physical form are received at the office of the RTA of the company. All valid transfers are processed within statutory period of the lodgment. 93.02% of the Share Capital of the Company is in dematerialized form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE323J01019.

i) Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion and likely impact on equity:

NIL

j) Plant location:

*K.No-58, 58/5, 58/6, Village Tanawara, Tehsil Luni, District Jodhpur.

*H-2, 463-466, Sangaria Industrial Area, Jodhpur.

k) Route Map of Oliver House (Venue of 18th AGM):

l) Address of Correspondence:

Mr. Amit Baxi

COMPANY SECRETARY & COMPLIANCE OFFICER

4 F-15, "Oliver House", New Power House Road,
Jodhpur-342003

Tel.: +91-0291-2610472, 2637565, 2637564

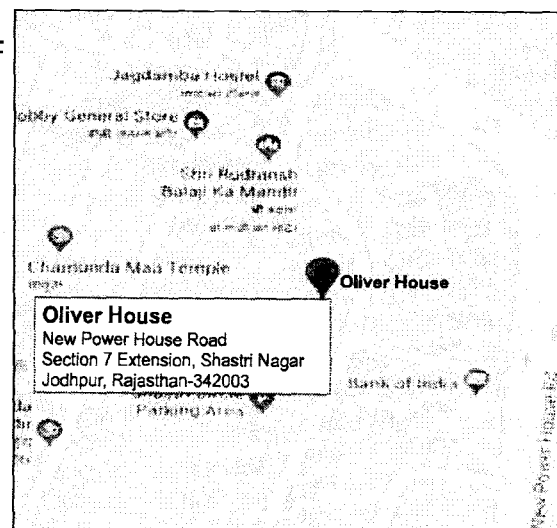
Fax: +91-0291-2432307

E-mail: cmd@somiconveyor.com,

csamitbaxi@gmail.com

Website: www.somiinvestor.com,

www.somiconveyor.com

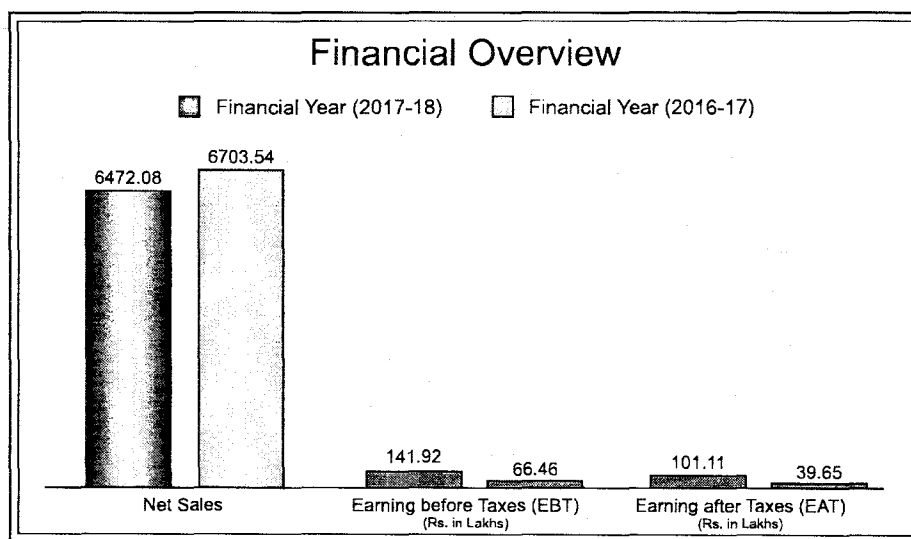


MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion & Analysis report presents the key performance highlights of the year 2017-18 pertaining to the Company's business. This review should be read in conjunction with the Integrated Report presented in the earlier sections of this Annual Report, the Company's financial statements, the notes thereto and the other information included elsewhere in this Annual Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS), complying with the requirements of the Company's Act 2013 and SEBI (LODR) Regulations, 2015.

FINANCIAL OVERVIEW

The overall business environment remained challenging due to the changes in regulatory landscape in India. The turmoil due to GST implementation that was witnessed at the beginning of the year abated in second half of the year. During the Year under review the Net Sales, Earnings before taxes (EBIT) and Earnings after Taxes (EAT) for the Financial Year 2017-18 along with the quantitative data is as follows:



COMPANY'S PERFORMANCE

During the year 2017-18, the Company has continued implementation of its business strategy to give a better performance as compared to previous year. However, there has been a slight decline in the turnover of the Company. Your Company has achieved sales of Rs. 6472.08 Lakhs where as the Net Profit of the company has reached to 101.11 Lakhs for the FY 2017-18. The Board is confident of higher growth in the coming Financial Year.

Segment-Wise and Product-Wise Performance

The Company has only one Segment which is manufacturing and sale of Industrial Conveyor Belts.

INDUSTRIAL SCENARIO

After registering GDP growth of over 7% for the third successive year in 2016-17, the Indian Economy showed signs of a slowdown with a growth of 6.6% in 2017-18. The year 2017-18 began on a positive note with demand showing signs of revival with the impact of demonetization fading. However, implementation of the Goods and



Services Tax (GST) from 1st July 2017 again led to uncertainty and loss of momentum which had an impact on the economic growth.

A Conveyor Belt System is one of the most used & preferred equipment all over the world and can be used in wide range of applications. It is an equipment which is used to handle and transport materials and used in several industries including Mining, Cement, Power etc. The use of conveyors system ensures handling larger volume of material with efficiency.

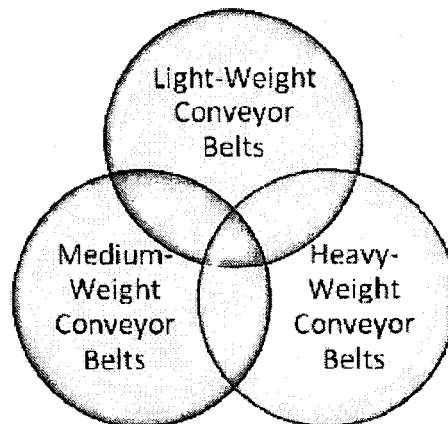
Factors affecting the growth of Conveyor Belt market may include:

1. Growing industrialization
2. Need of automation to reduce manufacturing costs
3. Waste and growth of e-commerce
4. Fluctuating raw material prices
5. Environmental regulations,

ABOUT THE COMPANY

Our Company is one of the global leaders engaged in the business of manufacturing of Conveyor Belts of different specifications for different industries.

Conveyor Belts are used for different application depending upon the weight of the materials to be shifted. The Conveyor belts are mainly characterized into following categories:



The company operates through two manufacturing facilities and claims to have one of the biggest capacities of rubber conveyor belts in the country with 1,200,000 meters per annum.

The major industries being catered by SCBL are coal, lignite, cement, power, steel, fertilizers, sugar, etc. Though, the demand from cement players helped surviving the company, off late, there has been some momentum seen in steel and power sectors as well. Considering the broad-based benefits with regards to time, safety and costs arising from the usage of conveyor belts, the consumption is likely to grow consistently, going forward.

The Company follows client-oriented policies to value its customers and therefore, always strive hard to maintain the high level for client. SCBL on a regular basis interacts with its esteemed clients in order to understand their specific requirements and provide them with the same products.

SCBL claims to have one of the largest manufacturing capacities and claims to have earned the tag of the most reliable manufacturers and suppliers among its major competitors which dominate the domestic market, as

Annual Report 2018

their products are equally good to other global leaders.

The company manufactures a range of conveyor belts from 100 mm to 2600 mm, customized as per the demand of the nature of the industry – the range of products include General Purpose (M-24 grade/Tiger M-27), Heat Resistant, Fire Resistant, Oil Resistant, and Special Conveyor Belts like Bullet Proof, Food Grade, Pipe Conveyors, Rough Top, Fusion, Nylon Fabric, Polyester Fabric etc. The company has installed its conveying systems at the leading cement, power, steel, coal facilities including Aditya Birla Group, Tata Group, Jindal Group, JK Lakshmi Cement, India Cement, Dalmia Cement, Coal India, Adani, BHEL, Neyveli Lignite, ThyssenKrupp, etc.

With a strong team of technocrats and polymer engineers backed with sophisticated R & D department which is independent and equipped with ultra-modern testing (physical, chemical and destructive) facilities, we offer our channel partners free access to our facilities for testing and research. We have comprehensive facilities to test per IS: BS: ASTM; CAN; DIN; SANS; AS or ISO standards.

SCBL continues to be an ISO 9001-2008 & ISO 14001 certified and has its securities listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company owns total comprehensive responsibility towards the customers to achieve best customer satisfaction index with 100 percent traceability of product till raw material stage and assistance even in commissioning and troubleshooting at site.

STRENGTHS

SCBL strengths are aplenty; the strong customer interface with all developments in conjunction with problems end-users face at site; Constant improvement in the work process; Constant improvement in the products; Skilled and efficient man power; Strong market network; Competitive prices; technological up-gradation and advancement in technology and equipment; backward integration to impart single window solution to our customers even for application; commissioning and troubleshooting; and lastly our ambitious goals, vision and mission.

OPPORTUNITIES AND THREATS

The increasing applications of conveyor belts in various industries are helping the global conveyor belt market to expand. Additionally, these belts enable the manufacturers to reduce inventory levels, and in turn, reduce overall production costs. As a result, the escalating demand for conveyor belts from automation, mining and manufacturing industries has emerged as another major demand driver.

The demand for conveyor belt is prominently dependent on the general economic activity and industrial investments. Thus, the factors including GDP growth, capex cycle, mining output alongwith investment in infrastructure are among major growth drivers for conveyor belt market. Globally, Asia Pacific which comprises two of the fastest emerging economies across the globe, dominates the demand for conveyor belts and the trend is anticipated to continue going forward. Nevertheless, the demand for conveyor belts is anticipated to be well supported by other developing economies in South America and Africa as well.

However the Company is surrounded by certain threat which needs to be overcome. It mainly includes the major issues which the Company is handling up to certain extent but as they external factors, they are the major concern in the growth of Company. Some of them are mentioned below:

1. Fluctuation in rupee value
2. Shortage of highly skilled manpower
3. Poor legal system & protection
4. Change in the Tax regime of the country
5. Volatility in the price of rubber, a key raw material



RISKS AND CHALLENGES

The Company has identified the following risks:

- Risks of non-availability and price fluctuation of raw material.
- Implementation of new tax regime GST which has changed the business models in the industry.
- Attrition and non-availability of the required talent resources can affect the performance of the Company.
- Labour Turnover Risks, involving replacement risks, training risks, skill risks, etc
- The increase in competition can create pressure on margins, market share etc.
- Any increase in interest rate may adversely affect the finance cost and profitability.
- Government Policies w.r.t export duties, import duties, tax levied on automobile industries and economic condition.

OUTLOOK

The global conveyor belt market has been witnessing a sustained growth over the past few years, owing to the extensive use of conveyor belts in automation, mining, cement, power and manufacturing industries. According to a research, the size of the Indian conveyor belt market is roughly Rs.2,500 cr. The market is highly fragmented and fiercely competitive in nature.

The global conveyor belt market is relatively linked to several factors like industrialization, GDP growth, economic activity and growth in infrastructural developments. The conveyor market all across the globe has grown at a moderate pace over the past few years and is anticipated to expand at a significant rate in the near future.

With the implementation of GST, the market sentiment is also likely to improve and gradually picking up industrial manufacturing and opening up of mines will boost the growth, going forward. The long-term outlook for the industry is optimistic based upon the product innovation and cutting edge technology for sustaining growth. With a diverse portfolio of varied types of conveyor belts the company remains optimistic for coming years.

RESEARCH AND DEVELOPMENT

At Somi Conveyor Beltings, research and development unit is consistently engaged in conducting extensive research to keep updated with the changing technology and to overcome the drawbacks of existing product range and engineer new products.

The shopfloors of the world have been transformed and improved no end by the advent of digital technology. Every assembly line, every production system and process has been touched by automation, computerisation and improved monitoring so that our factories and workshops are ever-more efficient and safe.

Technology is always going to improve, that goes without saying, so even though our current generation of belts is the best we've ever had, they're only going to get better too. There are several improvements that we can expect to see in the next few years.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has since inception, laid down a system of internal control which commensurate with the size and nature of the business. Adequate and effective checks are in place to ensure that financial data is accurate and reliable. The internal control systems also ensure that the assets and the interest of the Company are well protected.



The internal audit is carried out through-out the year based on a systematic plan covering all functions and aspects of the business. The internal audit reports are reviewed by the senior management and are placed before the audit committee of the Board of Directors along with actions taken. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them as appropriate. The summary of the Internal Audit observations and status of implementations are submitted to the Audit Committee and is reviewed by it on a regular basis and concerns, if any, are reported to the board.

The IT system of the Company is based on a robust ERP System ensuring seamless connectivity of plants. Sales offices and head office facilitating faster and more reliable processing of transactions as well as generating reports for faster decision-making. The Company also has a strong control system and management reporting system which serve as the backbone of the monitoring system of operations to ensure that business results are achieved and continuous improvement projects are undertaken.

HUMAN RESOURCES

As on 31st March, 2018, the Company had around 200 on roll employees.. Company's policy aims to create a work environment that is conducive for the professional and personal development of its employees. There is a continuous and determined effort to better the Human Resource service delivery in order to serve the customers well with the use of technological advancements and well executed processes. The strategic thrust of HR has been improvement in the performance of employees by providing them training and development and also to identify employees who are performing good and have potential to take higher responsibilities.

STATUTORY COMPLIANCE

All declarations and compliances with respect to the applicable statutes, enactments and guidelines are submitted at every meeting of the Board of Directors of the Company. Managing Director and CEO gives a declaration of compliance to the Board with respect to the applicable provisions of Companies Act, 2013, SEBI(LODR) Regulations, 2015 with the Stock Exchanges.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains a few forward looking statements based on the information and data available with the Company and assumptions with regard to the economic environment, the government policies etc. The Company cannot guarantee the validity of assumptions and performance of the Company in the future. Hence, it is cautioned that the actual results may differ from those indicated, expressed or implied in this report.



CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

Somi Conveyor Beltings Limited

I have examined all the relevant records of Somi Conveyor Beltings Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2018. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C, D and E.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Avijit Vasu & Associates
Practising Company Secretary

AVIJIT VASU
Proprietor

ACS: 37968; CP No. 14198

Place: Jodhpur
Date: 3RD September, 2018

DECLARATION

I, O P Bhansali, Chairman and Managing Director of Somi Conveyor Beltings Limited do hereby confirm and declare that as stipulated under Regulation 34(3) read with Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of my knowledge and belief, Members of the Board of Directors and Senior Management personnel of the Company have affirmed compliance, as on March 31, 2018, with the provisions of Code of Conduct as adopted by the Company.

This declaration has been issued on the basis of acknowledgement and confirmation, with respect to the compliance with the provisions of Code of Conduct of the Company, received from respective Members of Board of Directors and Senior Management.

For Somi Conveyor Beltings Limited

Place: Jodhpur
Date: 3RD September, 2018

O P Bhansali
Chairman & Managing Director

CEO & CFO CERTIFICATION

(Under Regulation 17 (8) of Part B of Schedule II of SEBI (LODR) Regulations, 2015)

To

The Board of Directors

Somi Conveyor Beltings Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Somi Conveyor Beltings Limited ("the Company"), to the best of our knowledge and belief certify that:

(a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2018 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the listed entity's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

- (i) significant changes in the internal control over financial reporting during the year;
- (ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

Place: Jodhpur

Date: 3RD September, 2018

O. P. Bhansali
Managing Director
DIN : 00351846

Manish Bohra
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
SOMI CONVEYOR BELTINGS LTD.
JODHPUR (RAJASTHAN)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of SOMI CONVEYOR BELTINGS LIMITED (CIN: L25192RJ2000PLC016480) ("the company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs, Profit (including Other Comprehensive Income), Changes in Equity and Cash Flow of the Company in accordance with the Indian accounting standards (Ind AS) prescribed under section 133 of the act read with the Companies (Indian Accounting standards) Rules, 2015 as amended.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the adequate information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles Generally Accepted in India of the state of affairs of the Company as at March 31, 2018, its Profit including Other Comprehensive Income, Statement of Changes in Equity and its Cash Flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - e) On the basis of written representations received from the directors of the company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 31 to the Standalone Ind AS Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

PLACE : JODHPUR
DATED : 30TH MAY, 2018

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FR No. 002464W

(SHILPA SINGHVI)
PARTNER
M.No. 144679



“Annexure A” to the Independent Auditor's Report

The annexure referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Standalone Ind AS Financial Statements of **SOMI CONVEYOR BELTINGS LIMITED** for the year ended March 31, 2018, we report that:

1) FIXED ASSETS

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to information provided by the management, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2) INVENTORIES

In our opinion and according to information and explanations given to us, the inventory has been physically verified by the management at reasonable intervals and the discrepancies noticed during the physical verification of inventory as compared to book records, were not material.

3) LAONS & ADVANCES

The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) (a), (iii) (b) & (iii) (c) of paragraph 3 of “the Order” is not applicable to the Company.

4) LOANS, INVESTMENT & GUARANTEES

According to information & explanation given to us, company has not given any loan or provided any guarantee to any person specified under section 185 of Companies Act 2013.

Further, Company has not made any investment nor given any loan or provided any guarantee to any body corporate as specified under section 186 of Companies Act 2013. Therefore, clause (iv) of paragraph 3 of “the order” is not applicable to the company.

5) FIXED DEPOSITS

According to the information and explanations given to us, the Company has not accepted any deposits, therefore directive issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, clause (v) of paragraph 3 of “the Order” is not applicable to the Company.

6) COST RECORDS

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7) STATUTORY DUES

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duties of customs and excise, service tax and other material statutory dues have been generally regular in depositing during the year by the Company with the appropriate authorities.
- b) According to the information and explanation given to us there are no disputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax **except as stated below:-**

Annual Report 2018



Name of the Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Demand	Income Tax	4657870.00	A.Y. 2010-11	ITAT
Income Tax Demand	Income Tax	3256299.00	A.Y. 2010-11	CIT (Appeal)
Sales Tax Penalty	Sales Tax	146947.00	A.Y. 2008-09	Commissioner (A) Commercial Tax Department
Sales Tax Demand	Sales Tax (ITC)	1316184.00	A.Y. 2008-09	The Company is aggrieved of the demand and contesting the same. The Company is also planning to file an application before hon'able High Court relating to this matter.
		300000.00	A.Y. 2009-10	

8. DEFAULT IN PAYMENT OF DUES

According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in payment of dues to any financial institution or bank or Government or debenture holders as at the balance sheet date. Accordingly, clause (viii) of the paragraph 3 of "the Order" is not applicable to the Company.

9. FUND RAISED BY PUBLIC ISSUE/ FOLLOW ON OFFER / TERM LOAN

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. FRAUD

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers / employees has been noticed or reported during the year.

11. MANAGERIAL REMUNERATION

The Company has provided / paid managerial remuneration in accordance with the requisite approvals mandated by the provisions as specified under section 197 read with Schedule V to The Companies Act 2013 during the year.

12. NIDHI COMPANY

The company is not a Nidhi Company as defined under section 406 of companies Act 2013. Therefore, clause (xii) of paragraph 3 of the order is not applicable to the company.

13. TRANSACTIONS WITH RELATED PARTY

As per the information and explanation given to us, all transactions with related parties are in compliance with the provision of section 177 and section 188 of Companies Act, 2013. The relevant disclosure as required by AS-18 has been made in the Standalone Ind AS Financial Statements.

14. PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT OF SHARE / ISSUE OF DEBENTURE

During the year Company has not made any preferential allotment or private placement of shares nor have issued any fully or partly convertible debenture as required under section 42 of Companies Act 2013. Therefore, clause (xiv) of paragraph 3 of the order is not applicable to the company.

15. NON CASH TRANSACTIONS WITH DIRECTORS

According to the information and explanation given to us, Company has not entered in to any non cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

16. NBFC REGISTRATION

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as NBFC. Therefore, clause (xvi) of paragraph 3 of "the order" is not applicable to the Company.

PLACE : JODHPUR

DATED : 30TH MAY, 2018

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FR No. 002464W

(SHILPA SINGHVI)
PARTNER
M.No. 144679



"Annexure B" to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of SOMI CONVEYOR BELTINGS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of **SOMI CONVEYOR BELTINGS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal Financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions

of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FR No. 002464W

(SHILPA SINGHVI)
PARTNER
M.No. 144679

PLACE : JODHPUR
DATED : 30TH MAY, 2018



Somi Conveyor Beltings Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lacs)

PARTICULARS	NOTE	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
I. ASSETS				
1. Non-Current Assets				
(a) Property, Plant and Equipment	3	3057.83	3392.96	3888.10
(b) Capital Work-In-Progress	3	42.55	106.27	130.80
(c) Other Intangible Assets	3	2.13	2.31	1.94
(d) Financial Assets				
(i) Investments	4	0.23	0.23	0.23
(ii) Trade Receivables	8	107.05	124.65	137.06
(iii) Other Financial Asset*	5	24.39	125.52	28.94
(e) Deferred Tax Assets (Net)	19	168.48	127.83	67.14
(f) Other Non-Current Assets	6	0.21	-	-
Total Non-Current Assets		3402.87	3879.77	4254.21
2. Current Assets				
(a) Inventories	7	4113.46	3688.05	2675.95
(b) Financial Assets				
(i) Trade Receivables	8	1937.09	1790.72	2066.98
(ii) Cash and Cash Equivalents	9	32.77	30.26	65.51
(iii) Other Bank Balances	9	272.60	259.52	860.43
(iv) Loans	10	11.88	10.33	10.27
(v) Other Financial Assets	5	218.34	71.27	119.30
(c) Other Current Assets	6	332.82	271.50	397.32
Total Current Assets		6918.96	6121.65	6195.76
Total Assets		10321.83	10001.42	10449.97
II. EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	1177.97	1177.97	1177.97
Other Equity	12	4486.10	4380.23	4480.04
Total Equity		5664.07	5558.20	5658.01

**BALANCE SHEET AS AT 31ST MARCH, 2018**

(Rs. in Lacs)

PARTICULARS	NOTE	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Liabilities				
1. Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	142.52	14.29	707.87
(ii) Other financial liabilities	14	94.84	94.53	111.59
(b) Provisions	15	17.13	11.24	11.56
Total Non-Current Liabilities		254.49	120.06	831.02
2. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	2493.91	2625.21	2317.01
(ii) Trade Payables	16	997.53	938.67	727.52
(iii) Other Financial Liabilities	14	154.13	115.57	73.04
(b) Employee Benefits Obligations	17	6.55	6.18	6.85
(c) Other Current Liabilities	18	667.32	548.87	641.18
(d) Current Tax Liabilities (net)		83.84	88.66	195.34
Total Current Liabilities		4403.27	4323.16	3960.94
Total Liabilities		4657.76	4443.22	4791.96
Total Equity and Liabilities		10321.83	10001.42	10449.97

Significant Accounting Policies 2

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN 02464W

(SHILPA SINGHVI)
PARTNER
M. No. 144679

PLACE : JODHPUR
DATED : 30TH MAY, 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

O.P. BHANSALI
(MANAGING DIRECTOR)
DIN 00351846

GAURAV BHANSALI
(WHOLE TIME DIRECTOR)
DIN 00351860

MANISH BOHRA
(CHIEF FINANCIAL OFFICER)

AMIT BAXI
(COMPANY SECRETARY)



Somi Conveyor Beltings Ltd.

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2018

(Rs. in Lacs)

PARTICULARS	NOTE	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Income from operations	20	6515.87	6723.39
Other Income	21	54.82	61.52
Total Income (A)		6570.69	6784.91
EXPENSES			
Cost of Material Consumed		4392.92	4280.96
Purchase of Stock-in-Trade		10.53	58.69
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(312.05)	(274.65)
Excise Duty		112.51	549.84
Employee Benefits Expense	23	434.70	261.13
Finance Costs	24	369.07	321.17
Depreciation and Amortisation Expense	3	485.41	568.13
Other Expenses	25	935.69	953.18
Total Expenses (B)		6428.78	6718.45
Profit Before Tax (A-B)		141.91	66.46
Tax Expense			
Current Tax	19	83.84	88.66
Deferred Tax	19	43.04	61.85
Profit for the Year		101.11	39.65
Other Comprehensive Income / (Loss)			
(i) Items that will not be reclassified to profit or loss			
Actuarial Gains / (Losses)		7.14	3.48
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.38)	(1.16)
Total Other Comprehensive Income		4.76	2.32
Total Comprehensive Income for the Year		105.87	41.97
Earning per Equity Share (EPS) of face value of ₹ 10	26		
Basic (₹)		0.09	0.03
Diluted (₹)		0.09	0.03
Significant Accounting Policies	2		
The accompanying notes are integral part of the Financial Statements.			

As per our report of even date attached

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN 02464W
(SHILPA SINGHVI)
PARTNER
M. No. 144679

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

O.P. BHANSALI
(MANAGING DIRECTOR)
DIN 00351846

MANISH BOHRA
(CHIEF FINANCIAL OFFICER)

PLACE : JODHPUR
DATED : 30TH MAY, 2018

GAURAV BHANSALI
(WHOLE TIME DIRECTOR)
DIN 00351860

AMIT BAXI
(COMPANY SECRETARY)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2018

A. Equity Share Capital

PARTICULARS	Number of Shares	Amount (Rs. in Lacs)
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity shares of ₹ 10/- each fully paid up		
As at 01 April 2016	11779656	1177.97
Changes in equity share capital during the year	-	-
As at 31 March 2017	11779656	1177.97
Changes in equity share capital during the year	-	-
As at 31 March 2018	11779656	1177.97

B. Other Equity

(Rs. in Lacs)

PARTICULARS	Reserves & Surplus		Total other Equity
	Securities Premium Reserve	Retained earning	
Balance at April 01, 2016	1818.17	2661.87	4480.04
Profit for the year	-	37.32	37.32
Other Comprehensive Income for the year	-	4.65	4.65
Total Comprehensive Income for the year	-	41.97	41.97
Proposed Dividend with Corporate Tax	-	(141.78)	(141.78)
Balance at March 31, 2017	1818.17	2562.06	4380.23
Profit for the year	-	96.34	96.34
Other Comprehensive Income for the year	-	9.53	9.53
Total Comprehensive Income for the year	-	105.87	105.87
Balance at 31 March, 2018	1818.17	2667.93	4486.10

Significant Accounting Policies

2

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN 02464W

(SHILPA SINGHVI)
PARTNER
M. No. 144679

PLACE : JODHPUR
DATED : 30TH MAY, 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

O.P. BHANSALI
(MANAGING DIRECTOR)
DIN 00351846

GAURAV BHANSALI
(WHOLE TIME DIRECTOR)
DIN 00351860

MANISH BOHRA
(CHIEF FINANCIAL OFFICER)

AMIT BAXI
(COMPANY SECRETARY)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. CORPORATE INFORMATION

Somi Conveyor Beltings Ltd. (referred to as "the company") is one of the leading Conveyor belts manufacturing companies in India with operations spanning across Rajasthan, Maharashtra, Gujarat and Tamil Nadu with manufacturing facilities located at Jodhpur, Rajasthan.

The Company is a public limited company incorporated and domiciled in India. The registered office of the Company is located at 4F-15, "Oliver House", New Power House Road, Jodhpur. Equity Shares of the Company are listed on Bombay Stock Exchange ("BSE") as well as National Stock Exchange ("NSE").

2. SIGNIFICANT ACCOUNTING POLICIES

(A) General Information and Statement of Compliance with Ind AS

These standalone Ind AS financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. The financial statements are presented in Indian Rupees ("₹") which is also the functional currency of the Company. The financial statements for the year ended 31 March, 2018 were authorized and approved for issue by the Board of Directors on 30 May, 2018.

The revision to financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

(B) Basis for preparation of accounts

The accounts have been prepared in accordance with Ind AS and disclosures thereon comply with requirements of Ind AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, MSMED Act, 2006, other pronouncements of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Up to financial year ended on 31st March, 2017, the company has prepared the accounts according to the Previous GAAP. The financial statements for the year ended 31st March, 2018 are the first to have been prepared in accordance with Ind AS with opening balance sheet as on 1st April 2016 and 31st March 2017 have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is 1st April 2016, and for any variation in the amounts represented in the comparative balance sheet vis-à-vis earlier presentation, reconciliation is given as part of notes. The financial statements have been prepared on accrual basis and under historical cost basis, except certain financial assets and liabilities measured at fair value.

Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in revised Schedule – III to the Companies Act, 2013 and Para 60 and 64 of Ind AS 1 "Presentation of financial statements".

(C) Use of estimates

Ind AS enjoins management to make estimates and assumptions related to financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the year. Actual result may differ from such estimates. Any revision in accounting estimates is recognized prospectively in the period of change and material revision, including its impact on financial statements, is reported in the notes to accounts in the year of incorporation of revision.

(D) Recognition of Income and Expenses

- i. Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
 - a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - c) the amount of revenue can be measured reliably;
 - d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
 - e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- ii. Sales are measured at the fair value of consideration received or receivable. Based on the educational material on Ind AS 18 issued by ICAI, the company has assumed that the recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms a part of the cost of

production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) is not received by the company on its own account. Rather, it is tax collected on valued added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

- iii. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
 - a) the amount of revenue can be measured reliably;
 - b) it is probable that the economic benefits associated with the transaction will flow to the entity;
 - c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
 - d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- iv. Dividend is recognised when the shareholder's right to receive payment is established.
- v. Interest is recognised using the effective interest method as set out in Ind AS 39.
- vi. Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

(E) Cost recognition

Costs and expenses are recognized when incurred and are classified according to their nature. Expenditure capitalized represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction including product development undertaken by the Company.

(F) Provisions, Contingent Liability and Contingent Assets

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise etc.) pending in appeal / court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability.

No contingent asset is recognized but disclosed by way of notes to accounts.

(G) Foreign currency

The company's financial statements are presented in INR ("₹"), which is also the company's functional currency.

- i. Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas currencies vis-à-vis functional currency between the date of transaction and that of payment is charged to Statement of Profit & Loss.
- ii. Monetary Assets/Liabilities in foreign currencies are translated into functional currency at the exchange rate ruling at the Reporting Date and the resultant gain or loss, is accounted for in the Statement of Profit & Loss.
- iii. Non-Monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(H) Income taxes

The liability of company on account of Current Tax is computed considering the provisions of the Income Tax Act, 1961. Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

(I) Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributed to equity shareholders and



the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(J) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, components and consumables are ascertained on a moving weighted average/monthly moving weighted average basis. Cost including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all costs incurred in bringing the inventory to their present location and condition.

(K) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated. Cost includes purchase price, taxes and duties, labor cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Interest cost incurred for constructed assets is capitalized up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is provided on the Written down Value (WDV) method over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. The estimated useful life of items of Property, Plant & Equipment is mentioned below:

	Years
Factory Buildings	30
Buildings (Other than Factory Buildings)	60
Plant & Machinery	15
Furniture & Fixtures and Laboratory Equipments	10
Vehicles	8
Office Equipments	5
Computers	3

(L) Other intangible assets

Intangible Assets are initially recognized at:-

- In case the assets are acquired separately, then at cost,
- In case the assets are internally generated, then at capitalized development cost subject to satisfaction of criteria of recognition (identifiability, control and future economic benefit) laid down from clause 11 to 17 of INDAS 38.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss. Research costs are recognized as expense in the period in which it is incurred.

Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired. Intangible assets with infinite useful life including goodwill are tested for impairment annually.

Intangible assets with finite useful life are amortized over the useful economic life on a straight line basis. In case of Trade Marks the useful life is taken to be 5 years and in case of Software, the useful life is taken as 3 years.

(M) Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

- Any transfer under an arrangement of lease virtually endowing the lessee to utilize the property as if his own property for a specified period (including renewal thereon by convention or express stipulation in lease agreement itself) is treated as finance lease. No lease deal in which the company is a party as lessor is recognized as finance lease unless lease period is by an large commensurate with the life span of the assets given on lease in terms of schedule II of the Companies Act, 2013. Lease arrangement of any other nature is treated as operating lease.
- In case of finance lease, the value of concerned noncurrent assets / liability is determined at the point of commencement of lease by way of adding initial payment with discounted value of future lease installment during life span of lease in terms of interest rate implicit in the lease or incremental borrowing rate, if the former is not practicable to determine.

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iii. Expenses/Income under operating lease are more or less same as that of rental income/payment accounted for on accrual basis unless an escalation clause forms integral part of lease agreement in which case income booking is appropriately averaged.

(N) Impairment

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As at March 31, 2018, none of the Company's property, plant and equipment and intangible assets were considered impaired.

(O) Employee benefits

- i. Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
- ii. ESI is provided on the basis of actual liability accrued and paid to authorities.
- iii. Gratuity Liability is on the basis of actuarial valuation as per IND AS-19. Liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

- iv. In accordance with Indian law, eligible employees of the Company is entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).
- v. Actuarial gain / loss pertaining to re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in statement of profit & loss.

(P) Dividends

Any dividend declared or paid by the Company for any financial year is based on the profits available for distribution as reported in the statutory financial statements of the Company prepared in accordance with Generally Accepted Accounting Principles in India or Ind AS. Indian law permits the declaration and payment of dividend out of profits for the year or previous financial year(s) as stated in the statutory financial statements of the Company prepared in accordance with Generally Accepted Accounting Principles in India or Ind AS after providing for depreciation in accordance with the provisions of Schedule II to the Companies Act. However, in the absence or inadequacy of the said profits, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and payment of Dividend) Rules, 2014.

**(Q) Segments**

Based on "Management Approach" as defined in Ind AS 108-Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Board of Directors of the Company allocate resources and assess the performance of the Company, thus are the CODM. The Company is engaged mainly in the business of manufacturing of Conveyor Belts consisting of all types of Conveyor Belts. These in the context of Ind AS 108 - operating segments reporting are considered to constitute one reportable segment.

(R) Financial instruments**i) Classification, initial recognition and measurement:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

- **Financial assets at Amortised Cost:**

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

- **Financial Liabilities:**

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

ii) Derecognition of financial assets and financial liabilities:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

iii) Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

(S) Borrowing Cost

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

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Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost is recognized as expense in the period in which they are incurred.

(T) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(U) Investments

Long term investments intended to be held for more than a year from the date of acquisition, are classified as long term investments and are carried at cost. Provision is made for diminution, other than temporary, in value of investments. Current investments are valued at lower of cost and market value.

(V) Events after the reporting Period

Adjusting Events:

The Company is adjusting the amounts recognized in the financial statements to reflect adjusting events after reporting period.

Non adjusting Events:

All material non adjusting events are disclosed by way of notes stating its nature and material impact or a statement that its estimate cannot be made.

(W) Recent Accounting Pronouncements

In March, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018 via notification dated 28 March, 2018 to further amend Companies (Indian Accounting Standards) Rules, 2015, notifying an insertion of Appendix B, 'Foreign currency transaction and advance consideration' to Ind AS 21, 'The effect of change in foreign exchange rate' and amendment to Ind AS 12, 'Income taxes'. The amendments are applicable to the Company from 01 April, 2018.

● Insertion of Appendix B to Ind AS 21:

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income (or part of it). The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/ liability), for recognizing related expense/income on the settlement of said asset/liability.

This Appendix does not apply when an entity measures the related asset, expense or income on initial recognition:

- At fair value; or
- At the fair value of the consideration paid or received at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability arising from advance consideration.

An entity is not required to apply this Appendix to:

- income taxes; or
- insurance contracts (including reinsurance contracts) that it issues or reinsurance contracts that it holds.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

● Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.



Somi Conveyor Beltings Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018

(Rs. in Lacs)

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) after tax	96.34	37.32
Adjustments for:		
Depreciation and Amortisation Expense	485.41	568.13
Tax Expenses	45.57	29.14
Interest Income	(16.05)	(34.45)
Interest Expense	260.37	228.99
Cash Flow from Operating Activities before Working Capital Changes	871.66	829.13
Trade Receivables	(163.60)	276.26
Loans and Advances & Other Financial Assets	(42.96)	564.70
Other Current and Non Current Assets	(63.92)	124.66
Inventories	(425.42)	(1012.09)
Trade Payables & Acceptances	58.86	211.14
Other Current and Non-Current Liabilities	2.63	(374.89)
Other Financial Liabilities	41.13	32.58
Provisions	30.26	4.32
Cash Generated From Operations	308.64	655.81
Income Taxes Credit / (Paid) (Net)	27.65	62.31
Net Cash Flow From Operating Activities (a)	336.29	593.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipments	(86.40)	(48.82)
Interest Income	16.05	34.45
Net Cash used in Investing Activities (b)	(70.35)	(14.37)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Non-Current Borrowings	135.71	—
Repayment of Non-Current Borrowings	(7.48)	(693.58)
Proceeds from Current Borrowings	—	619.47
Repayment of Current Borrowings	(131.30)	(311.27)
Interest Paid	(260.37)	(228.99)
Net Cash used in Financing Activities (c)	(263.43)	(614.38)
Net Increase/ (Decrease) in cash & cash Equivalents (a+b+c)	2.50	(35.25)
Cash & Cash Equivalent At the Beginning of the year	30.26	65.51
Cash & Cash Equivalent At the End of the year	32.77	30.26

*Cash & Cash Equivalents include Unclaimed Dividend of Rs. 18.41 lacs

Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flow"

As per our report of even date attached

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN 02464W

(SHILPA SINGHVI)
PARTNER
M. No. 144679

PLACE : JODHPUR
DATED : 30TH MAY, 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

O.P. BHANSALI
(MANAGING DIRECTOR)
DIN 00351846

GAURAV BHANSALI
(WHOLE TIME DIRECTOR)
DIN 00351860

MANISH BOHRA
(CHIEF FINANCIAL OFFICER)

AMIT BAXI
(COMPANY SECRETARY)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

3. Property, Plant & Equipment, Intangible Assets and Capital WIP

(Rs. in Lacs)											
Particular	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount		
	Cost As on 1-April-17	Additions/ Adjustments During theyear	Deduction During the During the year	Balance As on 31-Mar-18	Balance As on 1-Apr-17	For the Period	Deduction During the year	Balance As on 31-Mar-18	As on 31-Mar-18	As on 31-Mar-17	As on 1-Apr-16
(A) Property, Plant & Equipment											
Land-Freehold	593.80	-	-	593.80	-	-	-	-	593.80	593.80	593.80
Office Building	219.63	-	-	219.63	78.82	6.48	-	85.30	134.33	140.81	147.60
(RCC FRAME)											
Factory Building	993.47	62.19	-	1055.66	541.19	46.95	-	588.14	467.52	452.28	499.20
Computers	27.19	1.34	-	28.53	23.13	2.53	-	25.67	2.86	4.06	2.64
Plant & Machinery	5056.30	83.59	-	5139.89	2939.54	402.35	-	3341.89	1798.00	2116.76	2531.25
Office Equipments	13.96	0.69	-	14.65	10.96	1.50	-	12.46	2.19	3.00	4.07
Laboratory Equipments	51.62	1.59	-	53.21	32.88	5.28	-	38.16	15.05	18.74	25.43
Furniture & Fixtures	52.28	-	-	52.28	42.16	2.97	-	45.13	7.15	10.12	14.97
Vehicles	162.97	-	-	162.97	109.57	16.46	-	126.02	36.95	53.40	69.16
Total	7171.22	149.40	-	7320.62	3778.26	484.52	-	4262.78	3057.83	3392.96	3888.10
B. Intangible Assets											
Trade Mark & Computer Software	3.99	0.72	-	4.71	1.68	0.89	-	2.58	2.13	2.31	1.94
C. Capital WIP	106.27	-	63.72	42.55	-	-	-	-	42.55	106.27	130.80
Total (A) + (B) + (C)	7281.48	150.12	63.72	7367.88	3779.95	485.41	-	4265.36	3102.52	3501.54	4020.85

Note : Adjustment in Capital WIP is on account of capitalization of various assets.



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
4. INVESTMENTS			
Non-Current			
NSC	0.23	0.23	0.23
TOTAL	0.23	0.23	0.23
5. OTHER FINANCIAL ASSETS			
Non-Current			
Security & other deposits	24.39	125.52	28.94
TOTAL	24.39	125.52	28.94
Current			
Security & other deposits	218.34	71.27	119.30
TOTAL	218.34	71.27	119.30
6. OTHER ASSETS			
Non-Current			
Capital advances	0.21	—	—
TOTAL	0.21	—	—
Current			
Balances with Government Authorities	131.71	169.92	280.65
Export Incentives Receivable	33.39	14.05	14.35
Prepaid expenses	12.27	15.68	17.77
Advances to vendors	155.17	71.85	84.55
Other Current Assets	0.28	—	—
TOTAL	332.82	271.50	397.32
7. INVENTORIES			
Raw materials & components	1796.24	1766.75	1318.33
Work-in-progress	807.43	596.46	197.71
Finished goods	885.90	784.82	908.92
Goods-in-transit - Finished goods	623.89	540.02	250.99
TOTAL	4113.46	3688.05	2675.95

7.1 Inventories have been hypothecated with banks against working capital loans.

8. TRADE RECEIVABLES

Non-Current			
Trade Receivables - Unsecured & Considered good	107.05	124.65	137.06
TOTAL	107.05	124.65	137.06
Current			
Trade Receivables - Unsecured	1954.32	1790.72	2066.98
Less : Allowance for bad & doubtful debts	(17.23)	—	—
TOTAL	1937.09	1790.72	2066.98

Note : Trade Receivables include balances with related parties. (Refer to Note No. 28)

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NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
9. CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents			
Cash on hand	12.37	2.90	24.37
Balances with banks *			
In current accounts	20.40	27.36	41.14
TOTAL	32.77	30.26	65.51
Other Bank Balances			
Term Deposits maturing after 3 months but before 1 months	272.60	259.52	860.43
TOTAL	272.60	259.52	860.43

* Balance with Banks includes Unclaimed Dividend of ₹ 18.41 Lacs.

10. LOANS

Current

Loans and advances to employees	11.88	10.33	10.27
TOTAL	11.88	10.33	10.27

11. EQUITY SHARE CAPITAL

PARTICULARS	Number of Share	Amount (Rs. in Lacs)
AUTHORISED SHARE CAPITAL		
Equity Shares of ₹ 10/- each		
As at April 01, 2016	25000000	2500.00
Increase / (decrease) during the year	—	—
As at March 31, 2017	25000000	2500.00
Increase / (decrease) during the year	—	—
As at March 31, 2018	25000000	2500.00
Reconciliation of the number of shares outstanding		
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity Shares of ₹ 10/- each fully paid up		
As at April 01, 2016	11779656	1177.97
Add: New shares allotted during the year	—	—
As at March 31, 2017	11779656	1177.97
Add: New shares allotted during the year	—	—
As at March 31, 2018	11779656	1177.97

Rights, Preferences, and Restrictions attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the events of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Details of Shareholders holding more than 5% equity shares in the company.

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Number of Equity Shares			
Om Prakash Bhansali	4417011	4417011	4412658
Om Kumari Bhansali	1091221	1091221	1041041
Vimal Bhansali	598840	598840	598840
% Holding in Equity Shares			
Om Prakash Bhansali	37.50%	37.50%	37.46%
Om Kumari Bhansali	9.26%	9.26%	8.84%
Vimal Bhansali	5.08%	5.08%	5.08%

12. OTHER EQUITY

(A) Retained Earnings

As per last Balance Sheet	2557.41	2661.87	—
Add: Profit for the period	96.34	37.32	—
	2653.75	2699.19	—
Less: Appropriations			—
Proposed dividend with corporate tax	—	141.78	—
TOTAL	2653.75	2557.41	2661.87

(B) Other Comprehensive Income

As per last Balance Sheet	4.65	—	—
Movement in OCI (Net) during the year	9.53	4.65	—
TOTAL	14.18	4.65	—

(C) Securities Premium Reserve

As per last Balance Sheet	1818.17	1818.17	1818.17
TOTAL	1818.17	1818.17	1818.17

TOTAL (A+B+C) **4486.10** **4380.23** **4480.04**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in full.

13. BORROWINGS

Non-Current

Secured

Term loan from banks	16.99	26.74	44.06
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Unsecured

Loan from Director	135.71	—	—
Buyer's Credit	—	—	683.37

Total Non-Current Borrowings (A) **152.70** **26.74** **727.43**

Current Maturities of Borrowings

Secured

Term loan from banks	10.18	12.45	19.56
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Current Maturities of Borrowings (B) **10.18** **12.45** **19.56**

Non-Current Borrowings (A-B) (as per Balance Sheet) **142.52** **14.29** **707.87**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Secured			
Cash Credits from bank	1935.99	1948.77	1329.30
Buyer's Credit	557.92	676.44	714.63
Packing Credit Loan from bank	—	—	273.08
Total Current Borrowings	2493.91	2625.21	2317.01

Note: Refer note 27 Financial instruments, fair values and risk measurements

Note:

1. Term loan from bank is secured by hypothecation of new car purchased.
2. There is no default in repayment of principal loan or interest thereon.
3. Cash Credits, Buyer's Credit & Packing Credit are secured by way of Hypothecation of Current Assets present and future including entire stocks, raw materials, consumable stores and spares, finished goods and book debts.

Maturity Profile and Rate of Interest of Secured Term Loans from Banks

(Rs. in Lacs)

Rate of Interest	2018-19	2019-20
9.90 %	10.18	6.82

Maturity Profile and Rate of Interest of Unsecured Loan from Director

(Rs. in Lacs)

Rate of Interest	2019-20	2020-21	2021-22
14.00 %	30.00	50.00	50.00

Details of Buyer's Credit as on 31.03.2018 are as infra:

(Rs. in Lacs)

S.NO.	FLG REFERENCE NO.	ROI (%)	Repayment Date	OUTSTANDING AMOUNT
1.	7626FLG000317	2.37	25.04.18	49.51
2.	7626FLG000417	2.51	10.05.18	43.31
3.	7626FLG000717	2.79	06.07.18	38.46
4.	7626FLG001217	2.06	10.04.18	90.99
5.	7626FLG001317	2.06	10.04.18	46.62
6.	7626FLG001417	2.19	17.04.18	42.25
7.	7626FLG001517	2.23	07.05.18	43.31
8.	7626FLG001617	2.30	15.05.18	40.15
9.	7626FLG001717	2.26	23.05.18	47.68
10.	7626FLG001817	2.28	01.06.18	53.60
11.	7626FLG001917	2.28	03.07.18	62.05
	TOTAL			557.92



Somi Conveyor Beltings Ltd.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
14. OTHER FINANCIAL LIABILITIES			
Non-Current			
Long Term Trade payables	—	—	14.88
Capital Creditors	94.84	94.53	96.71
Total	94.84	94.53	111.59
Current			
Current maturities of long term loan	10.18	12.45	19.56
Other Payables*	143.95	103.12	53.48
Total	154.13	115.57	73.04

* Other payables include advances from customers.

15. PROVISIONS

Non-Current

Provision for gratuity	17.13	11.24	11.56
Total	17.13	11.24	11.56

16. TRADE PAYABLES

Micro, Small and Medium Enterprises	—	—	—
Others	997.53	938.67	727.52
Total	997.53	938.67	727.52

NOTE:

- (1) The Company is in the process of identifying Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006. Hence, disclosure relating to amounts unpaid as at the year end together with interest payable thereon has not been given.
- (2) Trade Payables include Balances due to Related Parties. (Refer to Note No. 28)

17. EMPLOYEE BENEFITS OBLIGATIONS

Provision for gratuity	1.46	1.09	1.76
Provision for leave encashment	5.09	5.09	5.09
Total	6.55	6.18	6.85

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
18. OTHER CURRENT LIABILITIES			
Advance from customers	270.51	304.92	457.75
Creditors for capital expenditures	—	—	13.38
Unclaimed Dividend #	18.41	18.41	—
Statutory current liability	224.73	87.45	93.79
Others *	153.67	138.09	76.26
Total	667.32	548.87	641.18

These figures do not include any amount due and outstanding to be credited to Investor Education & Protection Fund.

* Others include creditors for expenses.

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
19. INCOME TAX EXPENSE		
(a) Tax expense recognised in profit and loss:		
Current taxes	83.84	88.66
Deferred Tax liability / (asset)		
Relating to origination and reversal of temporary differences	(43.04)	(61.85)
Income Tax Expense reported in Statement of Profit or Loss	40.80	26.81
(b) Tax expense recognised in other comprehensive income:		
Income tax relating to items that will not be reclassified to profit or loss		
On actuarial gains	2.38	1.16
Income Tax Expense reported in OCI	2.38	1.16

(c) The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit before tax	141.91	66.46
Applicable tax rate	33.06%	33.06%
Computed Tax expense	46.92	21.97
Tax Effect of :		
Expenses disallowed	37.93	67.35
Expenses allowed	(1.01)	(0.66)
Current Tax Provision (A)	83.84	88.66
Incremental Deferred Tax Provision on account of Tangible and Intangible Assets	(28.92)	(38.29)
Incremental Deferred Tax Provision on account of Financial Assets and other Items	(14.12)	(23.56)
Deferred tax Provision (B)	(43.04)	(61.85)
Tax Expenses recognised in Statement of Profit & Loss (A+B)	40.80	26.81
Effective Tax Rate	28.75%	40.33%



Somi Conveyor Beltings Ltd.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Rs. in Lacs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(d) The movement in Deferred Tax account is as follows:			
At the start of the year	127.83	67.14	-
Charge / (Credit) to Statement of Profit and Loss	40.65	60.69	-
At the end of the year	168.48	127.83	67.14

(e) Significant components of net deferred tax assets for the year ended March 31, 2018 are as follows:

Property, Plant & Equipment	14.52	28.92	43.44
Provision for Employee Benefits	3.81	2.09	5.90
Provision for Expenses	2.49	6.46	8.95
Deferred Revenue	21.48	3.18	24.66
Others	85.53	-	85.53
Total	127.83	40.65	168.48

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
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20. INCOME FROM OPERATIONS

Sale of Products	6472.08	6703.54
Export Incentives	43.79	19.85
Total	6515.87	6723.39

20.1 Sale of Products comprises of:

(a) Manufactured Goods	6416.14	6647.52
(b) Traded Goods	52.15	53.91
(c) Sale of Scrap	3.62	2.11
(d) Service Charges	0.17	0.00
Total	6472.08	6703.54

21. OTHER INCOME

Interest on fixed deposits with banks	14.87	31.35
Other interest (including interest on income tax refunds)	1.17	3.10
Insurance claim received	4.14	6.75
Gain on exchange fluctuations	11.63	19.64
Service charges received	-	0.38
Other non-operating income	23.01	-
Total	54.82	61.52

21.1 Other non-operating income comprises of contract cancellation charges.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
22. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE		
Inventories (at closing)		
Finished Goods	885.90	784.82
Work-in-progress	807.43	596.46
Total	1693.33	1381.28
Inventories (at beginning)		
Finished Goods	784.82	908.92
Work-in-progress	596.46	197.71
Total	1381.28	1106.63
	(312.05)	(274.65)
23. EMPLOYEE BENEFITS EXPENSE		
Salaries & wages	398.26	245.02
Contribution to provident fund & others	35.16	14.31
Staff welfare expense	1.28	1.80
Total	434.70	261.13
24. FINANCE COSTS		
Interest Expense	260.37	228.99
Bank Charges	108.70	92.18
Total	369.07	321.17
25. OTHER EXPENSES		
Power & Fuel	254.75	267.77
Consumable Stores	50.77	58.45
Clearing & Forwarding Expenses	46.09	73.65
Repairs & maintenance	66.38	51.74
Legal Expenses	3.74	5.06
Bad Debts	17.23	0.00
Printing & Stationary	2.72	0.00
Professional Fees	13.20	14.71
Testing Charges	2.58	3.63
Factory Expenses	13.80	24.54
Freight Expenses	285.69	213.97
Packing Expenses	1.84	3.85
Water Expenses	4.10	4.14
Selling & Distribution	67.35	94.81
Administrative Expenses	23.04	28.15



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
Auditors remuneration	5.00	5.05
Insurance	18.53	19.50
Office Rent*	18.97	27.14
Travelling Expenses	30.19	35.68
Warranty	1.26	0.00
Other Expenses	8.46	21.34
Total	935.69	953.18

***LEASES**

The Company has taken on lease properties under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were ₹ 3.14 lacs each for the year ended March 31, 2018 and March 31, 2017. The following is a summary of future minimum lease rental commitments towards non-cancellable operating leases.

Due within one year	3.14	3.14
Due between one year and five year	16.16	15.85
Due after five year	16.96	16.64
Total Lease commitments	36.26	35.63

25.1 Payment to Auditors as:

Internal Audit Fees	1.00	1.01
Statutory Audit Fees	2.00	2.02
Tax Audit Fees	1.00	1.01
Professional Fees	1.00	1.01
Total	5.00	5.05

26. EARNING PER SHARE (EPS)

Net Profit after tax as per Statement of Profit and Loss attributable to equity shareholders
(Rs. in Lacs)

Basic earnings	101.11	39.65
Adjusted for the effect of dilution	101.11	39.65

Weighted average number of Equity Shares for:

Basic EPS	11779656	11779656
Adjusted for the effect of dilution	11779656	11779656

Earnings Per Share (₹):

Basic	0.09	0.03
Diluted	0.09	0.03

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NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
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26.1 As per Ind AS 19 "Employee Benefits", the disclosures as defined are given below:

Assumptions used for valuation: In arriving at the valuation for gratuity, following assumptions were used:

(Rs. in Lacs)

PARTICULARS	2017-18 Gratuity (Unfunded)	2016-17 Gratuity (Unfunded)
	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Mortality		
Rate of Employee Turnover	10.00%	2.00%
Rate of Discounting	7.80%	7.66%
Rate of Return on Plan Assets	NA	NA
Rate of Salary escalation	7.00%	7.00%

The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on "Employee Benefit".

(Rs. in Lacs)

PARTICULARS	2017-18 Gratuity (Unfunded)	2016-17 Gratuity (Unfunded)
I. Table showing change in employee benefit obligation		
Opening defined benefit obligation	12.32	13.32
Interest Cost	00.94	1.08
Current Service Cost	12.47	1.41
Past Service Cost	-	-
Benefit Paid	-	-
Actuarial Loss / (gain) on Obligations		
Due to Demographic Assumptions	(1.19)	-
Due to Financial Assumptions	(0.19)	0.59
Due to Experience	(5.76)	(4.07)
Liability at the end of the period	18.60	12.32

II. Table showing change in Fair Value of Plan Assets

Fair Value of Plan Assets at the beginning	-	-
Adjustment to Opening fund	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefit Paid	-	-
Actuarial gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the period	-	-



Somi Conveyor Beltings Ltd.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	2017-18 Gratuity (Unfunded)	2016-17 Gratuity (Unfunded)
III. Expense recognized in Statement of Profit & Loss		
Current Service Cost	12.47	1.41
Past Service Cost	—	—
Interest Cost	0.94	1.08
Total Expense recognized in SOPL during the year	13.41	2.48
IV. Actual Gain / loss recognized in other Comprehensive Income		
Actuarial (gain) / loss on obligations	(7.14)	(3.48)
Actuarial (gain) / loss on Plan Assets	—	—
Net Actuarial (gain) / loss recognized during the year	(7.14)	(3.48)
V. Amount recognized in Balance Sheet		
Liability at the end of the period	18.60	12.32
Fair Value of Plan Asset at the end of the period	—	—
Net Amount recognized in Balance Sheet	18.60	12.32
Current Liability	1.47	1.08
Non-Current Liability	17.13	11.24
Total Liability	18.60	12.32

VI. Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Sensitivity Analysis - Gratuity	2017-18		2016-17	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.27)	1.45	(1.33)	1.59
Salary growth rate (1% movement)	1.45	(1.29)	1.59	(1.35)
Employee turnover rate (1% movement)	(0.16)	0.16	0.09	(0.10)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

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NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

27. FINANCIAL INSTRUMENTS, FAIR VALUE AND RISK MEASUREMENTS

A. Financial instruments by category and their fair value

(Rs. in Lacs)

As at March 31, 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments- Non-Current	-	-	0.23	0.23	-	0.23	-	0.23
Trade Receivables	-	-	1954.32	1954.32	-	1954.32	-	1954.32
Loans- Current	-	-	11.88	11.88	-	11.88	-	11.88
Cash and Cash Equivalents	-	-	32.77	32.77	-	32.77	-	32.77
Other Bank Balances	-	-	272.60	272.60	-	272.60	-	272.60
Other financial assets								
- Non-current	-	-	131.44	131.44	-	131.44	-	131.44
- Current	-	-	218.34	218.34	-	218.34	-	218.34
Total financial assets	-	-	2621.58	2621.58	-	2621.58	-	2621.58
Financial liabilities								
Long-term borrowings (including current maturities of long-term borrowings)	-	-	152.71	152.71	-	152.71	-	152.71
Short-term borrowings	-	-	2493.92	2493.92	-	2493.92	-	2493.92
Trade Payables	-	-	997.53	997.53	-	997.53	-	997.53
Other financial liabilities								
- Non-Current	-	-	94.84	94.84	-	94.84	-	94.84
- Current	-	-	143.95	143.95	-	143.95	-	143.95
Total financial liabilities	-	-	3882.94	3882.94	-	3882.94	-	3882.94

(Rs. in Lacs)

As at March 31, 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments- Non-Current	-	-	0.23	0.23	-	0.23	-	0.23
Trade Receivables	-	-	1790.72	1790.72	-	1790.72	-	1790.72
Loans- Current	-	-	10.33	10.33	-	10.33	-	10.33
Cash and Cash Equivalents	-	-	30.26	30.26	-	30.26	-	30.26
Other Bank Balances	-	-	259.52	259.52	-	259.52	-	259.52
Other financial assets								
- Non-current	-	-	250.17	250.17	-	250.17	-	250.17
- Current	-	-	71.27	71.27	-	71.27	-	71.27
Total financial assets	-	-	2412.51	2412.51	-	2412.51	-	2412.51
Financial liabilities								
Long-term borrowings (including current maturities of long-term borrowings)	-	-	26.74	26.74	-	26.74	-	26.74
Short-term borrowings	-	-	2625.21	2625.21	-	2625.21	-	2625.21
Trade Payables	-	-	938.67	938.67	-	938.67	-	938.67
Other financial liabilities								
- Non-Current	-	-	94.53	94.53	-	94.53	-	94.53
- Current	-	-	103.12	103.12	-	103.12	-	103.12
Total financial liabilities	-	-	3788.27	3788.27	-	3788.27	-	3788.27

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

As at April 01, 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments- Non-Current	-	-	0.23	0.23	-	0.23	-	0.23
Trade Receivables	-	-	2066.98	2066.98	-	2066.98	-	2066.98
Loans- Current	-	-	10.27	10.27	-	10.27	-	10.27
Cash and Cash Equivalents	-	-	65.51	65.51	-	65.51	-	65.51
Other Bank Balances	-	-	860.43	860.43	-	860.43	-	860.43
Other financial assets								
- Non-current	-	-	166.00	166.00	-	166.00	-	166.00
- Current	-	-	119.30	119.30	-	119.30	-	119.30
Total financial assets	-	-	3288.70	3288.70	-	3288.70	-	3288.70
Financial liabilities								
Long-term borrowings (including current maturities of long-term borrowings)	-	-	727.44	727.44	-	727.44	-	727.44
Short-term borrowings	-	-	2317.01	2317.01	-	2317.01	-	2317.01
Trade Payables	-	-	727.52	727.52	-	727.52	-	727.52
Other financial liabilities								
- Non-Current	-	-	111.59	111.59	-	111.59	-	111.59
- Current	-	-	53.48	53.48	-	53.48	-	53.48
Total financial liabilities	-	-	3937.04	3937.04	-	3937.04	-	3937.04

Fair value hierarchy

Level I - Quoted prices in active markets for identical assets or liabilities such as quoted price for an equity security on Security Exchanges.

Level II - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level III - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

B. Financial risk management

The Company's activities expose it to variety of financial risks such as credit risk, liquidity risk, and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations.

Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Credit risk on cash and cash equivalents is limited as the Company makes investment in deposits with banks only.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 2073.25 Lacs as at March 31, 2018 and ₹ 1925.70 Lacs as at March 31, 2017, being the total of the carrying amount of trade receivables and loans & advances to employees.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2018, that defaults in payment obligations will occur.

In addition, exposure to credit risk is also in relation to financial guarantee contracts for which the company has created a liability for potential exposures.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The ageing of trade receivables as of Balance Sheet date is given below. The age analysis has been considered from the due date

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Not past due but impaired	-	-	-
Neither past due not impaired	744.33	756.63	1,168.27
Past due not impaired			
1-180 days	643.27	442.54	399.47
181-365 days	65.01	576.05	499.24
more than 365 days	539.81	140.15	137.06
Past due impaired	-	-	-
1-180 days	0.04	-	-
181-365 days	-	-	-
more than 365 days	68.90	-	-
Total	2,061.37	1,915.37	2,204.03

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

(ii) Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and other bank balances. The Company has signed Rupee Loan Facility Agreement for variable rate borrowing facility amounting to Rs.1800.00 Lacs to meet the cash flow commitments.

Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(Rs. in Lacs)

As at March 31, 2018	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 Months
Non-derivative financial liabilities				
Non-Current Borrowings	142.53	142.53	-	142.53
Other Non-Current Financial Liabilities	94.84	94.83	-	94.83
Current Borrowings	2493.91	2493.92	2,493.92	-
Current Trade Payables	997.53	997.53	997.53	-
Other Current Financial Liabilities	154.13	143.95	143.95	-
Total	3882.93	3872.76	3635.40	237.36

(Rs. in Lacs)

As at March 31, 2017	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 Months
Non-derivative financial liabilities				
Non current Borrowings	14.29	14.30	-	14.30
Other Non-Current Financial Liabilities	94.53	94.53	-	94.53
Current Borrowings	2625.21	2625.21	2625.21	-
Current Trade Payables	938.67	938.67	938.67	-
Other Current Financial Liabilities	115.57	103.12	103.12	-
Total	3788.27	3775.83	3667.00	108.83

(Rs. in Lacs)

As at April 01, 2016	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 Months
Non-derivative financial liabilities				
Non current Borrowings	707.87	707.88	-	707.88
Other Non-Current Financial Liabilities	111.59	111.59	-	111.59
Current Borrowings	2317.01	2317.01	2317.01	-
Current Trade Payables	727.52	727.52	727.52	-
Other Current Financial Liabilities	73.04	53.48	53.48	-
Total	3937.03	3917.49	3098.02	819.47

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Interest rate risk includes risk that the future cash flows of floating interest bearing borrowings fluctuate because of fluctuation in the interest rates. The cash flows of the Company is sensitive to higher/lower interest expense from borrowing as a result of change on interest rates. A reasonable possible change of 50 basis points (bp) in interest rates at the reporting date would have impact by the amount shown in sensitivity analysis as below :

Particulars	50 bp Increase	50 bp decrease
March 31, 2018		
Non current - Borrowings	(7.83)	7.83
Current - Long term borrowings	-	-
Total	(7.83)	7.83
March 31, 2017		
Non current - Borrowings	(2.88)	2.88
Current - Long term borrowings	-	-
Total	(2.88)	2.88

The functional currency of the Company is Indian Rupees. The Company do not use derivative financial instruments for trading, speculative or other purposes.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and Loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, against the respective functional currencies of Somi Conveyor Beltings Limited.

The Company, as per its risk management policy, generally uses natural hedge towards set off of financial liabilities by available financial assets. For it, the company operates an account in foreign currency (US\$) and pool the respective realization amount and the same has been utilized towards financial liabilities as on date in order to reduce the exchange loss. Furthermore, any movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its international operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

The following analysis is based on the gross exposure as of the relevant balance sheet dates, which could affect the Statement of Profit and Loss.

There is no exposure to the Statement of Profit and Loss on account of translation of financial statements of consolidated foreign entities.

The following table sets forth information relating to foreign currency exposure as at March 31, 2018:

(₹ in Lacs)

PARTICULARS	U. S. DOLLAR
Financial Assets	103.8
Financial Liabilities	771.02

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit/(loss) before tax by approximately ₹ 10.31 Lacs and ₹ 77.10 Lacs for financial assets and financial liabilities respectively for the year ended March 31, 2018.

The following table sets forth information relating to foreign currency exposure as at March 31, 2017:

(₹ in Lacs)

PARTICULARS	U. S. DOLLAR
Financial Assets	431.46
Financial Liabilities	774.31

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit/(loss) before tax by approximately ₹ 43.15 Lacs and ₹ 77.43 Lacs for financial assets and financial liabilities respectively for the year ended March 31, 2017.

The following table sets forth information relating to foreign currency exposure as at April 01, 2016:

(₹ in Lacs)

PARTICULARS	U. S. DOLLAR
Financial Assets	177.57
Financial Liabilities	1685.15

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit/(loss) before tax by approximately ₹ 17.76 Lacs and ₹ 168.52 Lacs for financial assets and financial liabilities respectively for the year ended April 01, 2016.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(b) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

As at March 31, 2018, 2017 and April 1, 2016, financial liability of ₹ 2,636.45 Lacs, ₹ 2,639.51 Lacs and ₹ 3,024.89 Lacs respectively, was subject to variable interest rates.

Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact (decrease/increase in case of profit/(loss) before tax of ₹ 26.36 Lacs and ₹ 26.40 Lacs on income for the year ended March 31, 2018 and 2017 respectively.

28. RELATED PARTY DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

(i)

S.No.	Name of Related Party	Nature of Relationship
1. 2. 3. 4. 5.	O.P. Bhansali Vimal Bhansali Gaurav Bhansali Manish Bohra Amit Baxi	Key Managerial Personnel (KMP)
6. 7. 8. 9. 10.	Om Kumari Bhansali Priya Bhansali Ruchi Bhansali Madhu Mehta Anita Bohra	Relative of Key Managerial Personnel (RKMP)
11. 12. 13. 14. 15. 16. 17.	Oliver Micon Inc. Oliver Rubber Ind. LLP. Somi Tires Ltd. Earth Movers Enterprises OM Prakash Bhansali HUF Vimal Bhansali HUF Gaurav Bhansali HUF	KMP/RKMP exercise significant influence

(ii) Transactions during the year with related parties:

Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities in which KMP/RKMP have significant influence
Sale of Goods	—	—	69.74
Purchase	—	—	15.93
Remuneration	29.36	4.77	—
Loan Received	0.00	—	—
Interest Paid	5.71	—	—
Rent Paid	16.10	2.04	—
Advance Paid for Purchases	—	—	6.00
Balance as at March 31, 2018			
Trade Receivable	—	—	38.37
Loans	135.71	—	—

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The following table summarizes related party transactions and balances for the year ended/as at March 31, 2017

Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities in which KMP/RKMP have significant influence
Sale of Goods	—	—	67.82
Purchase	—	—	19.02
Remuneration	26.60	4.75	—
Rent	25.10	2.04	—
Balance as at March 31, 2017			
Trade Receivable	—	—	5.82
Trade Payables	4.01	—	—

29. SEGMENT INFORMATION

The Company is mainly engaged in manufacturing activities in India. All the activities of the Company revolved around this main business. The Board of Directors of the Company allocate the resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the results of the business as a whole, hence no separate segment needs to be disclosed.

30. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The following summarizes the capital of the Company:

(Rs. in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Equity*	5,664.07	5,558.20	5,658.01
Short term borrowings and current maturities of long-term borrowings	2,504.09	2,637.66	2,336.57
Long term borrowings	—	14.29	707.87
Total borrowings	2,504.09	2,651.95	3,044.44
Total capital (Debt+Equity)	8,168.15	8,210.15	8,702.45

31. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the faces claims and assertions by various parties. The company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

LITIGATIONS

The company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the company does not believe to be of material nature, other than those described below.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****A. Income Tax**

- (i) Company has deposited an amount of Rs. 4657870.00 for Assessment Year 2010-11 where case was pending at CIT(A) which was dismissed by department and Company has made further appeal with ITAT against order passed by CIT(A) u/s 250.
- (ii) During the current financial year Company has made an Appeal with CIT(A) towards order passed u/s 271(1)(c) for concealing the income for AY 2010-11.
- (iii) During the year the company has deposited an amount of Rs. 19,50,000.00 as 20% of demand raised u/s 143(3) and filed an appeal to CIT(A) against demand raised under regular assesment of AY 2015-16.

B. Duties & Demands

- (i) Sales Tax Penalty of Rs. 146947.00 for the Assessment Year 2008-09 is pending at Commissioner(A) Commercial Tax Department and the Company is contesting the same.
- (ii) Commissioner(A), Commercial Taxes Department raised a demand of ITC for Rs. 1316184.00 and Rs. 300000.00 for the Assessment Year 2008-09 and 2009-10 respectively. The Company is aggrieved of the demand and contesting the same. The Company is also planning to file an application before hon'able High Court relating to this matter.

C. Others

M/s Nawa Engineers & Consultants Pvt Ltd is client of Somi Conveyor Beltings Ltd. who had issued cheque in favour of Somi Conveyor Beltings Limited on 16.10.2014 of Rs 200000.00 which was dishonoured and Company has sued under section 138 of Negotiable Instruments Act in the Court of the Hon'ble XVII ADDL Chief Metropolitan Magistrate at Hyderabad.

CONTINGENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) Guarantees			
Performance Guarantees	912.08	924.11	881.91
Financial Guarantee	894.97	979.03	1841.22
(ii) Letter of credit	559.82	479.25	334.48

32. The Company has formed Corporate Social Responsibility (CSR) Committee as required under section 135 of Companies Act, 2013. The Company is not required to create provision for CSR in the books of accounts during the year 2017-18. Out of total provision of Rs. 2103028.00 expenditure incurred during the year 2017-18 is Rs. Nil (Previous Year Rs. Nil).
33. As at the balance sheet date, the Company has reviewed the carrying amount of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.
34. Sundry Debtors, creditors, loans and advances balances as shown in the balance sheet are subject to confirmation from the parties concerned and consequential adjustments, if any.
35. Previous year figures have been re-grouped, re-arranged and re-casted wherever it is considered necessary to make them comparable with those of current year.

36. FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from April 01, 2017 with comparatives being restated & prepared the opening balance sheet as per Ind AS as at April 01, 2016 (the transition date). Accordingly the impact of transition has been provided in the opening balance of Retained Earnings as at April 01, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirements of Ind AS and Schedule III.

A. Exemption from retrospective application**Fair value as deemed cost exemption**

The company has elected to measure items of its Property, Plant and Equipment and Intangible assets at its carrying value at the transition date.

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NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

B. Reconciliation between Previous GAAP and Ind AS

(i) Reconciliation of Equity

Particulars	Note	As at March 31, 2017	As at April 01, 2016
Equity as reported under previous GAAP		4593.75	4508.92
Ind AS adjustments			
(a) Proposed Dividend with Corporate Tax	1	-	141.78
(b) Provision for Expected Credit Losses	2	(146.61)	(146.61)
(c) Deferral Sales	3	(66.91)	(24.04)
Equity as per IND AS		4380.23	4480.04

(ii) Reconciliation of Total Comprehensive Income

Particulars	Note	Year Ended March 31, 2017
Net Profit as per Previous IGAAP (A)		84.83
Ind AS Adjustments accounted through Statement of Profit & Loss		
(i) Actuarial gain / loss on Employee Defined Benefit plan recognized in Other Comprehensive Income (net of tax)	4	4.64
(ii) Impact of Deferral sale (net of expenses & taxes)	3	42.87
Total of Ind AS adjustments accounted through statement of Profit & Loss (B)		47.51
Net Profit / (loss) as per Ind AS (C) = (A)-(B)		37.32
Ind AS Adjustments accounted through other Comprehensive Income (D)		
Remeasurments of the net defined benefit plans (net of tax)	4	4.64
Total Comprehensive Income as per Ind AS (E) = (C) + (D)		41.96

(iii) Reconciliation of Statement of Cash Flow

There were no material differences between the Statement of Cash Flows presented under Ind AS & under IGAAP.

Notes to the reconciliation:

1. Proposed Dividend

Under IGAAP, proposed dividends are recognized as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the company (usually when approved by the shareholders in a general meeting) or paid.

Since the declaration of dividend has occurred after period end, therefore, the liability recorded for the dividend and tax thereon has been derecognised against retained earnings.

2. Provision of expected credit losses

Impairment of trade receivables is measured in Ind AS based on life time expected credit losses. Expected credit loss allowance is measured based on historical credit loss experience, defaults, bankruptcy and forward looking information where relevant adjusted for probability of recovery. Under previous GAAP, provision for trade receivables is measured based on factors such as age of receivables, defaults etc. adjusted for probability of recovery.

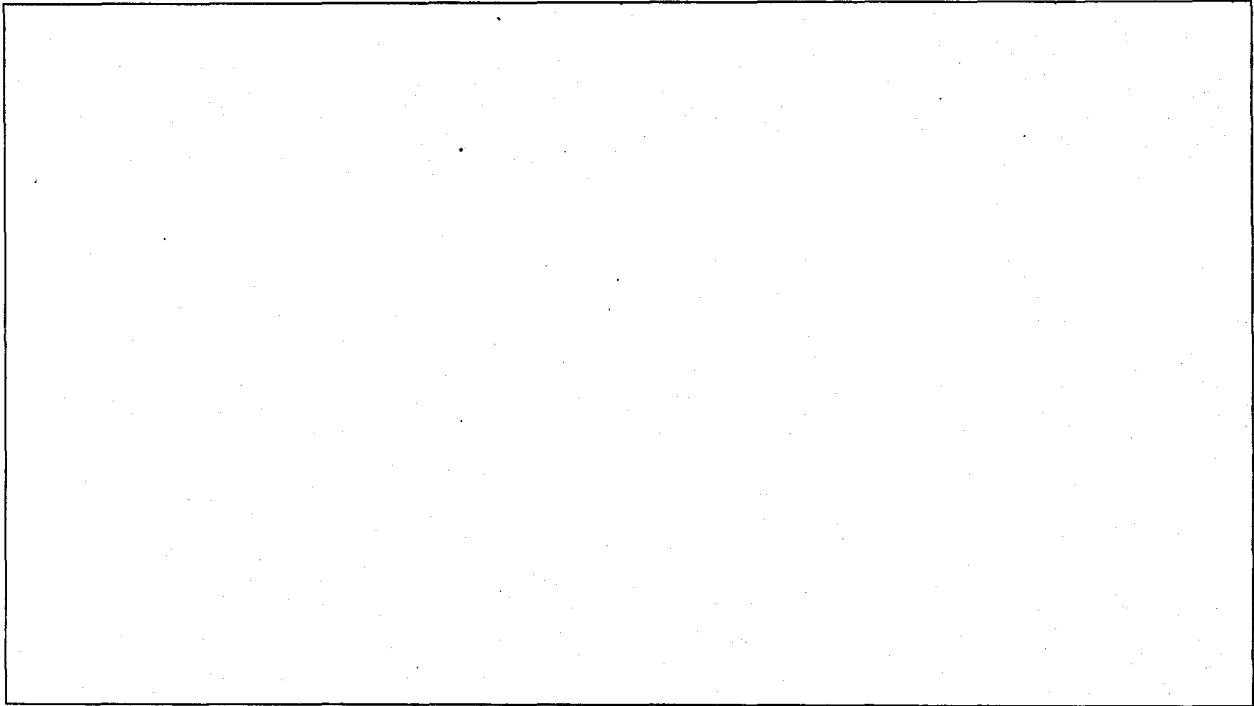
3. Deferred Sales

Under IGAAP, revenue is recognised on the date of dispatch of goods for domestic sales and date of bill of lading for exports. Under Ind AS 18, revenue from the sale of goods is recognised when an entity has transferred the significant risks and rewards of ownership to the buyer. Generally, risks and rewards are transferred to the buyer when goods are delivered to it and the risk of loss or damage during transit is borne by the seller, accordingly sales have been deferred and recognised.

4. Actuarial Gains / (Losses) transferred from employee benefit expenses to OCI

Under IGAAP, actuarial gains/ (losses) were transferred to net profit and proportionate amounts included in employee benefit expenses. Under Ind AS, these proportionate amounts included in employee benefit expenses are transferred to Other Comprehensive Income.

TO



If undelivered Please return to:

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