



# 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](mailto:export@somiconveyor.com) Visit us at : [www.somiconveyor.com](http://www.somiconveyor.com)  
MFG ALL TYPE OF FABRIC, STEEL CORD & BUCKET ELEVATOR BELTS OUR CIN NO. L25192RJ2000PLCO16480

SOMI/LEGAL & SECRETARIAL/NSE/2021/46  
~~FAX/REGD.A.D/COURIER/E-MAIL/E-FILING~~  
DATE: 04/09/2021

To,  
The National Stock Exchange of India Limited  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051  
Phones: +91-22-26598100 – 8114  
Fax: +91-22-26598120

NSE Symbol: SOMICONVEY

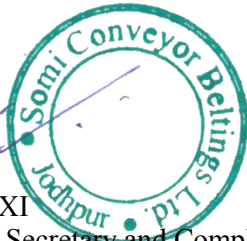
Sir,

**SUBJECT: TWENTY FIRST ANNUAL REPORT 2020-21.**

In pursuance of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Twenty First Annual Report 2020-21 of Somi Conveyor Beltings Limited.

For **SOMI CONVEYOR BELTINGS LIMITED**

  
AMIT BAXI  
(Company Secretary and Compliance Officer)





**CIN: L25192RJ2000PLC016480**

# **SOMI CONVEYOR BELTINGS LIMITED**

**TWENTY FIRST ANNUAL REPORT 2020-21**

## **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. Santosh Kumar Joshi   | Independent & Non-Executive Director (Appointed as Additional Director w.e.f 22.02.2021) |
| Mr. Sharad Gyanmal Nahata | Independent & Non-Executive Director (Ceased to be Director w.e.f 01.12.2020)            |
| Ms. Surbhi Rathi          | 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](http://www.somiinvestor.com)

### **WORKS**

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

### **LISTED AT**

- BSE Limited (BSE)
- National Stock Exchange of India Limited (NSE)

### **REGISTRAR AND TRANSFER AGENT**

Universal Capital Securities Pvt Ltd.  
C 101, 247 Park, LBS Road, Vikhroli West, Mumbai-400083.  
Tel Nos. : (022) 28207203-05; Fax No. : (022) 28207207  
Email id : [info@unisec.in](mailto:info@unisec.in); Web: [www.unisec.in](http://www.unisec.in)

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## NOTICE

**NOTICE** is hereby given that the **TWENTY FIRST Annual General Meeting** of the members of the Company will be held on **THURSDAY, 30<sup>th</sup> September, 2021** 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 31<sup>st</sup> March, 2021, together with the Reports of the Board of Director's and the Auditor's thereon.

### SPECIAL BUSINESS:

#### 2. Appointment of Mr. Santosh Kumar Joshi as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modifications or re-enactment thereof and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Santosh Kumar Joshi (DIN: 08950339), who was appointed as an Additional Director (Non-Executive Independent) by the Board of Directors with effect from February 22, 2021 and is eligible for appointment as a Non-Executive Independent Director and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for Five (5) consecutive years for a term up to 21<sup>st</sup> February, 2026.

RESOLVED FURTHER THAT Mr. Om Prakash Bhansali (DIN: 00351846) Managing Director of the Company be and is hereby authorized to do all such acts, deeds and other things and execute all such forms, documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

BY ORDER OF THE BOARD

For **SOMI CONVEYOR BELTINGS LIMITED**

Place: Jodhpur

Date: 4<sup>th</sup> September, 2021

(**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. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 24th September, 2021 to Thursday, 30th September, 2021 (both days inclusive) for annual closing.
5. Members, who have not encashed dividend warrant(s) for the Financial Year ending 31st March, 2016 and 31st March, 2018 are requested to seek issue of duplicate warrant(s) by writing to the Company or the Company's RTA, immediately.
6. 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.
7. The details of the unclaimed dividends are available on the Company's website at [www.somiinvestor.com](http://www.somiinvestor.com) and Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)

8. 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.
9. 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 are 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.
10. 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.
11. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November 2018 requests for effecting transfer of Securities (except in case of transmission or transposition of securities) shall not be processed from 1st April 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Members are requested to take action to dematerialise the Equity Shares of the Company, promptly. 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.
12. 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.
13. 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.
14. Universal Capital Securities Pvt. Ltd. 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**  
C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083.  
Tel Nos. : (022) 28207203-05; Fax No. : (022) 28207207
15. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
16. The statement setting out the material facts pursuant to Section 102 of the Act concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India as approved by the Central Government, of the persons seeking appointment/reappointment as Directors, is also annexed to this Notice.

17. Electronic copy of the Annual Report for 2020-21 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.
18. SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, has dispensed with the requirement of sending physical copies of Annual Report to the Members under Regulation 36(1)(b)&(c) of the SEBI Listing Regulations till 31st December, 2021.

In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/Depository Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.somiinvestor.com](http://www.somiinvestor.com), website of the Stock Exchanges, that is, BSE Limited at [www.bseindia.com](http://www.bseindia.com) & NSE India Limited at [www.nseindia.com](http://www.nseindia.com) and at the registered office of the company for inspection during normal business hours on working days.

19. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion 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.
20. 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.**
21. 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 23, 2021.
22. **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 23, 2021 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 Friday, 27<sup>th</sup> September, 2021 at 9:00 am and ends on 29<sup>th</sup> September, 2021 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. 23<sup>rd</sup> September, 2021 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) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders                                                      | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <b><a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a></b> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <b><a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></b></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <b><a href="http://www.cdslindia.com">www.cdslindia.com</a></b> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |

|                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with <b>NSDL</b>                              | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| Login type                                                                | Helpdesk details                                                                                                                                                                                                                |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30              |

- (v) Login method for e-Voting for **shareholders other than individual shareholders holding in demat form & physical shareholders.**
- The Shareholders should Log on to the e-voting website <http://www.evotingindia.com>
  - Click on "Shareholders" tab.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on "Login".
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) 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                         | <b>For NSDL :</b> 8 Character DP ID followed by 8 Digits Client ID<br><b>For CDSL :</b> 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). <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> |                                             |
| 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.<br>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.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the Electronic Voting Sequence Number (EVSN) of SOMI CONVEYOR BELTINGS LIMITED to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) 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](mailto: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](mailto: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.
  - f) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [cmd@somiconveyor.com](mailto:cmd@somiconveyor.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xviii) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

23. 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.
24. 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.
25. 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.
26. 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](http://www.somiinvestor.com). The results shall also be immediately forwarded to the stock exchanges BSE Limited and NSE of India Limited.
27. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**
  - a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
  - b) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
  - c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

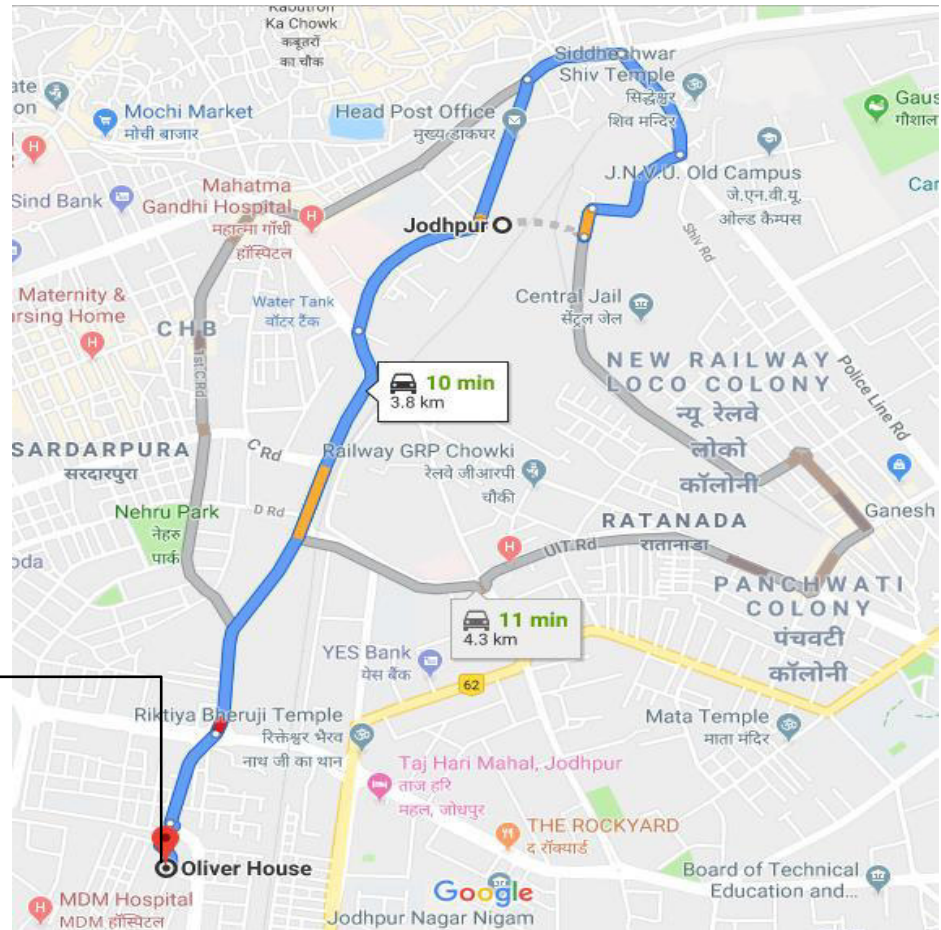
If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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 21<sup>st</sup> AGM:

**Venue of 21<sup>st</sup>  
Annual  
General Meeting**



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

Place: Jodhpur  
Date: 4<sup>th</sup> September, 2021

(AMIT BAXI)  
Company Secretary

**Registered Office**  
4F-15, "Oliver House"  
New Power House Road  
Jodhpur-342 003  
CIN: L25192RJ2000PLC016480  
Website: [www.somiinvestor.com](http://www.somiinvestor.com)

## Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013

As required by Section 102 (1) of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business mentioned under item no. 2 of the accompanying notice dated 4<sup>th</sup> September, 2021:

### **Item No. 2**

Pursuant to the provisions of Section 149(1) and Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed, Mr. Santosh Kumar Joshi (DIN: 08950339) as an Additional Director (Non-Executive Independent) of the Company with effect from 22<sup>nd</sup> February, 2021 and who will hold office up to the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Santosh Kumar Joshi for the office of Independent Director of the Company for the period of five years w.e.f. 22.02.2021.

Mr. Santosh Kumar Joshi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Section 149 of the Companies Act, 2013 inter alia stipulates the criteria of independence, to whom a company should propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Santosh Kumar Joshi that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (LODR) Regulations, 2015. Mr. Santosh Kumar Joshi possesses appropriate skills and knowledge; inter alia, in the field of Business Economics.

In the opinion of the Board, Mr. Santosh Kumar Joshi fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Santosh Kumar Joshi is independent of the management.

Brief resume of Mr. Santosh Kumar Joshi, nature of his expertise in specific functional areas and names of companies in which he holds directorships, memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulations, 2015, are provided in the Appendix to the Notice of AGM.

Keeping in view his expertise and knowledge, it will be in the interest of the Company that Mr. Santosh Kumar Joshi is appointed as an Independent Director.

This statement may also be regarded as the necessary disclosure under Regulation 36 (3) of SEBI (LODR) Regulations, 2015 and applicable Secretarial Standards.

No Director, Key Managerial Person or their relatives, except Mr. Santosh Kumar Joshi, to whom the resolution relates, is concerned or interested financially or otherwise in the resolution.

Documents relating to appointment of Mr. Santosh Kumar Joshi as an Independent Director are available for inspection by members on any working days between 11.00 a.m. and 4.00 p.m. at the registered office of the Company.

The Board of Directors accordingly recommends the resolution set forth in Item No. 2 for the approval of the Members.

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

Place: Jodhpur  
Date: 4<sup>th</sup> September, 2021

(**AMIT BAXI**)  
Company Secretary

**Registered Office**  
4F-15, "Oliver House"  
New Power House Road  
Jodhpur-342 003  
CIN: L25192RJ2000PLC016480  
Website: [www.somiinvestor.com](http://www.somiinvestor.com)

## APPENDIX TO ANNUAL GENERAL MEETING NOTICE

*Particulars and additional information of the directors seeking appointment/re-appointment pursuant to Regulation 36(3) of the Listing Regulations and in terms of Secretarial Standards on General Meetings (SS-2):*

|                                                                                                     |                                                                                   |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <b>Name of Director</b>                                                                             | Mr. Santosh Kumar Joshi                                                           |
| <b>Director Identification Number (DIN)</b>                                                         | 08950339                                                                          |
| <b>Date of Birth and Age</b>                                                                        | 30-01-1974 – 47 Years                                                             |
| <b>Date of first appointment on the Board</b>                                                       | 22-02-2021                                                                        |
| <b>Qualifications</b>                                                                               | M.Com & B.Ed in Economics                                                         |
| <b>Brief resume, experience and Nature of expertise in specific functional areas.</b>               | 26 years of Experience in field of Accountancy and Economics                      |
| <b>Directorships held in other Listed Companies</b>                                                 | NIL                                                                               |
| <b>Membership of Board Committees in other Public Limited Companies</b>                             | NIL                                                                               |
| <b>Shareholding in the Company</b>                                                                  | NIL                                                                               |
| <b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b> | Not related to any of the other Directors or KMPs of the Company.                 |
| <b>Other Information</b>                                                                            | Independent & Non-Executive Director                                              |
| <b>Remarks</b>                                                                                      | Appointment as an Independent Director (First Term) for the period of five years. |

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

Place: Jodhpur  
Date: 4<sup>th</sup> September, 2021  
**Registered Office**  
4F-15, “Oliver House”  
New Power House Road  
Jodhpur-342 003  
CIN: L25192RJ2000PLC016480  
Website: [www.somiinvestor.com](http://www.somiinvestor.com)

(**AMIT BAXI**)  
Company Secretary



## SOMI CONVEYOR BELTINGS LIMITED

Registered Office: 4 F-15 "Oliver House", New Power House Road, Jodhpur - 342003  
CIN: L25192RJ2000PLC016480, Website: www.somiinvestor.com, Ph. No.: 0291-2765400 to 09

### PROXY FORM

[FORM MGT-11]

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)

**21<sup>ST</sup> ANNUAL GENERAL MEETING, 30<sup>TH</sup> SEPTEMBER, 2021**

CIN: L25192RJ2000PLC016480

Name of the company: **SOMI CONVEYOR BELTINGS LIMITED**

Registered office: **4F-15, Oliver House, New Power House Road, Jodhpur**

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name: ..... Address: .....

E-mail Id: ..... Signature: ..... or failing him

2. Name: ..... Address: .....

E-mail Id: ..... Signature: ..... or failing him

3. Name: ..... Address: .....

E-mail Id: ..... Signature: ..... or failing him

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY FIRST ANNUAL GENERAL MEETING of the company, to be held on the Thursday 30<sup>th</sup> day of September, 2021 at 11:30 A.M. 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 31<sup>st</sup> March, 2021, Auditors' and Directors' Report thereon.

#### SPECIAL BUSINESS

2. Appointment of Mr. Santosh Kumar Joshi as an Independent Director for First Term of 5 Years.

Signed this ..... day of ..... 20....

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.somiinvestor.com](http://www.somiinvestor.com)

Ph. No.: 0291-2765400 to 09

### ATTENDANCE SLIP

#### 21<sup>ST</sup> ANNUAL GENERAL MEETING, 30<sup>TH</sup> SEPTEMBER, 2021

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:

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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 **TWENTY FIRST ANNUAL GENERAL MEETING** of the company on Thursday, September 30, 2021 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.**



## *Chairman's Message*

**Dear Shareholder,**

**Namaskar!**

I am addressing you at a time when India and many other parts of the world are in the grip of second or even third waves of the pandemic, much fiercer than anything we saw last year. We are faced with an unprecedented health hazard posed by the COVID – 19 that has largely disrupted individual lives, families, and business operations across the world. It has proved to be an exceptionally difficult time, with many losing their loved ones to this dreaded disease. All of us have faced a deep personal crisis at some level or the other. My prayers are that we emerge from this horrific crisis soon. On that sombre note, I would like to present to you the Annual Report FY 2020-21 of the Company.

Every crisis produces winners and losers. SCBL is a winner and has emerged much stronger. We have performed well across all financial levers. Looking ahead we are well positioned to create significant shareholder value as the market recovers.

FY 21 was an incredibly challenging year for all of us at SCBL. The year began in the midst of a complete lockdown, imposed by the Central and State Governments, that saw all our manufacturing and distribution come to a standstill. The lockdowns severely affected our operations for the first half of the financial year. Our facilities remained partially operational for approximately 90 days and it was only by September 2020 that we started witnessing some form of operational normalcy. Despite a sharp fall in revenues in the first quarter, progressively strengthening demand for our products helped us stage a swift recovery during the rest of the year; we posted a revenue of Rs. 4679.27 Lakh in FY 2020-21, making a growth of 1.97% over Rs. 4589.02 Lakh in FY 2019-20. Whereas, the Net Profit dipped by 27.45% and stood at Rs. 176.12 Lakh in FY 21 as compared to previous year. We believe that the headwinds we faced during the year will be addressed progressively in FY 21-22.

While we witnessed interruptions and challenges at our facilities, these issues were faced by industry at large, both in India and globally. Disrupted supply chains, uncertainties and lockdowns in major international markets exacerbated operating conditions, while also creating pockets of opportunity and new demand patterns for a certain class of products. During the second half of the fiscal, we remained focused on consolidating our operations, bringing back the momentum that was disturbed during the first six months. Amidst these adversities, your Company emerged stronger, exhibiting a resolute approach, identifying opportunities, thus redefining resilience.

On a positive note, the demand for the Conveyor market globally has remained encouraging owing to the rise in industrial development activities and rapid urbanization and infrastructure development projects in emerging economies. Our manufacturing facilities are enhancing capacity utilization across divisions and we seem well positioned with our integrated model, robust infrastructure, strong brand and global reach, to enhance market share and tap emerging opportunities going forward.

As I conclude, I would like to denote my gratitude to all employees of SCBL, who have relentlessly contributed, in both letter and spirit, to keeping us resilient and growing. I would also like to applaud the management, which ensured that our immediate priorities were executed with prudence while keeping in mind our long-term commitments. I am also thankful to all our other stakeholders –Customers, Bankers, Suppliers and Government Authorities – for the steadfast support and assistance throughout. I am very excited about

the path we are on, and confident you will see a bolder and more ambitious SCBL as we move forward, that is unafraid to shake up the status quo, make tough calls, invest deep, and think big.

We solicit your support in our future endeavours. I wish you health and safety and urge you to follow COVID protocol.

With warm 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 21<sup>st</sup> Annual Report together with the Audited Financial Statement of Accounts for the year ended March 31, 2021.

(Rs. in Lakhs)

| <b>SUMMARISED FINANCIAL RESULTS</b>               | <b>2020-21</b> | <b>2019-20</b> |
|---------------------------------------------------|----------------|----------------|
| Total Sales                                       | 4679.27        | 4589.02        |
| Profit Before Interest, Depreciation and taxation | 593.23         | 719.84         |
| Interest                                          | 255.60         | 282.95         |
| Depreciation                                      | 102.24         | 111.24         |
| Profit Before Tax                                 | 235.39         | 325.65         |
| Provision for Tax                                 | (20.87)        | (15.86)        |
| Add/(Less) Deferred Tax                           | (38.40)        | (67.05)        |
| Profit After Tax                                  | 176.12         | 242.74         |
| Other Comprehensive Income                        | -              | -              |
| Total Comprehensive Income for the year           | 176.12         | 242.74         |

### OPERATIONS

During the Financial Year under review, the Company has achieved Turnover of **Rs. 4679.27 Lakhs** as against **Rs. 4589.02 Lakhs** in the previous year and the Net Profit after Tax of **Rs. 176.12 Lakhs** as against **Rs. 242.74 Lakhs** in the previous year, resulting in increase in Turnover of Company by **1.97%** and decrease in Profits of the Company by **27.45%** during the Financial Year 2020-21. The Board is confident of higher growth in the current financial 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

In order to conserve the funds for the growth of the Company, the Board of Directors do not recommended any dividend for the year ended 31<sup>st</sup> March, 2021.

### TRANSFER TO RESERVE

The provisions of the Companies Act, 2013 do 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 and the same is available on the website of the Company.

## MEETINGS OF THE COMPANY

During the financial year 2020-21, the Board of Directors of the Company duly met Nine times on 21.05.2020, 10.07.2020, 04.09.2020, 15.09.2020, 07.11.2020, 01.12.2020, 10.02.2021, 22.02.2021 and 06.03.2021 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. Detailed 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 2020-21 and meetings attended by each member of the Committee are provided in Corporate Governance Report which forms part of this 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

During the year under review, Mr. Sharad Gyanmal Nahata (DIN: 06814502), who was appointed as the Director of the Company with effect from February 12, 2014 had resigned from the position of the “Non-Executive Independent Director” of the Company, due to personal reasons, with effect from December 01, 2020. The Board hereby confirms that as per the confirmation received from Mr. Sharad Gyanmal Nahata, there were no material reasons for his resignation other than those mentioned in his resignation letter dated December 01, 2020.

Consequent upon resignation of Mr. Sharad Gyanmal Nahata as an Independent Director, he has also ceased to be member of the Audit Committee, Nomination & Remuneration Committee and the Chairman of Stakeholder Relationship Committee.

The Board places on record its appreciation for the invaluable contributions and guidance provided by Mr. Sharad Gyanmal Nahata, during his stint with the Company as Director.

Also, upon recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors through Resolution passed dated December 01, 2020 and February 22, 2021 respectively, Mr. Santosh Kumar Joshi (DIN: 08950339) was appointed as the “Additional (Non-Executive Independent) Director” on the Board of Directors of your Company, who holds office upto the date of this Annual General meeting of the Company. A notice has been received from him proposing his candidature for the office of Director of the Company for a term of 5 (Five) years commencing from February 22, 2021 upto February 21, 2026, which is subject to approval of the Members at the ensuing 21st (Twenty First) Annual General Meeting.

Mr. Santosh Kumar Joshi (DIN: 08950339), has given the declaration to the Board that he meets the criteria of the Independence as provided in section 149(6) of the Companies Act, 2013. In the opinion of the board, he fulfills the conditions as specified in the Act, and Rules made thereunder for appointment as an Independent Director.

There were no changes in Key Managerial Personnel during the year under review.

### 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**

Pursuant to the provisions of section 134(5) of Companies Act, 2013, directors to the best of their knowledge and belief, confirm:

- 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, 2021 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. Manish Bohra, Chief Financial Officer  
Mr. Amit Baxi, Company Secretary

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 22<sup>nd</sup> 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. The Ministry of Corporate Affairs has vide notification dated 7th May 2018 obliterated the requirement of seeking Member's ratification at every AGM on appointment of Statutory Auditor during their tenure of 5 years.

## **REPORT OF STATUTORY AUDITORS**

M/s. Singhvi & Mehta, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the FY 2020-21, which forms part of the Annual Report 2020-21. The notes on financial statements referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanations or comments.

There are qualifications, reservations or adverse remarks or disclaimer made in the Auditors' Report, clarification for which has been received from the management. The Auditor's qualification and Management reply is provided below:

| Auditor's Qualification                                                                                                                                                                                                                                                                                                                                                                         | Management Reply                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| In pursuance of IND AS 19, re-measurements of long term employee benefits and the corresponding liabilities is to be valued, validated and certified by an actuary. In the absence of said report on actuarial valuation, auditors are unable to comment upon the correctness of the liability recognized in the financial results. The net impact of the same on the profits remains uncertain | The provision amounting to Rs. 20.50 lakhs is already lying in the books of the company, which seems to be sufficient in view of management. Hence company has not made provision in the current financial year 2020-21. |

## 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, 2021. 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 contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. The Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Board of Directors of your Company, on the recommendation of the Audit Committee adopted a policy on Related Party Transactions, to regulate the transactions between your Company and its Related parties in compliance with the provisions of the Companies Act 2013 and the SEBI (LODR) Regulations 2015, the policy as approved by the Board is uploaded on the Company's website [www.somiinvestor.com](http://www.somiinvestor.com)

Particulars of contract or arrangements with related parties referred to in Section 188 in Form AOC-2 have been provided in **Annexure – III**.

Pursuant to Schedule V (A) (2A) of SEBI (LODR) Regulations, 2015, details of transactions that took place during the year with Related Parties are listed below:

(Rs. In Lakhs)

| Particulars                                 | Nature of Relationship   | TRANSFREE                | PAN NO.    | 31.03.2021 |
|---------------------------------------------|--------------------------|--------------------------|------------|------------|
| Sale of Goods                               | WHERE RKMP HAS INFLUENCE | Oliver Rubber Ind. LLP.  | AAEFO8109Q | 94.42      |
| Purchase                                    | WHERE RKMP HAS INFLUENCE | Oliver Rubber Ind. LLP.  | AAEFO8109Q | 8.32       |
|                                             |                          | Earth Movers Enterprises | ABFPB0643N | 0.67       |
| Managerial Remuneration                     | KMP                      | OM PRAKASH BHANSALI      | AAYPB9950G | 32.40      |
|                                             |                          | VIMAL BHANSALI           | ADDPB0794Q | 25.80      |
|                                             |                          | GAURAV BHANSALI          | ADDPB0795R | 25.80      |
|                                             |                          | MANISH BOHRA             | AJYPB0587E | 13.87      |
|                                             |                          | AMIT BAXI                | AKWPB0962E | 3.74       |
| Managerial Remuneration Sitting Fees        | RKMP                     | ANITA BOHRA              | ARCPA9011A | 4.65       |
| Interest Paid                               | KMP                      | OM PRAKASH BHANSALI      | AAYPB9950G | 17.97      |
| Interest Paid                               | RKMP                     | OM KUMARI BHANSALI       | ABFPB0643N | 4.08       |
| Sales Incentive                             |                          |                          |            |            |
| Subscription to Purchase of Equity Shares   |                          |                          |            |            |
| Loan Received                               | KMP                      | OM PRAKASH BHANSALI      | AAYPB9950G |            |
|                                             |                          | VIMAL BHANSALI           | ADDPB0794Q |            |
| Loan Received                               | RKMP                     | OM KUMARI BHANSALI       | ABFPB0643N |            |
| Loan Received                               | WHERE RKMP HAS INFLUENCE |                          |            |            |
| Loan Paid                                   | KMP                      | OM PRAKASH BHANSALI      | AAYPB9950G | 65.00      |
|                                             |                          | VIMAL BHANSALI           | ADDPB0794Q |            |
| Loan Paid                                   | RKMP                     | OM KUMARI BHANSALI       | ABFPB0643N | 46.50      |
| Loan Paid                                   | WHERE RKMP HAS INFLUENCE |                          |            |            |
| Inter Corporate Deposits Repaid             | WHERE RKMP HAS INFLUENCE |                          |            |            |
| Interest on Inter Corporate Deposits Repaid | WHERE RKMP HAS INFLUENCE |                          |            |            |
| <b>Outstanding Balances</b>                 |                          |                          |            |            |
| Sale of Goods                               | WHERE RKMP HAS INFLUENCE | Oliver Rubber Ind. LLP.  | AAEFO8109Q | 64.85      |
| Loans                                       | KMP                      | OM PRAKASH BHANSALI      | AAYPB9950G | 279.22     |
|                                             |                          | VIMAL BHANSALI           | ADDPB0794Q | 2.48       |
| Loans                                       | RKMP                     | OM KUMARI BHANSALI       | ABFPB0643N | 20.52      |
| Loans                                       | WHERE RKMP HAS INFLUENCE |                          |            |            |
| Inter Corporate Deposits                    | WHERE RKMP HAS INFLUENCE |                          |            |            |

## 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.

## 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 behavior 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 behavior, 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](http://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](http://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 the Directors and the designated employees have confirmed compliance with the Code.

Requirements of Regulation 8 (Code of Fair Disclosure) & Regulation 9 (Code of Conduct) of SEBI (Prohibition of Insider Trading) Regulations, 2015 have been noted and complied with by the Company.

## **INTERNAL FINANCIAL CONTROL**

The Company has a well placed, proper and adequate Internal Financial Control 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**

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 Rakhecha 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 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. The CSR policy of the Company has been uploaded on to the Company website [www.somiinvestor.com](http://www.somiinvestor.com).

Your Company has earned profit of Rs.176.12 Lakhs during the year 2020-21. From past 3 years the profit of the Company remains less than 5 Crores. Hence the provisions of CSR are not applicable to the Company. However, the Company has spent an amount of Rs. 28.64 Lakh to Samygyyan Ramya Parshada for promoting education and women empowerment, pertaining to previous years when CSR was applicable to the Company.

Annual Report on CSR activities have been provided in Annexure – IV.

## **CORPORATE GOVERNANCE**

Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, 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 policies. 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, 2021, the majority of our Board members— Four out of Seven are 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 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, a Registrar and Share Transfer Agent registered with SEBI.

### LISTING WITH STOCK EXCHANGE

Equity shares of your company continue 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 2020-21 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 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 all their efforts to protect and maintain safety environment in the Company. The Company has taken all possible measures to segregate hazardous and non-hazardous substances. 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                          |
| Mr. Santosh Kumar Joshi    | NIL                          |
| <b>Executive Directors</b> |                              |
| Mr. Om Prakash Bhansali    | 12.06:1                      |
| Mr. Vimal Bhansali         | 9.60:1                       |
| Mr. Gaurav Bhansali        | 9.60:1                       |

- (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. Santosh Kumar Joshi                   | NIL                        |
| Mr. Om Prakash Bhansali, MD & CEO         | NIL                        |
| Mr. Vimal Bhansali                        | NIL                        |
| Mr. Gaurav Bhansali                       | NIL                        |
| Mr. Manish Bohra, Chief Financial Officer | NIL                        |
| Mr. Amit Baxi, Company Secretary          | NIL                        |

- (c) the percentage increase in the median remuneration of employees in the financial year: 17.78%
- (d) the number of permanent employees on the rolls of company: 109
- (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 2020-21 (aggregated) | 101.61        |
| Revenue from operations                                                                   | 4679.27       |
| Remuneration (as % of revenue)                                                            | 2.17%         |
| Profit before tax (PBT)                                                                   | 235.39        |
| Remuneration (as % of PBT)                                                                | 43.17%        |

- (g) variations in the market capitalization 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 <sup>st</sup> Mar 21 | As at 31 <sup>st</sup> Mar 20 | Variation |
|------------------------------|---------------|-------------------------------|-------------------------------|-----------|
| Closing rate of share at BSE | Rs.           | 31.40                         | 10.50                         | 20.9      |
| Closing rate of share at NSE | Rs.           | 30.75                         | 9.80                          | 20.95     |
| EPS (Consolidated)           | Rs.           | 1.50                          | 2.06                          | (0.56)    |
| Market Capitalization (BSE)  | Rs.(in lakhs) | 3698.81                       | 1236.86                       | 2461.95   |
| Market Capitalization (NSE)  | Rs.(in lakhs) | 3622.24                       | 1154.41                       | 2467.83   |
| Price Earning Ratio (BSE)    | Ratio         | 20.93                         | 5.09                          | 15.84     |
| Price Earning Ratio (NSE)    | Ratio         | 20.5                          | 4.76                          | 15.74     |

Figures in brackets represent 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 salaries of Employees.

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

| Particulars                    | Om Prakash Bhansali<br>Managing Director | Vimal Bhansali<br>Whole-Time Director | Gaurav Bhansali<br>Whole-Time Director | Chief Financial Officer | Company Secretary |
|--------------------------------|------------------------------------------|---------------------------------------|----------------------------------------|-------------------------|-------------------|
|                                | Rs.(in lakhs)                            | Rs.(in lakhs)                         | Rs.(in lakhs)                          | Rs.(in lakhs)           | Rs.(in lakhs)     |
| Remuneration                   | 32.40                                    | 25.80                                 | 25.80                                  | 13.87                   | 3.74              |
| Revenue                        | 4679.27                                  | 4679.27                               | 4679.27                                | 4679.27                 | 4679.27           |
| Remuneration (as % of revenue) | 0.69%                                    | 0.55%                                 | 0.55%                                  | 0.29%                   | 0.07%             |
| Profits before tax (PBT)       | 235.39                                   | 235.39                                | 235.39                                 | 235.39                  | 235.39            |
| Remuneration (as % of PBT)     | 13.76%                                   | 10.96%                                | 10.96%                                 | 5.89%                   | 1.59%             |

- (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: NIL
- (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 of the Company. Through its compensation package, the Company endeavors 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 is 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 2020-21 under review there were no complaints referred to the ICC.

## RESEARCH AND DEVELOPMENT

Research and development 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 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 the energy consumption of 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 (2020-21) | Current Year (2019-20) |
|--|----------------------------------------|---------------------|------------------------|------------------------|
|  | <b>1. Electricity</b>                  | <b>KWH/MWH</b>      |                        |                        |
|  | <b>a) Purchased</b>                    |                     |                        |                        |
|  | Unit                                   |                     | 13,69,585.00           | 16,24,953.00           |
|  | Total Amount                           |                     | 1,48,22,906.00         | 1,62,79,547.00         |
|  | Rate/ Unit                             |                     | 10.82                  | 10.02                  |
|  | <b>b) Own Generation</b>               | <b>NIL</b>          | <b>NIL</b>             | <b>NIL</b>             |
|  | <b>2. Coal</b>                         | <b>NIL</b>          | <b>NIL</b>             | <b>NIL</b>             |
|  | <b>3. Furnace oil</b>                  | <b>NIL</b>          | <b>NIL</b>             | <b>NIL</b>             |
|  | <b>4. Others / internal generation</b> | <b>NIL</b>          | <b>NIL</b>             | <b>NIL</b>             |

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

| S. No. | Product       | Standard Budget Norms (2020-21) (Rs) | Current Year (2020-21) (Rs) | Previous Year (2019-20) (Rs) |
|--------|---------------|--------------------------------------|-----------------------------|------------------------------|
| 1      | Conveyor Belt | 120.00                               | 119.91                      | 115.90                       |

**(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)

| <b>FOREIGN EXCHANGE</b>   | <b>2020-21</b> | <b>2019-20</b> |
|---------------------------|----------------|----------------|
| Foreign Exchange Earnings | 284.82         | 879.81         |
| Foreign Exchange Outgo    | 453.47         | 804.87         |

**ACKNOWLEDGEMENT**

Your Directors place on record their gratitude to the Central Government, State Government 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: 4<sup>th</sup> September, 2021

**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 31/03/2021

[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                                                                          | <b>L25192RJ2000PLC016480</b>                                                                                                                                                                                                                                                                                                                                     |
| ii. Registration Date                                                           | <b>16/06/2000</b>                                                                                                                                                                                                                                                                                                                                                |
| iii. Name of the Company                                                        | <b>SOMI CONVEYOR BELTINGS LIMITED</b>                                                                                                                                                                                                                                                                                                                            |
| iv. Category/Sub-Category of the Company                                        | <b>Public Company Limited by Shares</b>                                                                                                                                                                                                                                                                                                                          |
| v. Address of the Registered office & contact details                           | <p>4F-15, OLIVER HOUSE, NEW POWER HOUSE ROAD, NEAR BANK OF INDIA, JODHPUR (RAJASTHAN) - 342003</p> <p>Tel: 0291-2765400 to 09</p> <p>Email: <a href="mailto:cmd@somiconveyor.com">cmd@somiconveyor.com</a></p> <p>Website: <a href="http://www.somiinvestor.com">www.somiinvestor.com</a> and <a href="http://www.somiconveyor.com">www.somiconveyor.com</a></p> |
| vi. Whether listed company                                                      | Yes                                                                                                                                                                                                                                                                                                                                                              |
| vii. Name, Address & contact details of the Registrar & Transfer Agent, if any. | <p><b>Universal Capital Securities Pvt Ltd.</b></p> <p>C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083</p> <p>Tel Nos. : (022) 28207203-05</p> <p>Fax No. : (022) 28207207</p> <p>Email id : <a href="mailto:info@unisec.in">info@unisec.in</a></p> <p>Web: <a href="http://www.unisec.in">www.unisec.in</a></p>                                       |

## 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                            | 96.15%                             |

## 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<br>[As on 01-April-2020] |          |                |                   | No. of Shares held at the end of the year<br>[As on 31-March-2021] |          |                |                   | % Change during the year |
|-----------------------------------------------------------|--------------------------------------------------------------------------|----------|----------------|-------------------|--------------------------------------------------------------------|----------|----------------|-------------------|--------------------------|
|                                                           | Demat                                                                    | Physical | Total          | % of Total Shares | Demat                                                              | Physical | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>                                       |                                                                          |          |                |                   |                                                                    |          |                |                   |                          |
| (1) Indian                                                |                                                                          |          |                |                   |                                                                    |          |                |                   |                          |
| a) Individual/ HUF                                        | 6955787                                                                  | -        | 6955787        | 59.05             | 6955787                                                            | -        | 6955787        | 59.05             | 0.00                     |
| b) Central Govt                                           | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| c) State Govt(s)                                          | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| d) Bodies Corp.                                           | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| e) Banks / FI                                             | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| f) Any other                                              | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| <b>Sub-total (A)(1)</b>                                   | <b>6955787</b>                                                           | <b>-</b> | <b>6955787</b> | <b>59.05</b>      | <b>6955787</b>                                                     | <b>-</b> | <b>6955787</b> | <b>59.05</b>      | <b>0.00</b>              |
|                                                           |                                                                          | -        |                |                   |                                                                    |          |                |                   |                          |
| (2) Foreign                                               |                                                                          |          |                |                   |                                                                    |          |                |                   |                          |
| (a) NRI - Individuals                                     | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| (b) Other - Individuals                                   | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| (c) Bodies Corp.                                          | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| (d) Bank/FI                                               | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| (e) Any Other                                             | -                                                                        | -        | -              | -                 | -                                                                  | -        | -              | -                 | -                        |
| <b>Sub-total (A)(2)</b>                                   | <b>-</b>                                                                 | <b>-</b> | <b>-</b>       | <b>-</b>          | <b>-</b>                                                           | <b>-</b> | <b>-</b>       | <b>-</b>          | <b>-</b>                 |
|                                                           |                                                                          |          |                |                   |                                                                    |          |                |                   |                          |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>6955787</b>                                                           | <b>-</b> | <b>6955787</b> | <b>59.05</b>      | <b>6955787</b>                                                     | <b>-</b> | <b>6955787</b> | <b>59.05</b>      | <b>0.00</b>              |

|                                                                                  |         |        |         |       |         |        |         |       |       |
|----------------------------------------------------------------------------------|---------|--------|---------|-------|---------|--------|---------|-------|-------|
|                                                                                  |         |        |         |       |         |        |         |       |       |
| <b>B. Public Shareholding</b>                                                    |         |        |         |       |         |        |         |       |       |
| 1. Institutions                                                                  |         |        |         |       |         |        |         |       |       |
| a) Mutual Funds                                                                  | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| b) Banks / FI                                                                    | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| c) Central Govt                                                                  | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| d) State Govt(s)                                                                 | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| e) Venture Capital Funds                                                         | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| f) Insurance Companies                                                           | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| g) FII                                                                           | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| h) Foreign Venture Capital Funds                                                 | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| i) Others (specify)                                                              | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| <b>Sub-total (B)(1)</b>                                                          | -       | -      | -       | -     | -       | -      | -       | -     | -     |
|                                                                                  |         |        |         |       |         |        |         |       |       |
| <b>2. Non-Institutions</b>                                                       |         |        |         |       |         |        |         |       |       |
| a) Bodies Corp.                                                                  |         |        |         |       |         |        |         |       |       |
| i) Indian                                                                        | 1315722 | 822000 | 2137722 | 18.15 | 1244244 | 822000 | 2066244 | 17.54 | -0.61 |
| ii) Overseas                                                                     | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| b) Individuals                                                                   | -       | -      | -       | -     | -       | -      | -       | -     | -     |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 1705736 | 10     | 1705746 | 14.48 | 1807682 | 10     | 1807692 | 15.35 | 0.87  |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 706065  | 0      | 706065  | 5.99  | 733830  | 0      | 733830  | 6.23  | 0.24  |
| c) Others (specify)                                                              | -       | -      | -       | -     |         |        |         |       |       |
| i) Clearing Members                                                              | 18722   | 0      | 18722   | 0.16  | 15111   | 0      | 15111   | 0.13  | -0.03 |
| ii) Trusts                                                                       |         |        | 0       | 0.00  |         |        | 0       | 0.00  | 0.00  |
| iii) NRI/OCBs                                                                    | 69119   | 0      | 69119   | 0.59  | 55846   | 0      | 55846   | 0.47  | -0.12 |
| iv) Foreign Nationals                                                            | -       | -      | 0       | 0.00  | -       | -      | 0       | 0.00  | 0.00  |
| v) HUF                                                                           | 186495  | -      | 186495  | 1.58  | 145146  | -      | 145146  | 1.23  | -0.35 |
| vi) NBFC registered with RBI                                                     | 0       | -      | 0       | 0.00  | 0       | -      | 0       | 0.00  | 0.00  |
| <b>Sub-total (B)(2)</b>                                                          | 4001859 | 822010 | 4823869 | 40.95 | 4001859 | 822010 | 4823869 | 40.95 | 0.00  |
|                                                                                  |         |        |         |       |         |        |         |       |       |
| <b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>                             | 4001859 | 822010 | 4823869 | 40.95 | 4001859 | 822010 | 4823869 | 40.95 | 0.00  |

|                                                        |                 |               |                 |               |                 |               |                 |               |             |
|--------------------------------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-------------|
|                                                        |                 |               |                 |               |                 |               |                 |               |             |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b> | -               | -             | -               | -             | -               | -             | -               | -             | -           |
| <b>Grand Total (A+B+C)</b>                             | <b>10957646</b> | <b>822010</b> | <b>11779656</b> | <b>100.00</b> | <b>10957646</b> | <b>822010</b> | <b>11779656</b> | <b>100.00</b> | <b>0.00</b> |

**(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                             | 0                                               | 572335                              | 4.86                             | 0                                               | 0.00                                      |
| 2      | OM KUMARI BHANSALI      | 1091221                                   | 9.26                             | 0                                               | 1091221                             | 9.26                             | 0                                               | 0.00                                      |
| 3      | OM PRAKASH BHANSALI HUF | 135000                                    | 1.15                             | 0                                               | 135000                              | 1.15                             | 0                                               | 0.00                                      |
| 4      | OM PRAKASH BHANSALI     | 4417011                                   | 37.50                            | 0                                               | 4417011                             | 37.50                            | 0                                               | 0.00                                      |
| 5      | PRIYA BHANSALI          | 68691                                     | 0.58                             | 0                                               | 68691                               | 0.58                             | 0                                               | 0.00                                      |
| 6      | RUCHI BHANSALI          | 72689                                     | 0.62                             | 0                                               | 72689                               | 0.62                             | 0                                               | 0.00                                      |
| 7      | VIMAL BHANSALI          | 598840                                    | 5.08                             | 0                                               | 598840                              | 5.08                             | 0                                               | 0.00                                      |
|        | <b>Total</b>            | <b>6955787</b>                            | <b>59.05</b>                     | <b>0</b>                                        | <b>6955787</b>                      | <b>59.05</b>                     | <b>0</b>                                        | <b>0.00</b>                               |

**(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           | 572335                                     | 4.86                             |                                          |                                  |
|        | 2. OM KUMARI BHANSALI        | 1091221                                    | 9.26                             |                                          |                                  |
|        | 3. OM PRAKASH BHANSALI HUF   | 135000                                     | 1.15                             |                                          |                                  |
|        | 4. OM PRAKASH BHANSALI       | 4417011                                    | 37.50                            |                                          |                                  |
|        | 5. PRIYA BHANSALI            | 68691                                      | 0.58                             |                                          |                                  |
|        | 6. RUCHI BHANSALI            | 72689                                      | 0.62                             |                                          |                                  |
|        | 7. VIMAL BHANSALI            | 598840                                     | 5.08                             |                                          |                                  |
|        |                              |                                            |                                  | <b>6955787</b>                           | <b>59.05</b>                     |

|  |                                                                                                                                                                       |                  |       |                |              |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------|----------------|--------------|
|  | 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) | <b>NO CHANGE</b> |       |                |              |
|  | At the end of the year                                                                                                                                                |                  |       |                |              |
|  | 1. GAURAV BHANSALI                                                                                                                                                    | 572335           | 4.86  |                |              |
|  | 2. OM KUMARI BHANSALI                                                                                                                                                 | 1091221          | 9.26  |                |              |
|  | 3. OM PRAKASH BHANSALI HUF                                                                                                                                            | 135000           | 1.15  |                |              |
|  | 4. OM PRAKASH BHANSALI                                                                                                                                                | 4417011          | 37.50 |                |              |
|  | 5. PRIYA BHANSALI                                                                                                                                                     | 68691            | 0.58  |                |              |
|  | 6. RUCHI BHANSALI                                                                                                                                                     | 72689            | 0.62  |                |              |
|  | 7. VIMAL BHANSALI                                                                                                                                                     | 598840           | 5.08  | <b>6955787</b> | <b>59.05</b> |

**(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 |
| <b>1.</b> | <b>TRANSLAND SHARES PRIVATE LIMITED</b>                   |                                     |                                  |                                         |                                  |
|           | <b>At the beginning of the year</b>                       | <b>456183</b>                       | <b>3.87</b>                      |                                         |                                  |
|           | Transfer (31-07-2020)                                     | (222351)                            | (1.91)                           | 233832                                  | 1.96                             |
|           | Transfer (11-09-2020)                                     | 222351                              | 1.91                             | 456183                                  | 3.87                             |
|           | Transfer (30-10-2020)                                     | (233832)                            | (1.98)                           | 222351                                  | 1.89                             |
|           | Transfer (31-10-2020)                                     | 11481                               | 0.10                             | 233832                                  | 1.99                             |
|           | Transfer (06-11-2020)                                     | (11481)                             | (0.10)                           | 222351                                  | 1.89                             |
|           | Transfer (15-01-2021)                                     | 233832                              | 1.98                             | 456183                                  | 3.87                             |
|           | <b>At the end of the year</b>                             |                                     |                                  | <b>456183</b>                           | <b>3.87</b>                      |
| <b>2.</b> | <b>ROYAL JAISAL FINANCIAL CONSULTANTS PRIVATE LIMITED</b> |                                     |                                  |                                         |                                  |
|           | <b>At the beginning of the year</b>                       | <b>382553</b>                       | <b>3.25</b>                      | <b>382553</b>                           | <b>3.25</b>                      |
|           | Change During the Year                                    | Nil                                 | Nil                              | Nil                                     | Nil                              |
|           | <b>At the end of the year</b>                             |                                     |                                  | <b>382553</b>                           | <b>3.25</b>                      |
| <b>3.</b> | <b>MANISH TRADECOM PRIVATE LIMITED</b>                    |                                     |                                  |                                         |                                  |
|           | <b>At the beginning of the year</b>                       | <b>301732</b>                       | <b>2.56</b>                      | <b>301732</b>                           | <b>2.56</b>                      |
|           | Change During the Year                                    | Nil                                 | Nil                              | Nil                                     | Nil                              |
|           | <b>At the end of the year</b>                             |                                     |                                  | <b>301732</b>                           | <b>2.56</b>                      |
| <b>4.</b> | <b>SINA CHEMTRADE PRIVATE LIMITED</b>                     |                                     |                                  |                                         |                                  |
|           | <b>At the beginning of the year</b>                       | <b>298000</b>                       | <b>2.53</b>                      | <b>298000</b>                           | <b>2.53</b>                      |
|           | Change During the Year                                    | Nil                                 | Nil                              | Nil                                     | Nil                              |
|           | <b>At the end of the year</b>                             |                                     |                                  | <b>298000</b>                           | <b>2.53</b>                      |
| <b>5.</b> | <b>JOSHNA TRADING PRIVATE LIMITED</b>                     |                                     |                                  |                                         |                                  |
|           | <b>At the beginning of the year</b>                       | <b>286000</b>                       | <b>2.43</b>                      | <b>286000</b>                           | <b>2.43</b>                      |
|           | Change During the Year                                    | Nil                                 | Nil                              | Nil                                     | Nil                              |
|           | <b>At the end of the year</b>                             |                                     |                                  | <b>286000</b>                           | <b>2.43</b>                      |
| <b>6.</b> | <b>RAJENDRAKUMAR S BHIMRAJKA</b>                          |                                     |                                  |                                         |                                  |
|           | <b>At the beginning of the year</b>                       | <b>275000</b>                       | <b>2.33</b>                      | <b>275000</b>                           | <b>2.33</b>                      |

|            |                                     |               |             |               |               |
|------------|-------------------------------------|---------------|-------------|---------------|---------------|
|            | Change During the Year              | Nil           | Nil         | Nil           | Nil           |
|            | <b>At the end of the year</b>       |               |             | <b>275000</b> | <b>2.33</b>   |
| <b>7.</b>  | <b>SAJOY RUBBER PRIVATE LIMITED</b> |               |             |               |               |
|            | <b>At the beginning of the year</b> | <b>238000</b> | <b>2.02</b> | <b>238000</b> | <b>2.02</b>   |
|            | Change During the Year              | Nil           | Nil         | Nil           | Nil           |
|            | <b>At the end of the year</b>       |               |             | <b>238000</b> | <b>2.02</b>   |
| <b>8.</b>  | <b>VARSHA SHARAD SHAH</b>           |               |             |               |               |
|            | <b>At the beginning of the year</b> | <b>84045</b>  | <b>0.71</b> |               |               |
|            | Transfer (03-04-2020)               | 1900          | 0.02        | 85945         | 0.73          |
|            | Transfer (08-05-2020)               | 1050          | 0.01        | 86995         | 0.74          |
|            | Transfer (12-06-2020)               | 5000          | 0.04        | 91995         | 0.78          |
|            | Transfer (30-06-2020)               | 34612         | 0.30        | 126607        | 1.08          |
|            | <b>At the end of the year</b>       |               |             | <b>126607</b> | <b>1.08</b>   |
| <b>9.</b>  | <b>G V NAGABRAHMA</b>               |               |             |               |               |
|            | <b>At the beginning of the year</b> | <b>104293</b> | <b>0.89</b> |               |               |
|            | Transfer (17-07-2020)               | (12658)       | (0.11)      | 91635         | 0.7779        |
|            | Transfer (11-09-2020)               | (17716)       | (0.15)      | 73919         | 0.6275        |
|            | <b>At the end of the year</b>       |               |             | <b>73919</b>  | <b>0.6275</b> |
| <b>10.</b> | <b>BURLINGTON FINANCE LIMITED</b>   |               |             |               |               |
|            | <b>At the beginning of the year</b> | <b>50000</b>  | <b>0.43</b> |               |               |
|            | Transfer (15-01-2021)               | (859)         | (0.01)      | 49141         | 0.42          |
|            | Transfer (22-01-2021)               | (3392)        | (0.03)      | 45749         | 0.39          |
|            | Transfer (29-01-2021)               | (4018)        | (0.03)      | 41731         | 0.35          |
|            | Transfer (05-02-2021)               | (1538)        | (0.01)      | 40193         | 0.34          |
|            | Transfer (12-02-2021)               | (5856)        | (0.05)      | 34337         | 0.29          |
|            | Transfer (05-03-2021)               | 509           | 0.01        | 34846         | 0.30          |
|            | Transfer (12-03-2021)               | 4085          | 0.03        | 38931         | 0.33          |
|            | Transfer (19-03-2021)               | 1293          | 0.01        | 40224         | 0.34          |
|            | <b>At the end of the year</b>       |               |             | <b>40224</b>  | <b>0.34</b>   |

**(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)           | 4417011                                   | 37.50                            |                                         |                                  |
| 2.     | VIMAL BHANSALI(WTD)               | 598840                                    | 5.08                             |                                         |                                  |
| 3.     | GAURAV BHANSALI (WTD)             | 572335                                    | 4.86                             |                                         |                                  |
| 4.     | MAHENDRA KUMAR RAKECHA (INE)      | 0                                         | 0                                |                                         |                                  |
| 5.     | YOGESH MAHESHWARI(INE)            | 0                                         | 0                                |                                         |                                  |
| 6.     | SHARAD GYANMAL NAHATA (INE)       | 0                                         | 0                                |                                         |                                  |
| 7.     | SURBHI RATHI(INEW)                | 0                                         | 0                                |                                         |                                  |
| 8.     | MANISH BOHRA (CFO)                | 0                                         | 0                                |                                         |                                  |
| 9.     | AMIT BAXI (CS)                    | 0                                         | 0                                | <b>5588186</b>                          | <b>47.44</b>                     |

|    |                                                                                                                                                                     |                  |       |                |              |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------|----------------|--------------|
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | <b>NO CHANGE</b> |       |                |              |
|    | At the end of the year                                                                                                                                              |                  |       |                |              |
| 1. | OM PRAKASH BHANSALI(MD)                                                                                                                                             | 4417011          | 37.50 |                |              |
| 2. | VIMAL BHANSALI(WTD)                                                                                                                                                 | 598840           | 5.08  |                |              |
| 3. | GAURAV BHANSALI (WTD)                                                                                                                                               | 572335           | 4.86  |                |              |
| 4. | MAHENDRA KUMAR RAKECHA (INE)                                                                                                                                        | 0                | 0     |                |              |
| 5. | YOGESH MAHESHWARI(INE)                                                                                                                                              | 0                | 0     |                |              |
| 6. | SHARAD GYANMAL NAHATA (INE)                                                                                                                                         | 0                | 0     |                |              |
| 7. | SURBHI RATHI(INEW)                                                                                                                                                  | 0                | 0     |                |              |
| 8. | MANISH BOHRA(CFO)                                                                                                                                                   | 0                | 0     |                |              |
| 9. | AMIT BAXI (CS)                                                                                                                                                      | 0                | 0     | <b>5588186</b> | <b>47.44</b> |

## V. INDEBTEDNESS

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

(In Rs.)

|                                                                | <b>Secured Loans<br/>excluding deposits</b> | <b>Unsecured<br/>Loans</b> | <b>Deposits</b> | <b>Total<br/>Indebtedness</b> |
|----------------------------------------------------------------|---------------------------------------------|----------------------------|-----------------|-------------------------------|
| <b>Indebtedness at the beginning of<br/>the financial year</b> |                                             |                            |                 |                               |
| i) Principal Amount                                            | 19,60,27,478.00/-                           | 3,74,30,355/-              | -               | <b>23,34,57,833/-</b>         |
| ii) Interest due but not paid                                  | -                                           | 22,56,408/-                | -               | <b>22,56,408/-</b>            |
| iii) Interest accrued but not due                              | -                                           | -                          | -               | -                             |
| <b>Total (i+ii+iii)</b>                                        | <b>19,60,27,478.00/-</b>                    | <b>3,96,86,763/-</b>       | -               | <b>23,57,14,241/-</b>         |
| <b>Change in Indebtedness during<br/>the financial year</b>    |                                             |                            |                 |                               |
| -Addition                                                      | 5,70,24,128.00/-                            | -                          | -               | <b>5,70,24,128/-</b>          |
| - Reduction                                                    | 6,11,85,365.00/-                            | 94,64,798/-                | -               | <b>7,06,50,163/-</b>          |
| <b>Net Change</b>                                              | <b>41,61,237.00/-</b>                       | <b>94,64,798/-</b>         | -               | <b>1,36,26,035/-</b>          |
| <b>Indebtedness at the end of the<br/>financial year</b>       |                                             |                            |                 |                               |
| i) Principal Amount                                            | 19,18,66,241.00/-                           | 2,85,07,602/-              | -               | <b>22,03,73,843/-</b>         |
| ii) Interest due but not paid                                  | -                                           | 17,14,363/-                | -               | <b>17,14,363/-</b>            |
| iii) Interest accrued but not due                              | -                                           | -                          | -               | -                             |
| <b>Total (i+ii+iii)</b>                                        | <b>19,18,66,241.00/-</b>                    | <b>3,02,21,965/-</b>       | -               | <b>22,20,88,206/-</b>         |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(In Rs.)

| 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 | 32,40,000/-             | 25,80,000/-        | 25,80,000/-         | 84,00,000/-  |
|      | (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<br>- as % of profit<br>- others, specify...                              | -                       | -                  | -                   | -            |
| 5    | Others, please specify                                                              | -                       | -                  | -                   | -            |
|      | Total (A)                                                                           | 32,40,000/-             | 25,80,000/-        | 25,80,000/-         | 84,00,000/-  |
|      | Ceiling as per the Act                                                              | -                       | -                  | -                   | -            |

**B. Remuneration to other directors**

(In Rs.)

| S. No. | Particulars of Remuneration                  | Name of Directors |                       |                   |              |                     | Total Amount |
|--------|----------------------------------------------|-------------------|-----------------------|-------------------|--------------|---------------------|--------------|
|        |                                              | Mahendra Rakhecha | Sharad Gyanmal Nahata | Yogesh Maheshwari | Surbhi Rathi | Santosh Kumar Joshi |              |
| 1      | Independent Directors                        |                   |                       |                   |              |                     |              |
|        | •Fee for attending board/ committee meetings | 23,000/-          | -                     | 16,000/-          | -            | 2,000/-             | 41,000/-     |
|        | •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                | 23,000/-          | -                     | 16,000/-          | -            | 2,000/-             | 41,000/-     |
|        | Overall Ceiling as per the Act               |                   |                       |                   |              |                     |              |

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

(In Rs.)

| S.No. | Particulars of Remuneration                                                         | Key Managerial Personnel |                   |                     |                    |
|-------|-------------------------------------------------------------------------------------|--------------------------|-------------------|---------------------|--------------------|
|       |                                                                                     | CEO                      | AMIT BAXI<br>CS   | MANISH BOHRA<br>CFO | Total              |
| 1     | Gross salary                                                                        |                          |                   |                     |                    |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                        | 3,74,000/-        | 13,87,084/-         | <b>17,61,084/-</b> |
|       | (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<br>- as % of profit<br>- others, specify...                              | -                        |                   |                     |                    |
| 5     | Others, please specify                                                              | -                        |                   |                     |                    |
|       | <b>Total</b>                                                                        | -                        | <b>3,74,000/-</b> | <b>13,87,084/-</b>  | <b>17,61,084/-</b> |

**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) |
|-------------------------------------|------------------------------|-------------------|-----------------------------------------------------------|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                                                           |                              |                                    |
| Penalty                             | -                            | -                 | -                                                         | -                            | -                                  |
| Punishment                          | -                            | -                 | -                                                         | -                            | -                                  |
| Compounding                         | -                            | -                 | -                                                         | -                            | -                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |                                                           |                              |                                    |
| Penalty                             | -                            | -                 | -                                                         | -                            | -                                  |
| Punishment                          | -                            | -                 | -                                                         | -                            | -                                  |
| Compounding                         | -                            | -                 | -                                                         | -                            | -                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                           |                              |                                    |
| Penalty                             | -                            | -                 | -                                                         | -                            | -                                  |
| Punishment                          | -                            | -                 | -                                                         | -                            | -                                  |
| Compounding                         | -                            | -                 | -                                                         | -                            | -                                  |

## Annexure – II

## Form MR-3

**Secretarial Audit Report for the Financial Year Ended 31<sup>st</sup> March, 2021**

[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, 2021** 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, 2021** 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 Goods and Services Tax, Cess and others detailed under Tax Legislations, I have relied on the representations made by the Company, its Officers and Reports issued by the Statutory and other 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.

**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. During the year under review Mr. Sharad Gyanmal Nahata, Independent Director of the Company has resigned w.e.f 01.12.2020 and Mr. Santosh Kumar Joshi was appointed as Additional Independent Director w.e.f 22.02.2021.

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.

**I further report that** during the year under review the company had obtained approval of Members of the Company in its 20<sup>th</sup> Annual General Meeting in respect of:

1. Re- Appointment of Mr. Mahendra Rakhecha as an Independent Director for second term of five (5) consecutive years with effect from 01-10-2020 to 30-09-2025.
2. Re- Appointment of Mr. Yogesh Maheshwari as an Independent Director for second term of five (5) consecutive years with effect from 01-10-2020 to 30-09-2025.
3. Re- Appointment of Ms. Surbhi Rathie as an Independent Director for second term of five (5) consecutive years with effect from 01-10-2020 to 30-09-2025.

**Place: Jodhpur**

**Date: 26<sup>th</sup> August, 2021**

**IRA BAXI**

**Practicing Company Secretary**

**FCS No.: 5456; C P No.: 4712**

**UDIN: F005456C000832909**

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: 26<sup>th</sup> August, 2021

**IRA BAXI**  
**Practicing Company Secretary**  
**FCS No.: 5456; C P No.: 4712**  
**UDIN: F005456C000832909**

**APPENDIX-B**
**LIST OF OTHER LAWS APPLICABLE TO SOMI CONVEYOR BELTINGS LIMITED**

| <b>Sr. No.</b> | <b>Name of Acts/Rules/Regulations</b>                                                       |
|----------------|---------------------------------------------------------------------------------------------|
| 1.             | The Competition Act, 2002                                                                   |
| 2.             | The Environment (Protection) Act, 1986                                                      |
| 3.             | The Water (Prevention & Control of Pollution) Act, 1974                                     |
| 4.             | The Air (Prevention & Control of Pollution) Act, 1981                                       |
| 5.             | The Public Liability Insurance Act, 1991                                                    |
| 6.             | The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008          |
| 7.             | The Factories Act, 1948                                                                     |
| 8.             | The Industrial Disputes Act, 1947                                                           |
| 9.             | The Payment of Wages Act, 1936                                                              |
| 10.            | The Minimum Wages Act, 1948                                                                 |
| 11.            | The Employees' State Insurance Act, 1948                                                    |
| 12.            | The Employees' Provident Fund and Miscellaneous Provisions Act, 1952                        |
| 13.            | The Payment of Bonus Act, 1965                                                              |
| 14.            | The Payment of Gratuity Act, 1972                                                           |
| 15.            | The Contract Labour (Regulation and Abolition) Act, 1970                                    |
| 16.            | The Maternity Benefit Act, 1961                                                             |
| 17.            | The Child Labour (Prohibition and Regulation) Act, 1986                                     |
| 18.            | The Industrial Employment (Standing Orders) Act, 1946                                       |
| 19.            | The Employees' Compensation Act, 1923                                                       |
| 20.            | The Apprentices Act, 1961                                                                   |
| 21.            | The Equal Remuneration Act, 1976                                                            |
| 22.            | Micro, Small and Medium Enterprises Development (MSMED) Act, 2006                           |
| 23.            | Indian Trade Union Act, 1926                                                                |
| 24.            | The Person with Disability Act, 1995                                                        |
| 25.            | The Income Tax Act, 1961                                                                    |
| 26.            | The Central Excise Act, 1944                                                                |
| 27.            | The Customs Act, 1962                                                                       |
| 28.            | The Foreign Exchange Management Act, 1999                                                   |
| 29.            | The Employees Pension Scheme, 1995                                                          |
| 30.            | Accounting Standards                                                                        |
| 31.            | The Indian Penal Code, 1860                                                                 |
| 32.            | The Indian Evidence Act, 1872                                                               |
| 33.            | The Code of Criminal Procedure, 1973                                                        |
| 34.            | The Code of Civil Procedure, 1908                                                           |
| 35.            | The Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013 |
| 36.            | The Central Goods And Services Tax Act, 2017                                                |
| 37.            | The Integrated Goods And Services Tax Act, 2017                                             |
| 38.            | The Union Territory Goods And Services Tax Act, 2017                                        |
| 39.            | All Rules/Regulations in relation to above specified Acts.                                  |

**Place: Jodhpur**  
**Date: 26<sup>th</sup> August, 2021**

**IRA BAXI**  
**Practicing Company Secretary**  
**FCS No.: 5456; C P No.: 4712**  
**UDIN: F005456C000832909**

**Annexure – III****Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis: NA**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis**

The details were explained in the Notes to Financial Statements which form part of this report. The Audit Committee and the Board approved those transactions which are valid up to March 31, 2022. The Company has put in place effective mechanism to review such transactions on a regular basis.

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

Place: Jodhpur  
DATE: 4<sup>th</sup> September, 2021

**O P BHANSALI**  
**(Managing Director)**  
**DIN: 00351846**

**GAURAV BHANSALI**  
**(Whole time Director)**  
**DIN: 00351860**

## ANNEXURE – IV

### 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 towards society in a qualitative manner beyond statutory obligations in line with the vision of inculcating good corporate citizenship. Sustained economic performance, environmental and 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](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 Rakhecha – Non –Executive and Independent Director

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

Not Applicable as the average net profit of the Company for the last three financial years does not exceed the limit of 5 Crore.

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

Not Applicable

#### 5. Details of CSR Spend during the financial year

a) Total amount spent during the financial year: **Rs. 28,64,384.00/-** [Rs. 722,033/- (FY 2017-18), Rs. 995,267/- (FY 2016-17) and Rs.1,147,084/- (FY 2015-16)]

b) Amount unspent, if any: **Not Applicable**

c) Manner in which the amount spent during the financial year is detailed below:

| S. No. | CSR Project Activity                                                                   | Sector in which project is covered       | Project Details               | Amount outlay-budget | Amount spent on the projects | Cumulative Expenditure | Amount spent direct or through implementation agency |
|--------|----------------------------------------------------------------------------------------|------------------------------------------|-------------------------------|----------------------|------------------------------|------------------------|------------------------------------------------------|
| 1.     | Donation to Shree Samygyan Ramya Parshada to Promote Work related to Women Empowerment | Promoting Employment (Women Empowerment) | Shree Samygyan Ramya Parshada | 15,00,000/-          | Direct Expenses              | 15,00,000/-            | Direct to the institution                            |
| 2.     | Donation to Shree Samygyan Ramya Parshada to Promote Sanskrit Language School          | Promotion of Education                   | Shree Samygyan Ramya Parshada | 13,64,384/-          | Direct Expenses              | 13,64,384/-            | Direct to the institution                            |

6. **In case the company has failed to spend the 2% of the average net profit of last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report – Not Applicable**

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. Your Company has earned profit of Rs. 176.12 Lakhs during the year 2020-21, and the profit for past 3 years is less than 5 Crores. Therefore your Company is not required to spend any further amount on CSR activities.

Place: Jodhpur  
DATE: 4<sup>th</sup> September, 2021

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

## **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as “the Listing Regulations”), the Company’s Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2021 is set out below:

### **I. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE**

Good Corporate Governance is an integral part of the Company’s management and business philosophy. The Company operates within accepted standards of propriety and justice with transparency in all dealings, without compromising on integrity, corporate social responsibility and regulatory compliances concerning business and operations of the Company.

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.

Corporate Governance is a necessary tool for achieving all round business excellence reflected in enhanced shareholder value, without compromising on the need and interest of other stakeholders.

Corporate Governance is not a destination but a continuous journey with an upward moving target. The Company will continue its efforts towards raising its standard in Corporate Governance and will also review its systems and procedures constantly in order to keep pace with the changing economic environment.

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.

### **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 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 Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), having an optimal combination of Executive Directors and Non-Executive Directors with varied professional backgrounds, representing a judicious mix of professionalism, knowledge and experience. As on March 31, 2021, the Company’s Board comprised of Seven (7) directors, of which three (3) are Executive Directors out of which one is Managing Director and two are Whole Time Directors, four (4) are Non-Executive Independent Directors including one woman Director.

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

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

The Independent Directors of the Company are in compliance with the provisions of Regulation 16(1)(b) of the Listing Regulations. Further, disclosures have been made by the Directors regarding their Chairmanships/ Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 26(1) of the Listing Regulations.

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 here in below:

## Composition and Directorship(s) / Committee Membership(s)/ Chairmanship(s) as on 31<sup>st</sup> March, 2021

| 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 Companies |        |
|-------------------------|-----------|--------------------------------------|------------------------------|---------------------------------------------------------|---------------------------------------------------|--------|
|                         |           |                                      |                              |                                                         | Chairman                                          | Member |
| Mr. Om Prakash Bhansali | PE & CMD  | 4417011                              | 16/06/2000                   | 1                                                       | NIL                                               | NIL    |
| Mr. Vimal Bhansali      | PE & WTD  | 598840                               | 16/06/2000                   | NIL                                                     | NIL                                               | NIL    |
| Mr. Gaurav Bhansali     | PE & WTD  | 572335                               | 16/06/2000                   | NIL                                                     | NIL                                               | NIL    |
| Mr. Mahendra Rakhecha   | INE       | -                                    | 30/09/2006                   | 1                                                       | NIL                                               | NIL    |
| Mr. Yogesh Maheshwari   | INE       | -                                    | 10/01/2007                   | NIL                                                     | NIL                                               | NIL    |
| Mr. Santosh Kumar Joshi | INE       | -                                    | 22/02/2021                   | 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

Note - Mr. Sharad Gyanmal Nahata resigned from Board of Directors w.e.f. 01/12/2020

## 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.

**One** (1) Independent Director of the Company resigned before the expiry of his tenure.

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 Act and Listing Regulations.
- The Independent Directors can serve a maximum of two terms of five years each, after the introduction of the Act.
- 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 Act and the Listing Regulations.
- The Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members of the Company by way of a Special Resolution.

## c) Board Procedure

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees. The Company Secretary advises / assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings.

**d) Number of Board Meetings and Attendance Record of Directors**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Board business generally includes consideration of important corporate actions and events including:-

- quarterly and annual results announcements;
- oversight of the performance of the business;
- declaration of dividends;
- development and approval of overall business strategy;
- board succession planning;
- review of the functioning of the Committees; and
- other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations.

The particulars of Board Meetings held during 2020-21 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 2020-21: Nine (9) |                       |       |                       |
|--------------------------------------------------------|-----------------------|-------|-----------------------|
| S. No                                                  | Date of Board Meeting | S. No | Date of Board Meeting |
| 1.                                                     | 21/05/2020            | 6.    | 01/12/2020            |
| 2.                                                     | 10/07/2020            | 7.    | 10/02/2021            |
| 3.                                                     | 04/09/2020            | 8.    | 22/02/2021            |
| 4.                                                     | 15/09/2020            | 9.    | 06/03/2021            |
| 5.                                                     | 07/11/2020            |       |                       |

**Attendance Record of Board of Directors**

| Name of Director           | Number of Board Meetings |          | Whether attended last AGM held on 30.09.2020 |
|----------------------------|--------------------------|----------|----------------------------------------------|
|                            | Held                     | Attended |                                              |
| Mr. Om Prakash Bhansali    | 9                        | 9        | Yes                                          |
| Mr. Vimal Bhansali         | 9                        | 9        | Yes                                          |
| Mr. Gaurav Bhansali        | 9                        | 9        | Yes                                          |
| Mr. Mahendra Kumar Rakecha | 9                        | 7        | Yes                                          |
| Mr. Yogesh Maheshwari      | 9                        | 7        | Yes                                          |
| Mr. Sharad Gyanmal Nahata* | 6                        | 2        | Yes                                          |
| Ms. Surbhi Rathi           | 9                        | 2        | Yes                                          |
| Mr. Santosh Kumar Joshi**  | 1                        | 0        | No                                           |

\* Mr. Sharad Gyanmal Nahata resigned from Board of Directors w.e.f. 01/12/2020

\*\* Mr. Santosh Kumar Joshi appointed as Additional (Non-Executive Independent) Director w.e.f. February 22, 2021. The maximum interval between any two Meetings was well within the maximum allowed gap of 120 days.

**e) Disclosure of relationships between directors inter-se**

Mr. Vimal Bhansali and Mr. Gaurav Bhansali, Promoter Executive and Whole-time Directors on the Board of Directors are the sons of Mr. Om Prakash Bhansali, Promoter Executive and Chairman cum Managing Director.

**f) Number of shares and convertible instruments held by non-executive directors**

None of the Non-Executive Directors holds any share in the Company.

**g) Familiarization 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, requests 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:

- a. build an understanding of Somi Conveyor, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. 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 is available on Company's Website at <http://www.somiinvestor.com/images/pdf/Policies/SOMI - Familiarization Programme for IDs.pdf>

**h) Skills/ Expertise/ Competence of the Board of Directors including the areas as identified by the Board in the Context of the Company's Business**

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Leadership, hands on experience on conveyor belts industry and operational experiences in sourcing, manufacturing, marketing and business development, R&D innovation.
2. Strong technical knowledge of the industry in which Company operates including implementation of latest technology equipment tools and dies, etc.
3. Strategy planning.
4. Behavioral skills- attributes, competencies, experience in Computer and Information Technology to use their knowledge and skills to contribute effectively to the growth of the Company.
5. Leadership, Accounting, financial management, cost expertise and banking.
6. Safety, Risk managements, Legal and Industrial Relation & Human Relationship expertise and Corporate Governance.

|                                |                              |
|--------------------------------|------------------------------|
| <b>Mr. Om Prakash Bhansali</b> | <b>1, 2, 3, 4, 5 &amp; 6</b> |
| <b>Mr. Vimal Bhansali</b>      | <b>1, 2, 3, 4, 5 &amp; 6</b> |
| <b>Mr. Gaurav Bhansali</b>     | <b>1, 2, 3, 4, 5 &amp; 6</b> |
| <b>Mr. Mahendra Rakhecha</b>   | <b>1, 2, 3, 4, 5 &amp; 6</b> |
| <b>Mr. Yogesh Maheshwari</b>   | <b>1, 2, 3, 4, 5 &amp; 6</b> |
| <b>Mr. Santosh Kumar Joshi</b> | <b>3, 4, 5 &amp; 6</b>       |
| <b>Ms. Surbhi Rathi</b>        | <b>3, 4, 5 &amp; 6</b>       |

**i) Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are Independent of the Management**

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2021-22, the Board hereby certifies that all the Independent Directors appointed by the Company fulfill the conditions specified in these Regulations and are independent of the management.

**j) Resignation of Independent Director before the expiry of the tenure**

Mr. Sharad Gyanmal Nahata has resigned as an Independent Director from the Board of Directors of the Company vide a letter dated 1st December, 2020 with immediate effect owing to his personal reasons before the expiry of his tenure. The Board hereby confirms that as per the confirmation received from Mr. Sharad Gyanmal Nahata, there were no material reasons for his resignation other than those mentioned in her resignation letter dated 1st December, 2020.

**k) Separate Meeting of Independent Directors**

The Independent Directors met on March 06, 2021, 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                     | Attended |
| Mr. Mahendra Rakhecha   | 1                        | 1        |
| Mr. Yogesh Maheshwari   | 1                        | 1        |
| Mr. Santosh Kumar Joshi | 1                        | 1        |
| Ms. Surbhi Rathi        | 1                        | 1        |

In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

**l) 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.

**m) 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 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.

**n) 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](http://www.somiinvestor.com/images/pdf/Policies/SOMI_-_Whistle_Blower_Policy.pdf)

**III. Governance by the Committees of the Board**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meeting of all Committees are placed before the Board for review.

The Board had the following Committees during the year 2020-21:

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 composition of the Audit Committee as on March 31, 2021 is as under:

| <b>Name of Member</b>                                                     | <b>Category</b>                         |
|---------------------------------------------------------------------------|-----------------------------------------|
| Mr. Mahendra Rakhecha (Chairman & member)                                 | Non- Executive and Independent Director |
| Mr. Sharad Gyanmal Nahata (ceased to be member w.e.f. 1st December, 2020) | Non- Executive and Independent Director |
| Mr. Yogesh Maheshwari (appointed as member w.e.f. 1st December, 2020)     | Non- Executive and Independent Director |
| Mr. Gaurav Bhansali (Member)                                              | Whole-Time Director                     |

All the 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 Five times during the financial year 2020-21 on:

July 10, 2020; September 15, 2020; November 07, 2020; December 01, 2020 and February 10, 2021.

**Details of meetings attended by the members of the Audit Committee during the financial year 2020-21 are as follows:**

| <b>Name of Committee Member</b> | <b>Category</b>                        | <b>Position</b> | <b>Number of Committee Meetings</b> |                 |
|---------------------------------|----------------------------------------|-----------------|-------------------------------------|-----------------|
|                                 |                                        |                 | <b>Held</b>                         | <b>Attended</b> |
| Mr. Mahendra Rakhecha           | Non-Executive and Independent Director | Chairman        | 5                                   | 4               |
| Mr. Sharad Gyanmal Nahata*      | Non-Executive and Independent Director | Member          | 4                                   | 3               |
| Mr. Gaurav Bhansali             | Whole-Time Director                    | Member          | 5                                   | 5               |
| Mr. Yogesh Maheshwari           | Non-Executive and Independent Director | Member          | 2                                   | 1               |

\*Mr. Sharad Gyanmal Nahata ceased to be a member of Audit Committee w.e.f. 1st December, 2020.

## 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 raise 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 composition of this Committee as on March 31, 2021 is as under:

| <b>Name of Member</b>                                                                                                                      | <b>Category</b>                    |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Mr. Yogesh Maheshwari (Chairman & member)                                                                                                  | Non-Executive Independent Director |
| Mr. Mahendra Rakhecha (Member)                                                                                                             | Non-Executive Independent Director |
| Mr. Sharad Gyanmal Nahata (ceased to be member w.e.f. 1 <sup>st</sup> December, 2020)                                                      | Non-Executive Independent Director |
| Ms. Surbhi Rath (appointed as member w.e.f. 1 <sup>st</sup> December, 2020. Later, ceased to be member w.e.f. 6 <sup>th</sup> March, 2021) | Non-Executive Independent Director |
| Mr. Santosh Kumar Joshi (appointed as member w.e.f. 6 <sup>th</sup> March, 2021)                                                           | Non-Executive Independent Director |

The Nomination & Remuneration Committee has met Two times during the financial year 2020-21 on: December 01, 2020 and March 06, 2021.

The attendance of members of Nomination and Remuneration Committee at the committee meeting during the year ended March 31, 2021 is as under:

| <b>Name of Committee Member</b> | <b>Category</b>                        | <b>Position</b> | <b>Number of Committee Meetings</b> |                 |
|---------------------------------|----------------------------------------|-----------------|-------------------------------------|-----------------|
|                                 |                                        |                 | <b>Held</b>                         | <b>Attended</b> |
| Mr. Yogesh Maheshwari           | Non-Executive and Independent Director | Chairman        | 2                                   | 2               |
| Mr. Mahendra Rakhecha           | Non-Executive and Independent Director | Member          | 2                                   | 2               |
| Mr. Sharad Gyanmal Nahata *     | Non-Executive and Independent Director | Member          | 1                                   | 0               |
| Ms. Surbhi Rath **              | Non-Executive and Independent Director | Member          | 1                                   | 1               |
| Mr. Santosh Kumar Joshi ***     | Non-Executive and Independent Director | Member          | 1                                   | 1               |

\* Mr. Sharad Gyanmal Nahata ceased to be member of Nomination and Remuneration Committee w.e.f. 1<sup>st</sup> December, 2020.

\*\* Ms. Surbhi Rath was appointed as member of Nomination and Remuneration Committee w.e.f. 1<sup>st</sup> December, 2020.

\*\*\* Mr. Santosh Kumar Joshi was appointed as member of Nomination and Remuneration Committee w.e.f. 6<sup>th</sup> March, 2021.

### **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 sustainability 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;

**Performance evaluation criteria for Independent Directors:**

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Details of Remuneration to all the directors:****a) Executive Directors**

The Company has one Managing Director 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, 2021 is given below:**

| Name of Directors                                       | Remuneration           | Commission | Value of Perquisites/ Reimbursement of Expenses | Annual Amount in Rs. |                                |
|---------------------------------------------------------|------------------------|------------|-------------------------------------------------|----------------------|--------------------------------|
|                                                         |                        |            |                                                 | Sitting Fees         | Total Remuneration (Per Annum) |
| Mr. Om Prakash Bhansali, Chairman and Managing Director | Rs. 32,40,000/-        | NIL        | NIL                                             | NIL                  | Rs. 32,40,000/-                |
| Mr. Vimal Bhansali, Whole time Director                 | Rs. 25,80,000/-        | NIL        | NIL                                             | NIL                  | Rs. 25,80,000/-                |
| Mr. Gaurav Bhansali, Whole time Director                | Rs. 25,80,000/-        | NIL        | NIL                                             | NIL                  | Rs. 25,80,000/-                |
| <b>TOTAL</b>                                            | <b>Rs. 84,00,000/-</b> | <b>NIL</b> | <b>NIL</b>                                      | <b>NIL</b>           | <b>Rs. 84,00,000/-</b>         |

**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.

**Details of sitting fees and commission paid to Independent Directors during the financial year 2020-21 is given below:**

| Name of Non-Executive & Independent Directors | Sitting Fee for Board/Audit Committee/ Other Committee Meeting attended |
|-----------------------------------------------|-------------------------------------------------------------------------|
| Mr. Mahendra Rakhecha                         | Rs. 23,000/-                                                            |
| Mr. Yogesh Maheshwari                         | Rs. 16,000/-                                                            |
| Mr. Sharad Gyanmal Nahata*                    | NIL                                                                     |
| Ms. Surbhi Rath                               | NIL                                                                     |
| Mr. Santosh Kumar Joshi                       | Rs. 2,000/-                                                             |

\*Mr. Sharad Gyanmal Nahata resigned from Board of Directors w.e.f. 01.12.2020.

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 composition of this Committee as on March 31, 2021 is as under:

| <b>Name of Member</b>                                                                                 | <b>Category</b>                    |
|-------------------------------------------------------------------------------------------------------|------------------------------------|
| Mr. Yogesh Maheshwari (Chairman) appointed as chairman & member w.e.f. 1 <sup>st</sup> December, 2020 | Non-Executive Independent Director |
| Mr. Sharad Gyanmal Nahata (ceased to be chairman & member w.e.f. 1 <sup>st</sup> December, 2020)      | Non-Executive Independent Director |
| Mr. Mahendra Rakhecha (Member)                                                                        | Non-Executive Independent Director |
| Mr. Vimal Bhansali (Member)                                                                           | Whole-Time Director                |

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.

The Stakeholders Relationship Committee has met Two times during the financial year 2020-21 on: December 01, 2020 and March 06, 2021.

The attendance of members of Stakeholders Relationship Committee at the committee meeting during the year ended March 31, 2021 is as under:

| <b>Name of Committee Member</b> | <b>Category</b>                        | <b>Number of Committee Meetings</b> |                 |
|---------------------------------|----------------------------------------|-------------------------------------|-----------------|
|                                 |                                        | <b>Held</b>                         | <b>Attended</b> |
| Mr. Sharad Gyanmal Nahata *     | Non-Executive and Independent Director | 1                                   | 0               |
| Mr. Yogesh Maheshwari **        | Non-Executive and Independent Director | 2                                   | 2               |
| Mr. Mahendra Rakhecha           | Non-Executive and Independent Director | 2                                   | 2               |
| Mr. Vimal Bhansali              | Whole-Time Director                    | 2                                   | 2               |

\* Mr. Sharad Gyanmal Nahata ceased to be chairman & member of Stakeholders Relationship Committee w.e.f. 1st December, 2020.

\*\* Mr. Yogesh Maheshwari was appointed as a chairman & member of Stakeholders Relationship Committee w.e.f. 1st December, 2020.

**Status of Shareholders'/Investors' Complaints for the period 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021**

| <b>Opening Balance</b> | <b>Complaints Received during the year 2020-21</b> | <b>Complaints Resolved during the year 2020-21</b> | <b>Closing Balance</b> |
|------------------------|----------------------------------------------------|----------------------------------------------------|------------------------|
| NIL                    | NIL                                                | NIL                                                | 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, 2021, no Complaint was received from the Shareholders.

#### 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 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 Rakhecha as its Members. During the year, the Committee met once on March 06, 2021.

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                         | Attended |
| Mr. Om Prakash Bhansali  | Managing Director                       | Chairman | 1                            | 1        |
| Mr. Vimal Bhansali       | Whole-Time Director                     | Member   | 1                            | 1        |
| Mr. Mahendra Rakhecha    | 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.

#### IV. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

## V. GENERAL BODY MEETINGS

**Date, Time and Location where last three Annual General Meetings were held:**

| Financial Year | Date       | Time      | Location                                                     |
|----------------|------------|-----------|--------------------------------------------------------------|
| 2017-18        | 29.09.2018 | 11.30 a.m | 4F-15, "Oliver House", New Power House Road, Jodhpur-342 003 |
| 2018-19        | 30.09.2019 | 11.30 a.m | 4F-15, "Oliver House", New Power House Road, Jodhpur-342 003 |
| 2019-20        | 30.09.2020 | 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 20<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2020, Three Special Resolutions were proposed and passed pertaining to
  - a) Approval for re-appointment of Mr. Mahendra Rakheca as an Independent Director pursuant to section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made there under, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to relevant provision of Articles of Association of the Company for his second term of 5 (five) consecutive years, commencing from 1st October, 2020 to 30th September, 2025.
  - b) Approval for re-appointment of Mr. Yogesh Maheshwari as an Independent Director pursuant to section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made there under, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to relevant provision of Articles of Association of the Company for his second term of 5 (five) consecutive years, commencing from 1st October, 2020 to 30th September, 2025.
  - c) Approval for re-appointment of Ms. Surbhi Rathi as an Independent Director pursuant to section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made there under, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to relevant provision of Articles of Association of the Company for her second term of 5 (five) consecutive years, commencing from 1st October, 2020 to 30th September, 2025
2. In the 19<sup>th</sup> Annual General Meeting held on 30th September, 2019, Four Special Resolutions were proposed and passed pertaining to:
  - a) Approval for re-appointment of Mr. Sharad Gyanmal Nahata as an Independent Director pursuant to section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made there under, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to relevant provision of Articles of Association of the Company for his second term of 5 (five) consecutive years, commencing from 1st October, 2019 to 30th September, 2024.

- b) Increase in remuneration of Mr. Om Prakash Bhansali, Managing Director of the Company pursuant to the provisions of Section 197, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with effect from 01/10/2019, to the extent of Rs. 2,70,000/- (Rupees Two Lakh Seventy Thousand ) per month including HRA, Special Perquisite and Bonus etc.
  - c) Increase in remuneration of Mr. Vimal Bhansali, Whole-Time Director of the Company pursuant to the provisions of Section 197, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with effect from 01/10/2019, to the extent of Rs. 2,15,000/- (Rupees Two Lakh Fifteen Thousand ) per month including HRA, Special Perquisite and Bonus etc.
  - d) Increase in remuneration of Mr. Gaurav Bhansali, Whole-Time Director of the Company pursuant to the provisions of Section 197, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with effect from 01/10/2019, to the extent of Rs. 2,15,000/- (Rupees Two Lakh Fifteen Thousand ) per month including HRA, Special Perquisite and Bonus etc.
3. In the 18th Annual General Meeting held on 29th September, 2018, no Special Resolutions were proposed and passed.

### **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:**

- Not Applicable

### **PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE:**

- Not 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:**

- Not 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](http://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.

Details of Related Party transactions that took place during the FY 2020-21 are mentioned in Director's Report.

### **b) Disclosure of accounting treatment in preparation of financial statements**

The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standards (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:**

**In the FY 2018-19**, BSE Limited and National Stock Exchange of India have imposed penalty of Rs.2,33,404/- and Rs. 2,33,401/- respectively for delay in submission of Financial Results within the period prescribed under Regulation 33 of SEBI (LODR) Regulations, 2015. Penalty has been paid by Company in part vide cheque deposited in favour of BSE and NSE on 30/06/2018.

**In the FY 2020-21**, The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No other penalty or strictures were imposed on the Company by any of these authorities.

### **d) Whistleblower Policy and Vigil Mechanism**

The Company has adopted a Whistleblower Policy and Vigil Mechanism as required under the Regulation 22 of the Listing Regulations for directors, employees and stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The said policy has been posted on the Company's website; link of which is mentioned in the Director's Report. The Company affirms that no personnel have been denied access to the Audit Committee of Directors.

### **e) Compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company confirms that it has complied with all the 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.

**f) Details of utilization of funds raised through Preferential Allotment or Qualified Institutional Placements as specified under regulation 32(7A)**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

**g) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority**

On the basis of written representations/ declaration received from the Directors, as on 31st March, 2021 a certificate from a Company Secretary in practice has been received confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

**h) Recommendation of Committees of the Board during the FY 2020-21**

The Board accepted the recommendations of its Committees, wherever made, during the year.

**i) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

During the financial year 2020-21, total fees for all services paid by the listed entity to the Statutory Auditor are as follows:

| Particulars     | Details of Fees |
|-----------------|-----------------|
| Internal Audit  | 100,000/-       |
| Statutory Audit | 200,000/-       |
| Tax Audit       | 100,000/-       |
| Other Services  | 100,000/-       |

**j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website; link of which is mentioned in Director's Report. All employees (permanent, contractual, temporary and trainees, etc.) are covered under this Policy. The Policy is gender neutral.

**Status of complaints as on 31st March 2021:**

| S.No. | Particulars                                                  | Number of Complaints |
|-------|--------------------------------------------------------------|----------------------|
| 1     | Number of Complaints filed during the financial year         | NIL                  |
| 2     | Number of Complaints disposed of during the financial year   | N.A.                 |
| 3     | Number of Complaints pending as on end of the financial year | N.A.                 |

**k) Risk Management Framework:**

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

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

The management of the Company takes effective steps timely to minimize the commodity price risks and also hedges its exposure.

**m) 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.

**n) 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.

**o) 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.

**p) As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Notice of the AGM to be held on 30th September 2021.**

**q) Disclosure with respect to demat suspense account/ unclaimed suspense account:**

The Company was not required to credit any shares in the demat suspense account or unclaimed suspense account, hence disclosure is not applicable.

## **VII. 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)                  | <p>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 &amp; NSE.</p> <p>Quarterly and Annual financial results are also published in English and Hindi daily newspaper, i.e., Business Standard/Financial Express, Business Remedies and Nafa Nuksan</p> |
| Website                                                                            | <p>Pursuant to the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website <a href="http://www.somiinvestor.com">www.somiinvestor.com</a>, all the information which 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.,</p>                                                                                                                                                                            |
| NSE Electronic Application Processing System (NEAPS) and BSE Online Listing Centre | <p>The Company uploads its disclosures and announcements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the link, <a href="https://www.connect2nse.com/LISTING/">https://www.connect2nse.com/LISTING/</a> to NSE Electronic Application Processing System (NEAPS) and to BSE Online Listing Centre at the link, <a href="https://listing.bseindia.com/">https://listing.bseindia.com/</a></p>                                                                                                                                                                                           |
| SCORES (SEBI complaints redressal system)                                          | <p>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.</p>                                                                                                                                                                                                                                    |

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.

## VIII. GENERAL SHAREHOLDERS INFORMATION

### a) Date, time and venue of the 21<sup>st</sup> Annual General Meeting:

Annual General Meeting is proposed to be held on Thursday, 30<sup>th</sup> September, 2021 at 11:30 A.M at its Registered Office at 4F-15, "Oliver House", New Power House Road, Jodhpur – 342 003

### b) Financial Calendar:

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

| Particulars                                                      | Tentative Schedule                               |
|------------------------------------------------------------------|--------------------------------------------------|
| <b>Quarterly Results</b>                                         |                                                  |
| Quarter ending on 30th June, 2021                                | Within Forty Five Days of the End of the Quarter |
| Quarter ending on 30th September, 2021                           | Within Forty Five Days of the End of the Quarter |
| Quarter ending on 31st December, 2021                            | Within Forty Five Days of the End of the Quarter |
| <b>Annual Results of 2021-22</b>                                 | Within Sixty Days of the End of the Quarter      |
| <b>Annual General Meeting for the year ending March 31, 2022</b> | In September, 2022                               |

**c) Book closure date:**

The Register of Members and Share Transfer Books of the Company will be closed from Friday, 24<sup>th</sup> September, 2021 to Thursday, 30<sup>th</sup> September, 2021 (both days inclusive) for the purpose of 21<sup>ST</sup> Annual General Meeting.

**d) Name and Address of Stock Exchanges where the Company's shares are listed and confirmation of payment of Annual Listing Fees :**

| S.NO. | NAME OF STOCK EXCHANGE                                                          | ADDRESS OF STOCK EXCHANGE                                             |
|-------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| 1.    | <b>Bombay Stock Exchange Ltd. (BSE)</b><br>[ w.e.f. 24th July, 2008]            | Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.  |
| 2.    | <b>National Stock Exchange of India Limited (NSE)</b> [ w.e.f. 18th July, 2016] | Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 |

Annual Listing Fees have been paid for the Financial Year 2021-2022.

**e) Stock Code**

| Particulars                                    | Stock Code   |
|------------------------------------------------|--------------|
| Bombay Stock Exchange Ltd. (BSE)               | 533001       |
| National Stock Exchange of India Limited (NSE) | SOMICONVEY   |
| ISIN                                           | INE323J01019 |

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

| Month & Year | High (Price) | Low (Price) | Volume (No. of Shares) | <b>BSE SENSEX</b> |          |          |
|--------------|--------------|-------------|------------------------|-------------------|----------|----------|
|              |              |             |                        | Month & Year      | High     | Low      |
| Apr - 20     | 14.2         | 10.25       | 6,660                  | Apr - 20          | 33887.25 | 27500.79 |
| May - 20     | 14.19        | 11.6        | 10,305                 | May - 20          | 32845.48 | 29968.45 |
| Jun - 20     | 18.76        | 12.04       | 19,945                 | Jun - 20          | 35706.55 | 32348.1  |
| Jul - 20     | 20.7         | 14.3        | 58,625                 | Jul - 20          | 38617.03 | 34927.2  |
| Aug - 20     | 37.5         | 14.45       | 3,49,948               | Aug - 20          | 40010.17 | 36911.23 |
| Sep - 20     | 27           | 19.8        | 40,398                 | Sep - 20          | 39359.51 | 36495.98 |
| Oct - 20     | 23.65        | 19.9        | 18,822                 | Oct - 20          | 41048.05 | 38410.2  |
| Nov - 20     | 23.7         | 19.2        | 22,928                 | Nov - 20          | 44825.37 | 39334.92 |
| Dec - 20     | 30           | 19.05       | 1,12,255               | Dec - 20          | 47896.97 | 44118.1  |
| Jan - 21     | 42.3         | 27.5        | 3,90,598               | Jan - 21          | 50184.01 | 46160.46 |
| Feb - 21     | 36.2         | 30.85       | 53,332                 | Feb - 21          | 52516.76 | 46433.65 |
| Mar - 21     | 33.35        | 29.3        | 61,948                 | Mar - 21          | 51821.84 | 48236.35 |

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

| Month & Year | High (Price) | Low (Price) | Volume (No. of Shares) |
|--------------|--------------|-------------|------------------------|
| Apr - 20     | 14.45        | 9.55        | 50,040                 |
| May - 20     | 12.9         | 11.4        | 34,057                 |
| Jun - 20     | 17.5         | 12          | 1,07,463               |
| Jul - 20     | 21           | 14.1        | 3,46,833               |
| Aug - 20     | 36.05        | 13.85       | 14,25,849              |
| Sep - 20     | 26.8         | 19.75       | 3,07,588               |
| Oct - 20     | 23.95        | 19.2        | 1,44,527               |
| Nov - 20     | 21.9         | 19.1        | 1,34,457               |
| Dec - 20     | 29.7         | 20.35       | 5,77,479               |
| Jan - 21     | 42.05        | 27          | 16,17,782              |
| Feb - 21     | 36           | 30.55       | 1,68,035               |
| Mar - 21     | 33.6         | 30          | 1,41,764               |

| NSE NIFTY    |          |          |
|--------------|----------|----------|
| Month & Year | High     | Low      |
| Apr - 20     | 9889.05  | 8055.8   |
| May - 20     | 9598.85  | 8806.75  |
| Jun - 20     | 10553.15 | 9544.35  |
| Jul - 20     | 11341.4  | 10299.6  |
| Aug - 20     | 11794.25 | 10882.25 |
| Sep - 20     | 11618.1  | 10790.2  |
| Oct - 20     | 12025.45 | 11347.05 |
| Nov - 20     | 13145.85 | 11557.4  |
| Dec - 20     | 14024.85 | 12962.8  |
| Jan - 21     | 14753.55 | 13596.75 |
| Feb - 21     | 15431.75 | 13661.75 |
| Mar - 21     | 15336.3  | 14264.4  |

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

**g) Registrars and Share Transfer Agents:**

Universal Capital Securities Private Limited

C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083.

Tel Nos. : (022) 28207203-05; Fax No. : (022) 28207207, Web: www.unisec.in

**h) Share Transfer System**

Trading in equity shares of the Company through Recognised Stock Exchanges can be done only in dematerialized form.

**i) Distribution of Shareholding As At 31<sup>st</sup> March 2021**

| No. of Equity Shares Held | No. of Shares   | % to Capital  | No. of Holders | % to Total    |
|---------------------------|-----------------|---------------|----------------|---------------|
| UPTO 500                  | 598968          | 5.09          | 3928           | 81.11         |
| 501 - 1000                | 379648          | 3.22          | 470            | 9.71          |
| 1001 - 2000               | 374590          | 3.18          | 253            | 5.22          |
| 2001 - 3000               | 176541          | 1.49          | 69             | 1.42          |
| 3001 - 4000               | 94262           | 0.8           | 26             | 0.54          |
| 4001 - 5000               | 106858          | 0.91          | 23             | 0.48          |
| 5001 - 10000              | 279048          | 2.37          | 37             | 0.76          |
| 10001 AND ABOVE           | 9769741         | 82.94         | 37             | 0.76          |
| <b>TOTAL</b>              | <b>11779656</b> | <b>100.00</b> | <b>4843</b>    | <b>100.00</b> |

**j) Dematerialization of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialized form. The Company's shares are regularly traded on the 'BSE Limited' and National Stock Exchange of India Limited. The shares in physical form are processed by the Registrar and transfer Agent and approved by the Stakeholder Relationship Committee. 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.

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

NIL

**l) Commodity price risk or foreign exchange risk and hedging activities**

The management of the Company takes effective steps timely to minimize the commodity price risks and also hedges its exposure.

**m) Plant location:**

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

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

**n) 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

The Management of Somi Conveyor Beltings Limited is pleased to present the Management Discussion and Analysis Report covering the Performance and Outlook of the Company. The Report contains business perspective and prospects based on the current environment and strategic options to steer the Company through unforeseen and uncontrollable external factors. This discussions related to the Company's financial condition and result of operation 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.

### FINANCIAL HIGHLIGHTS

Highs and lows make a year, but 2020-21 can be summed up as overall dispirited. The year unfolded as intense for healthcare and eventually volatile for the global economy. We witnessed some major shake-ups and disruptions because of the spread of the novel coronavirus, which led to precautionary lockdowns and thereby brought the world to a standstill. The pandemic wreaked havoc not only in terms of lives lost but affected the livelihood of millions across the globe too. The gauging tool could be the IMF estimates, which state that the global economy is expected to contract by 3.3% in 2020 as compared to the growth of 2.8% in 2019 and 3.6% in CY2018, the decline being the biggest since the Great Depression of the 1930s. The global trade contracted by 8.5% in CY2020 due to border closures as countries around the world imposed lockdowns. Supply disruptions interrupted the international provision of goods and services. The impact of the pandemic on merchandise trade volumes differed across regions in 2020, with most regions recording large declines in both exports and imports. Trade volumes have now more or less returned to pre-pandemic levels.

The following table gives an overview of the financial results of the Company:

(Rs.in Lakhs)

|                                                                                 | Year ended<br>31 <sup>st</sup> March<br>2021 | % of<br>Revenue | % Growth /<br>(% Decline) | Year ended<br>31 <sup>st</sup> March<br>2020 | % of<br>Revenue |
|---------------------------------------------------------------------------------|----------------------------------------------|-----------------|---------------------------|----------------------------------------------|-----------------|
| <b>Revenue</b>                                                                  | 4679.27                                      | 100.00%         | 1.93%                     | 4589.02                                      | 100.00%         |
| <b>Earnings before interest,<br/>tax, depreciation</b>                          | 593.23                                       | 12.68%          | (17.59%)                  | 719.84                                       | 15.69%          |
| <b>Profit Before Tax</b>                                                        | 235.39                                       | 5.03%           | (27.72%)                  | 325.65                                       | 7.09%           |
| <b>Profit After Tax attributable<br/>to shareholders of the<br/>Company</b>     | 176.12                                       | 3.76%           | (27.45%)                  | 242.74                                       | 5.29%           |
| <b>Total Comprehensive<br/>Income for the period<br/>attributable to Owners</b> | 176.12                                       | 3.76%           | (27.45%)                  | 242.74                                       | 5.29%           |
| <b>Earnings per Share (in Rs.)</b>                                              | <b>1.50</b>                                  | -               | <b>57.25%</b>             | <b>2.06</b>                                  | -               |

During the year 2020-21, the Company has continued implementation of its business strategy to give a better performance as compared to previous year. Your Company achieved revenue from operations for the year aggregated to 4679.27 Lakh registering an increase of 1.93% over the previous year's revenue of Rs. 4589.02 Lakh. Your Company was able to earn Net Profit Rs. 176.12 Lakh (decline of 27.45% as compared to previous year. Due to pandemic and nationwide lockdown in first few months, some of the fiscal parameters and performance of the Company got impacted negatively. However, despite the same Company posted healthy profits. The Company further endeavors to do well in the current year by stabilizing plant operations, focusing on optimization of costs, improving operational efficiency and further strengthening the brand.

**Segment-Wise and Product-Wise Performance**

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

**Key Financial Ratios**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios. The Company has identified the following ratios as key financial ratios: -

|                                | Units        | Year ended 31 <sup>st</sup><br>March 2021 | Year ended 31 <sup>st</sup><br>March 2020 | % Change       |
|--------------------------------|--------------|-------------------------------------------|-------------------------------------------|----------------|
| <b>Debtors Turnover</b>        | <b>Days</b>  | <b>237</b>                                | <b>132</b>                                | <b>79.54%</b>  |
| <b>Inventory Turnover</b>      | <b>Days</b>  | <b>277</b>                                | <b>314</b>                                | <b>-11.78%</b> |
| <b>Interest Coverage Ratio</b> | <b>Times</b> | <b>2.32</b>                               | <b>2.54</b>                               | <b>-8.66%</b>  |
| <b>Current Ratio</b>           | <b>Times</b> | <b>2.27</b>                               | <b>2.14</b>                               | <b>6.07%</b>   |
| <b>Debt Equity Ratio</b>       | <b>Times</b> | <b>0.36</b>                               | <b>0.39</b>                               | <b>-7.69%</b>  |
| <b>Operating Profit Margin</b> | <b>%</b>     | <b>7.22%</b>                              | <b>9.35%</b>                              | <b>-22.78%</b> |
| <b>Net Profit Margin</b>       | <b>%</b>     | <b>3.76%</b>                              | <b>5.19%</b>                              | <b>-27.55%</b> |

**INDUSTRIAL SCENARIO**

The Conveyor Belt industry faced a number of challenges in FY2021 from COVID-19 and consequent lockdowns. Product demand was impacted as material handling and packaging industries such as mining, cement, power came to a halt, while production witnessed supply chain disruptions and manpower shortages. During the year, most businesses adopted costs cutting approach. This in turn, lead to a contraction in both demand and supply.

Like most countries in the world, India also faced its fair share of headwinds during 2020-21. The GDP numbers plummeted in Q1 of FY2020-21 to -24.4% on account of strict lockdowns imposed by the government to curb the spread of the virus. While impact of the second wave of Covid-19 is coming down as this report goes into print, the future is still uncertain. As per recent estimates released by RBI, the GDP is likely to grow at 9.5% during FY2021-22.

The Industry of Conveyor Belts has been witnessing a gradual shift in terms of consumer preferences from traditional conveyor belts to better quality premium products. It is also attracting healthy competitive environment, where players are applying different strategies to tap growing demand in the market space. The global Conveyor Belts market is fragmented and characterized by the presence of large international and regional vendors. Vendors compete in terms of price, brand image, turnaround time, quality, proximity to service centers, technical expertise and previous installation history. The industry is made up of several large players who provide a large variety of standard type commodities and many smaller niche players who offer more custom products and solutions.

**ABOUT THE COMPANY**

Somi Conveyor Beltings Limited ("The Company") is one of the renowned Conveyor Belts Company across the globe. The Company is a manufacturer and leading distributor of premium quality customized Conveyor Belts to its clients that are used for different purposes. The wide variety of Conveyor Belts include M-24, Tiger M-27, HR Grade, SHR Grade, UHR Grade, SEHR-36 (Crackless upto 250 Degree), SEHR-72 (Crackless upto 350 Degree), Fire Resistant SEFR-81, Oil Resistant, SAR-36 Fusion Belt(Combination of Fabric Belt and Steel Wires), STA(Bullet Proof Aramid Fabric), Chevron, Rough Top, Rubber Sheets and Matting etc. We

have been earning trust with our customers globally by providing quality solutions to their conveying needs for over 20 years.

SCBL was born and gradually evolved through a simple thought way back in 2000 – the thought that the world deserves nothing short of the best when it comes to Conveyor Belts. Glancing at the past trends, makes the Company proud of the fact that it has managed to live up to the promise of providing our clients with high quality products and services that have constantly surpassed their expectations, and helped us create an enviable position over time. Building up on our modest inception, Somi Conveyor Beltings Limited today has grown tremendously in terms of quality, volume and variety, striving even further for the best.

SCBL has its Equity Shares listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"). The goal of the Company is to manufacture and deliver the highest quality conveyor belts for applications in the commercial, industrial and consumer markets worldwide.

### STRENGTHS

- A quality management system, build and based upon international standards, that guarantees the consistent and excellent quality of goods.
- SCBL covers strong market network.
- The Company comprises an experienced senior management and leadership team.
- There is a strong customer-centric focus
- There is a safety first culture in everything at SCBL

### OPPORTUNITIES

The new DAP (Defence Acquisition Procedure) 2020 has given a stronger push to indigenization and announced a slew of measures to support MSME's. The provisions of DAP 2020 will help your company to expedite the current procurement cases and open new avenues for business.

The Company is known for its superior quality products in the segment from the customers' perspective. The industries requiring the products manufactured by your Company are growing which serves your Company a huge opportunity to enlarge its market share and reach to new customer base. Your Company always takes an extra step to be a trusted brand in the market for satisfying its customer with a reliable product and service. Your Directors have a positive insight on the wider opportunities of the growing market to make the Company and its products more attractive to the industries.

The COVID-19 issue has led to a situation where most of the countries are thinking to reshuffle their sourcing plan / strategy. It may open up lot of opportunities for India including our Company.

### RISKS AND CHALLENGES

Fierce Competition: SCBL continues to face strong and varied market competition from domestic and international service providers who are both large and small. Nevertheless, our longstanding and enviable client relationships, financial strength, as well as niche knowledge and expertise, provides an edge for remaining relevant.

While we are subject to normal external business risks associated with similar companies operating within the industry, we attach utmost importance to the assessment of internal risks and the management thereof in all its dealings. Like any other dynamic business organisation, we are constantly on the lookout for identifying new opportunities to enhance enterprise value. Keeping in view the need to minimise the risks associated with such efforts, every proposal of significant nature is screened and evaluated for the risks involved in it and then approved at different levels in the organisation before implementation.

With a view to overcoming the risk of dependence exclusively upon any particular marketing segment or region, we are trying to reach out to a wider section of its ultimate consumers and, as mentioned earlier, is looking for growth opportunities in other states, where infrastructure spending is set to get a boost.

We possess adequate systems to manage the financial risks of our operations. It's implemented through imposition of checks and balances on extending credit to the customers, audits like internal audit, statutory and secretarial audit, all of which are periodically carried out through external firms, proper appraisal of major capital expenditure, adherence to the budget norms covering all areas of its operations and by adequate insurance coverage for our facilities.

## **OUTLOOK**

FY 20-21 was a challenging business year for all industries in many ways and we are also no exception. A relentless focus on cost management, fiscal prudence, value engineering and customer partnering has enabled the Company to record a creditable performance demonstrating its 'Engineering Advantage' despite being in a challenging year.

The Company is confident that it can utilise future opportunities and face future challenges with agility in order to meet the shareholders' expectation of sustainable growth and profitability.

The key focus areas are:

- Debt reduction and thereby savings in interest cost
- Increasing the Value Addition per product
- Retaining the existing Customer base
- New Products/ Services

The future of our organisation will be characterised by diversified presence, better product, and strategic cost rationalisation. This will essentially help us capitalise on the massive infrastructure opportunities in India. The future remains strongly optimistic for us, and we believe the best is yet to come.

India is hoping for a recovery in this fiscal year while the overall infrastructure sector is realigning towards the same goal. Infrastructure development & various other industries such as Aviation, Cement etc. are crucial to keep India's long term growth story intact, thereby stimulating growth prospects of the Conveyor Belt market.

## **RESEARCH AND DEVELOPMENT**

Over the last couple of years, we have been making a strategic shift towards a technology led organization bringing customer centric value propositions for our customers. Our vision is to be recognized as a company with early mover advantage and an early adopter of new technologies with agility to launch innovative products. As a rapidly growing Conveyor Belt Company we are operating in product portfolios which are characterized by rapid changes in consumer preferences and technological advances.

We do realize that early adoption of relevant technologies will be the cornerstone of our product innovation strategy. With this broader mission we have been investing in strengthening our in-house R&D capabilities which will form the foundation for future. There are three core pillars of our R&D strategy:

1. end-to-end responsibility for our products;
2. Technology self-sufficiency for all core elements of technology that goes into our products, and
3. Technologically differentiated and customer centric products.

The Company has introduced new sizes, designs and series in most of the product categories which will add great value to already existing product portfolio. Cost saving and process optimizations was done by introducing cost effective alternative of inputs keeping the aesthetic quotient unchanged.

The research and development division of the company always endeavors to develop new products which are different in design, effects and sizes with cost optimization.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company has well defined internal control systems. Our commitment and success have been acknowledged by the following certifications:

- ISO 9001-2008
- ISO 14001

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Audit reports are periodically reviewed by the Audit Committee. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures.

### HUMAN RESOURCES

The employees of the company are an integral part to company's business operations. The company has supported the employees at all times and are determined to provide a safe place and healthy work environment. Training, upgrading skills and developing a stellar workplace attitude are key focus areas for the development of the employees. It has been the continuous endeavour of the Company's Human Resources function to attract the right talent, develop the right capabilities and skills, and continuously encourage them by providing the right culture and work environment. We have one of lowest attrition rates in the industry.

As on 31st March, 2021, the Company had 109 on roll employees. The Company has excellent combination of experienced and talented Technical work force.

### STATUTORY COMPLIANCE

The Board periodically reviews the declarations and compliance report with respect to the applicable statutes, enactments and guidelines of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any. 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

Certain Statements made in the Management Discussion and Analysis Report relating to the company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions and macroeconomic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the company does not have any direct control.

The Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in future on the basis of subsequent developments, information or events. This report should be read in conjunction with the financial statements included herein and the notes thereto.

**CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

*[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To

The Members

**Somi Conveyor Beltings Limited**

CIN: L25192RJ2000PLC016480

4F-15, Oliver House, New Power House Road,

Jodhpur, Rajasthan – 342003

I have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

as submitted by the Directors of Somi Conveyor Beltings Limited ('the Company') bearing CIN: L25192RJ2000PLC016480 and having its Registered Office at 4F-15, Oliver House, New Power House Road, Jodhpur, Rajasthan – 342003, to the Board of Directors of the Company ('the Board') for the financial year 2021-22. I have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

Based on my examination as aforesaid and such other verification carried out by me as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in my opinion and to the best of my information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, I certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

| S. No. | Name of Director    | Director Identification Number(DIN) |
|--------|---------------------|-------------------------------------|
| 1      | Om Prakash Bhansali | 00351846                            |
| 2      | Vimal Bhansali      | 00351851                            |
| 3      | Gaurav Bhansali     | 00351860                            |
| 4      | Mahendra Rakhecha   | 00648532                            |
| 5      | Yogesh Maheshwari   | 01202089                            |
| 6      | Santosh Kumar Joshi | 08950339                            |
| 7      | Surbhi Rathi        | 07115169                            |

This Certificate 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.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2021.

**For Avijit Vasu & Associates**  
Practising Company Secretary

**AVIJIT VASU**  
Proprietor

ACS: 37968; CP No. 14198  
UDIN: A037968C000849427

Place: Jodhpur

Date: 4<sup>th</sup> September, 2021

## **CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE**

To,  
The Members of  
**Somi Conveyor Beltings Limited**  
CIN: L25192RJ2000PLC016480  
4F-15, Oliver House, New Power House Road,  
Jodhpur, Rajasthan – 342003

This certificate is issued in accordance with the terms of my engagement with Somi Conveyor Beltings Limited ('the Company'). I have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). 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 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.

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**  
**UDIN: A037968C000849537**

**Place: Jodhpur**  
**Date: 4<sup>th</sup> September, 2021**

## **DECLARATION ON CODE OF CONDUCT**

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, 2021, 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**

**O P Bhansali**  
Chairman & Managing Director

**Place: Jodhpur**  
**Date: 4<sup>th</sup> September, 2021**

**CEO/ CFO CERTIFICATION**

*(Pursuant to Regulation 17 (8) and Part B of Schedule II of SEBI (LODR) Regulations, 2015)*

To

The Board of Directors

**Somi Conveyor Beltings Limited**

CIN: L25192RJ2000PLC016480

4F-15, Oliver House, New Power House Road,

Jodhpur, Rajasthan – 342003

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, 2021 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) There has not been any significant changes in the internal control over financial reporting during the year;

(ii) There has not been any significant changes in the accounting policies during the requiring disclosure in the notes to the financial statements; and

(iii) There has not been any 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.

**Date: 4<sup>th</sup> September, 2021**

**Place: Jodhpur**

**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***

#### ***Qualified Opinion***

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, 2021, 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 (here in after referred to as "Standalone Ind AS Financial Statement")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the 'Basis for the aforesaid Qualified the information standalone financial required by the Companies Act 2013 as amended (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 31<sup>st</sup> March, 2021, and its profit and its cash flows for the year ended on that date.

#### ***Basis for Qualified Opinion***

We draw attention that as per the IND AS 19 "Employee Benefits", re-measurements of long term employee benefits and the corresponding liabilities is to be valued, validated and certified by an actuary. In the absence of said report we are unable to comment upon the correctness of the liability, accounts and disclosure required to be recognized in the financial result. The net impact of the same on profit remained uncertain.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### ***Emphasis of Matter***

1. We draw attention to Note No.32 to the financial statements which describe Corporate Social Responsibility (CSR) amounting to Rs. 21.03 Lacs including deficiency of Rs. 7.61 Lacs created out of opening Reserves has been spent as required under section 135 of Companies Act, 2013.

Our opinion is not modified in respect of above matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Sr.No. | Key Audit Matters                                                                                                                                                                                                                                                                                   | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | <p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 31 A to the Standalone Financial Statements</p> | <p><b>Principal Audit Procedures</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties.</p> |

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Standalone 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 Statement that give a true and fair view of the financial position, financial performance,

and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **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" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Standalone Ind AS Financial Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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".
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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, as amended, 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 Statement – Refer to Note 30 to the Standalone Ind AS Financial Statement;
  - 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.

**FOR SINGHVI & MEHTA**  
**CHARTERED ACCOUNTANTS**  
**FRN 002464W**

**(SHILPA SINGHVI)**  
**PARTNER**  
**M. No. 144679**  
**UDIN: 21144679AAAACC7855**

**PLACE : JODHPUR**  
**DATED: 29<sup>TH</sup> JUNE, 2021**

## **“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, 2021, we report that:

### **1. FIXED ASSETS**

- a) The Company has maintained 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. LOANS & 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 anybody 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**

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) 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, Goods and Services Tax, duties of customs 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, Goods and Services Tax, Cess **except as stated below:-**

| Name of the Statute  | Nature of dues    | Amount (In Rs.) | Period to which the amount relates | Forum where dispute is pending                                                     |
|----------------------|-------------------|-----------------|------------------------------------|------------------------------------------------------------------------------------|
| Income Tax Act, 1961 | Income Tax Demand | 7800000.00      | A.Y. 2015-16                       | CIT(Appeal)<br>However, Rs. 1950000.00 paid as 20% of Rs.9750000.00 demand raised. |

**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 Ind AS-24 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.

**FOR SINGHVI & MEHTA**  
CHARTERED ACCOUNTANTS  
**FRN 002464W**

**(SHILPA SINGHVI)**  
**PARTNER**  
**M. No. 144679**  
**UDIN: 21144679AAAACC7855**

**PLACE : JODHPUR**  
**DATED: 29<sup>TH</sup> JUNE, 2021**

## **“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, 2021 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.

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## **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, of to the best our information and according to the explanations given to us, 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, 2021, 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  
FRN 002464W

**(SHILPA SINGHVI)**  
PARTNER  
M. No. 144679  
UDIN: 21144679AAAACC7855

**PLACE : JODHPUR**  
**DATED: 29<sup>TH</sup> JUNE, 2021**

**BALANCE SHEET AS AT MARCH 31, 2021**

(Rs. in Lacs)

| Particulars                          | Notes | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------------|-------|-------------------------|-------------------------|
| <b>I. ASSETS</b>                     |       |                         |                         |
| <b>1. Non-Current Assets</b>         |       |                         |                         |
| (a) Property, Plant and Equipment    | 3     | 2651.41                 | 2699.17                 |
| (b) Capital Work-In-Progress         | 3     | 9.95                    | 41.28                   |
| (c) Intangible Assets                | 3     | 0.14                    | 1.38                    |
| (d) Financial Assets                 |       |                         |                         |
| (i) Investments                      | 4     | 0.23                    | 0.23                    |
| (ii) Trade Receivables               | 8     | 99.86                   | 149.50                  |
| (iii) Other Financial Assets         | 5     | 44.20                   | 72.30                   |
| (e) Deferred Tax Assets (Net)        | 17    | 52.67                   | 91.07                   |
| (f) Other Non-Current Assets         | 6     | 20.90                   | 13.24                   |
| <b>Total Non-Current Assets</b>      |       | <b>2879.36</b>          | <b>3068.17</b>          |
| <b>2. Current Assets</b>             |       |                         |                         |
| (a) Inventories                      | 7     | 3550.62                 | 3938.48                 |
| (b) Financial Assets                 |       |                         |                         |
| (i) Trade Receivables                | 8     | 2944.86                 | 1511.24                 |
| (ii) Cash and Cash Equivalents       | 9     | 54.85                   | 87.82                   |
| (iii) Other Bank Balances            | 9     | 238.67                  | 206.82                  |
| (iv) Loans                           | 10    | 4.66                    | 2.49                    |
| (v) Other Financial Assets           | 5     | 93.64                   | 110.84                  |
| (c) Other Current Assets             | 6     | 262.88                  | 371.06                  |
| <b>Total Current Assets</b>          |       | <b>7150.18</b>          | <b>6228.75</b>          |
| <b>Total Assets</b>                  |       | <b>10029.55</b>         | <b>9296.92</b>          |
| <b>II. EQUITY AND LIABILITIES</b>    |       |                         |                         |
| <b>Equity</b>                        |       |                         |                         |
| Equity Share Capital                 | 11    | 1177.97                 | 1177.97                 |
| Other Equity                         | 12    | 5072.49                 | 4903.98                 |
| <b>Total Equity</b>                  |       | <b>6250.46</b>          | <b>6081.95</b>          |
| <b>Liabilities</b>                   |       |                         |                         |
| <b>1. Non-Current Liabilities</b>    |       |                         |                         |
| (a) Financial Liabilities            |       |                         |                         |
| (i) Borrowings                       | 13    | 604.96                  | 269.39                  |
| (b) Provisions                       | 16    | 19.23                   | 19.23                   |
| <b>Total Non-Current Liabilities</b> |       | <b>624.19</b>           | <b>288.62</b>           |
| <b>2. Current Liabilities</b>        |       |                         |                         |
| (a) Financial Liabilities            |       |                         |                         |
| (i) Borrowings                       | 13    | 1615.92                 | 2087.75                 |
| (ii) Trade Payables                  |       |                         |                         |
| Micro, Small and Medium Enterprise   |       | 196.00                  | 75.23                   |
| Others                               |       | 890.12                  | 442.59                  |
| (iii) Other Financial Liabilities    | 14    | 133.71                  | 165.88                  |
| (b) Other Current Liabilities        | 16    | 296.37                  | 135.09                  |
| (c) Provisions                       | 15    | 1.90                    | 3.95                    |
| (d) Current Tax Liabilities (net)    | 17    | 20.87                   | 15.86                   |
| <b>Total Current Liabilities</b>     |       | <b>3154.89</b>          | <b>2926.35</b>          |
| <b>Total Liabilities</b>             |       | <b>3779.08</b>          | <b>3214.97</b>          |
| <b>Total Equity and Liabilities</b>  |       | <b>10029.55</b>         | <b>9296.92</b>          |
| 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 002464W(SHILPA SINGHVI)  
PARTNER  
M. NO. 144679  
UDIN : 21144679AAAACC7855PLACE : JODHPUR  
DATED: 29<sup>TH</sup> JUNE, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

O.P.BHANSALI  
(MANAGING DIRECTOR)  
DIN 00351846GAURAV BHANSALI  
(WHOLE TIME DIRECTOR)  
DIN 00351860MANISH BOHRA  
(CHIEF FINANCIAL OFFICER)AMIT BAXI  
(COMPANY SECRETARY)

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lacs)

| Particulars                                                                              | Note | Year ended March 31,<br>2021 | 2020           |
|------------------------------------------------------------------------------------------|------|------------------------------|----------------|
| <b>INCOME</b>                                                                            |      |                              |                |
| Income from operations                                                                   | 18   | 4687.51                      | 4628.16        |
| Other Income                                                                             | 19   | 15.35                        | 44.91          |
| <b>Total Income (A)</b>                                                                  |      | <b>4702.86</b>               | <b>4673.07</b> |
| <b>EXPENSES</b>                                                                          |      |                              |                |
| Cost of Material Consumed                                                                | 20   | 2864.51                      | 3118.68        |
| Purchase of Stock-in-Trade                                                               |      | 0.00                         | 40.95          |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade            | 21   | 196.42                       | (217.58)       |
| Employee Benefits Expense                                                                | 22   | 303.64                       | 324.15         |
| Finance Costs                                                                            | 23   | 330.23                       | 332.13         |
| Depreciation and Amortisation Expense                                                    | 3    | 102.24                       | 111.24         |
| Other Expenses                                                                           | 24   | 670.42                       | 637.85         |
| <b>Total Expenses (B)</b>                                                                |      | <b>4467.47</b>               | <b>4347.42</b> |
| <b>Profit Before Tax (A-B)</b>                                                           |      | <b>235.39</b>                | <b>325.65</b>  |
| <b>Tax Expense</b>                                                                       |      |                              |                |
| Current Tax                                                                              | 17   | 20.87                        | 15.86          |
| Deferred Tax                                                                             | 17   | 38.40                        | (67.05)        |
| <b>Profit for the Year</b>                                                               |      | <b>176.12</b>                | <b>242.74</b>  |
| <b>Other Comprehensive Income / (Loss)</b>                                               |      |                              |                |
| <b>(i) Items that will not be reclassified to profit or loss</b>                         |      |                              |                |
| Actuarial Gains / (Losses)                                                               |      | -                            | -              |
| <b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b> |      | -                            | -              |
| <b>Total Other Comprehensive Income</b>                                                  |      | -                            | -              |
| <b>Total Comprehensive Income for the Year</b>                                           |      | <b>176.12</b>                | <b>242.74</b>  |
| <b>Earning per Equity Share (EPS) of face value of ₹10</b>                               | 25   |                              |                |
| <b>Basic (In Rs.)</b>                                                                    |      | <b>1.50</b>                  | <b>2.06</b>    |
| <b>Diluted (In Rs.)</b>                                                                  |      | <b>1.50</b>                  | <b>2.06</b>    |
| <b>Significant Accounting Policies</b>                                                   | 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 002464W

(SHILPA SINGHVI)  
PARTNER  
M. NO. 144679  
UDIN : 21144679AAAACC7855

PLACE : JODHPUR  
DATED: 29<sup>TH</sup> JUNE, 2021

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)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

## A. Equity Share Capital

| Particulars                                     | Number of Shares | Amount (Rs. in Lacs) |
|-------------------------------------------------|------------------|----------------------|
| <b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>   |                  |                      |
| Equity shares of ₹10/- each fully paid up       |                  |                      |
| <b>As at 31 March 2020</b>                      | <b>11779656</b>  | <b>1177.97</b>       |
| Changes in equity share capital during the year | -                | -                    |
| <b>As at 31 March 2021</b>                      | <b>11779656</b>  | <b>1177.97</b>       |

## B. Other Equity

(Rs. in Lacs)

| Particulars                             | Reserves & Surplus         |                   | Total Other Equity |
|-----------------------------------------|----------------------------|-------------------|--------------------|
|                                         | Securities Premium Reserve | Retained earnings |                    |
| <b>Balance at March 31, 2020</b>        | <b>1818.17</b>             | <b>3085.81</b>    | <b>4903.98</b>     |
| Profit for the year                     | -                          | 176.12            | 176.12             |
| Depreciation Written Back               | -                          | (7.61)            | (7.61)             |
| Other Comprehensive Income for the year | -                          | 0.00              | 0.00               |
| Total comprehensive income for the year | -                          | 168.51            | 168.51             |
| Proposed Dividend with Corporate Tax    | -                          | 0.00              | 0.00               |
| <b>Balance at March 31, 2021</b>        | <b>1818.17</b>             | <b>3254.33</b>    | <b>5072.49</b>     |

Significant Accounting Policies

2

The accompanying notes are integral part of the Financial Statements.

**As per our report of even date attached**

FOR SINGHVI &amp; MEHTA

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

CHARTERED ACCOUNTANTS

FRN 002464W

(SHILPA SINGHVI)

O.P.BHANSALI

MANISH BOHRA

PARTNER

(MANAGING DIRECTOR)

(CHIEF FINANCIAL OFFICER)

M. NO. 144679

DIN 00351846

UDIN : 21144679AAAACC7855

PLACE : JODHPUR

GAURAV BHANSALI

AMIT BAXI

DATED: 29<sup>TH</sup> JUNE, 2021

(WHOLE TIME DIRECTOR)

(COMPANY SECRETARY)

DIN 00351860

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lacs)

| Particulars                                                               | Year ended March 31,<br>2021 | 2020            |
|---------------------------------------------------------------------------|------------------------------|-----------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                             |                              |                 |
| Profit / (Loss) after tax                                                 | 176.12                       | 242.74          |
| <b>Adjustments for:</b>                                                   |                              |                 |
| Depreciation and Amortisation Expense                                     | 102.24                       | 111.24          |
| Tax Expenses                                                              | 59.27                        | 82.91           |
| Interest Income                                                           | (14.35)                      | (16.12)         |
| Interest Expense                                                          | 255.60                       | 282.95          |
| Provision for bad debts                                                   | 3.68                         | 0.00            |
| <b>Cash Flow from Operating Activities before Working Capital Changes</b> | 582.56                       | 703.72          |
| Trade Receivables                                                         | (1387.65)                    | 569.58          |
| Loans and Advances & Other Financial Assets                               | 11.27                        | 70.74           |
| Other Current Assets                                                      | 100.52                       | 139.36          |
| Inventories                                                               | 387.86                       | (4.81)          |
| Trade Payables & Acceptances                                              | 568.30                       | (673.99)        |
| Other Current Liabilities                                                 | 145.42                       | (177.33)        |
| Other Financial Liabilities                                               | (32.17)                      | (118.64)        |
| Provisions                                                                | (9.66)                       | 0.00            |
| <b>Cash Generated From Operations</b>                                     | 366.45                       | 508.63          |
| Income Taxes Credit / (Paid) (Net)                                        | 0.00                         | (25.00)         |
| <b>Net Cash Flow From Operating Activities (a)</b>                        | <b>366.45</b>                | <b>483.63</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                             |                              |                 |
| Acquisition of Property, Plant & Equipments                               | (21.92)                      | (38.05)         |
| Interest Income                                                           | 14.35                        | 16.12           |
| <b>Net Cash used in Investing Activities (b)</b>                          | <b>(7.57)</b>                | <b>(21.93)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                             |                              |                 |
| Proceeds from Non-Current Borrowings                                      | 208.09                       | 0.00            |
| Proceeds from Current Borrowings                                          | 0.00                         | 189.96          |
| Repayment of Current Borrowings                                           | (344.35)                     | (323.56)        |
| Interest Paid                                                             | (255.60)                     | (282.95)        |
| <b>Net Cash used in Financing Activities (c)</b>                          | <b>(391.86)</b>              | <b>(416.55)</b> |
| <b>Net Increase/ (Decrease) in cash &amp; cash Equivalents (a+b+c)</b>    | <b>(32.97)</b>               | <b>45.15</b>    |
| Cash & Cash Equivalent At the Beginning of the year                       | 87.82                        | 42.67           |
| <b>Cash &amp; Cash Equivalent At the End of the year</b>                  | <b>54.85</b>                 | <b>87.82</b>    |

Note: (1) 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"

(2) Components of Cash and Cash Equivalent are as under:

|                      |              |              |
|----------------------|--------------|--------------|
| Cash on hand         | 17.99        | 26.21        |
| Balances with Banks* |              |              |
| In Current Accounts  | 36.86        | 61.61        |
|                      | <b>54.85</b> | <b>87.82</b> |

\*Cash & Cash Equivalents include Unclaimed Dividend of Rs. 1.51 lacs

(3) Previous year figures have been re-grouped/rearranged and recasted wherever considered necessary to make them comparable with current year.

**As per our report of even date attached**

FOR SINGHVI & MEHTA  
CHARTERED ACCOUNTANTS  
FRN 002464W

(SHILPA SINGHVI)  
PARTNER  
M. NO. 144679  
UDIN : 21144679AAAACC7855

PLACE : JODHPUR  
DATED: 29<sup>TH</sup> JULY, 2021

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, 2021

#### 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, 2021 were authorized and approved for issue by the Board of Directors on 29th June, 2021.

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 Financial Statements

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.

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 and judgements

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 115 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. However, 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) Taxation****i. Income Tax**

Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in such case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

**ii. Deferred Tax**

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. The cost comprises of the purchase price and any attributable cost for bringing the asset to its working condition for its intended use; like freight, duties, taxes and other incidental expenses, net of CENVAT or Goods and service tax (GST) credit.

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:

|                                                           | <b>Years</b> |
|-----------------------------------------------------------|--------------|
| <b>Factory Buildings</b>                                  | 30           |
| <b>Buildings (Other than Factory Buildings)</b>           | 60           |
| <b>Plant &amp; Machinery</b>                              | 25           |
| <b>Furniture &amp; Fixtures and Laboratory Equipments</b> | 10           |
| <b>Vehicles</b>                                           | 8            |
| <b>Office Equipments</b>                                  | 5            |
| <b>Computers</b>                                          | 3            |

On transition to Ind AS, the Company had elected to carry forward the previous GAAP net carrying value of all its property, plant and equipment recognized as at 1st April, 2017 as the deemed cost.

Till year ended 31st March, 2019, the estimated useful life of certain assets of plant and machinery were 15 years with residual value of 5% of original cost. The management, based on internal and external technical evaluation, reassessed the estimates. On the basis of technical evaluation made by the Management, the Company has revised the useful life of those assets in the range of 25 years and residual value to 20% of original cost effective from 1st April, 2019.

**(L) Other intangible assets**

Intangible Assets are initially recognized at:-

- i. In case the assets are acquired separately, then at cost,
- ii. 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 IND AS 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.

Any item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is charged to revenue in the income statement when the intangible asset is derecognised.

On transition to Ind AS, the Company had elected to carry forward the previous GAAP net carrying value of all its property, plant and equipment recognized as at 1st April, 2017 as the deemed cost.

**(M) Leases 116**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee****a) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c) Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**As a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

**(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, 2021, 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 non-monetary 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.
- iv. 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.
- v. 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).
- vi. 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 derecognizes 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 which qualifies for derecognition as per Ind AS 109. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities are derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged, cancelled or expires.

**iii) Impairment of financial assets:**

The Company recognizes a loss allowance for expected credit losses (ECL) on a financial asset that is at amortized cost. Loss allowance in respect of financial assets is measured at an amount equal to life time ECL 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.

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.

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

| Particulars                     |  | Gross Carrying Amount |                                        |                           | Accumulated Depreciation |                        |                | Net Carrying Amount       |                         | (Rs. in Lacs) |                 |
|---------------------------------|--|-----------------------|----------------------------------------|---------------------------|--------------------------|------------------------|----------------|---------------------------|-------------------------|---------------|-----------------|
|                                 |  | Cost As on 1-Apr-20   | Additions/ Adjustments during the year | Deduction During the year | Balance As on 31-Mar-21  | Balance As on 1-Apr-20 | For the Period | Deduction During the year | Balance As on 31-Mar-21 |               | As on 31-Mar-21 |
| (A) Property, Plant & Equipment |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Land-Freehold                   |  | 593.80                | -                                      | -                         | 593.80                   | -                      | -              | -                         | -                       | 593.80        | 593.80          |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Office Building (RCC FRAME)     |  | 219.63                | -                                      | -                         | 219.63                   | 97.38                  | 5.63           | -                         | 103.00                  | 116.62        | 122.24          |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Factory Building                |  | 1077.01               | 2.82                                   | -                         | 1079.83                  | 674.03                 | 38.05          | -                         | 712.08                  | 367.75        | 402.98          |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Computers                       |  | 29.80                 |                                        | -                         | 29.80                    | 28.64                  | 0.40           | 0.73                      | 28.30                   | 1.49          | 1.16            |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Plant & Machinery               |  | 4943.27               |                                        | -                         | 4943.27                  | 3438.58                | 34.45          |                           | 3473.03                 | 1470.24       | 1504.69         |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Plant & Machinery-2             |  | 179.67                | 49.50                                  |                           | 229.17                   | 139.29                 | 13.72          |                           | 153.01                  | 76.16         | 40.38           |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Office Equipments               |  | 18.27                 | 0.91                                   | -                         | 19.19                    | 14.72                  | 1.57           | -                         | 16.28                   | 2.91          | 3.56            |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Laboratory Equipments           |  | 53.21                 | -                                      | -                         | 53.21                    | 45.02                  | 2.09           | -                         | 47.12                   | 6.09          | 8.19            |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Furniture & Fixtures            |  | 52.28                 | -                                      | -                         | 52.28                    | 48.05                  | 1.08           | -                         | 49.13                   | 3.15          | 4.23            |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Vehicles                        |  | 162.97                | -                                      | -                         | 162.97                   | 145.03                 | 4.76           | -                         | 149.79                  | 13.18         | 17.94           |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Total                           |  | 7329.91               | 53.24                                  | -                         | 7383.15                  | 4630.74                | 101.74         | 0.73                      | 4731.74                 | 2651.41       | 2699.16         |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| B. Capital WIP                  |  | 41.28                 | 4.35                                   | 35.68                     | 9.95                     | -                      | -              | -                         | -                       | 9.95          | 41.28           |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| C. Intangible Assets            |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Trade Mark & Computer Software  |  | 4.71                  | -                                      | -                         | 4.71                     | 3.33                   | 1.24           | -                         | 4.57                    | 0.14          | 1.38            |
|                                 |  |                       |                                        |                           |                          |                        |                |                           |                         |               |                 |
| Total (A) + (B) + (C)           |  | 7375.91               | 57.59                                  | 35.68                     | 7397.81                  | 4634.06                | 102.98         | 0.73                      | 4736.31                 | 2661.50       | 2741.82         |

Note : 1. Adjustment in Capital WIP is on account of capitalization of various assets.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**  
(Rs. in Lacs)

| <b>PARTICULARS</b>                                                               | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|----------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>4. INVESTMENTS</b>                                                            |                                 |                                 |
| <b>Non-Current</b>                                                               |                                 |                                 |
| NSC                                                                              | 0.23                            | 0.23                            |
| <b>Total</b>                                                                     | <b>0.23</b>                     | <b>0.23</b>                     |
| <b>5. OTHER FINANCIAL ASSETS</b>                                                 |                                 |                                 |
| <b>Non-Current</b>                                                               |                                 |                                 |
| Security & other deposits                                                        | 44.20                           | 72.30                           |
| <b>Total</b>                                                                     | <b>44.20</b>                    | <b>72.30</b>                    |
| <b>Current</b>                                                                   |                                 |                                 |
| Security & other deposits                                                        | 93.64                           | 110.84                          |
| <b>Total</b>                                                                     | <b>93.64</b>                    | <b>110.84</b>                   |
| <b>6. OTHER NON FINANCIAL ASSETS</b>                                             |                                 |                                 |
| <b>Non-Current</b>                                                               |                                 |                                 |
| Capital advances                                                                 | 0.21                            | 0.21                            |
| Prepaid expenses                                                                 | 20.69                           | 13.03                           |
| <b>Total</b>                                                                     | <b>20.90</b>                    | <b>13.24</b>                    |
| <b>Current</b>                                                                   |                                 |                                 |
| Balances with Government Authorities                                             | 159.88                          | 175.26                          |
| Export Incentives Receivable                                                     | 17.44                           | 14.15                           |
| Prepaid expenses                                                                 | 37.43                           | 55.45                           |
| Advances to vendors                                                              | 48.13                           | 40.01                           |
| Other Current Assets                                                             | 0.00                            | 86.19                           |
| <b>Total</b>                                                                     | <b>262.88</b>                   | <b>371.06</b>                   |
| <b>7. INVENTORIES</b>                                                            |                                 |                                 |
| Raw materials & components                                                       | 1660.94                         | 1885.60                         |
| Work-in-progress                                                                 | 982.21                          | 898.20                          |
| Finished goods                                                                   | 865.97                          | 1146.40                         |
| Goods-in-transit - Finished goods                                                | 41.50                           | 8.28                            |
| <b>Total</b>                                                                     | <b>3550.62</b>                  | <b>3938.48</b>                  |
| 7.1 Inventories have been hypothecated with banks against working capital loans. |                                 |                                 |
| <b>8. TRADE RECEIVABLES</b>                                                      |                                 |                                 |
| <b>Non-Current</b>                                                               |                                 |                                 |
| Trade Receivables - Unsecured & considered good                                  | 99.86                           | 149.50                          |
| <b>Total</b>                                                                     | <b>99.86</b>                    | <b>149.50</b>                   |
| <b>Current</b>                                                                   |                                 |                                 |
| Trade Receivables - Unsecured                                                    | 2957.59                         | 1520.29                         |
| Less: Allowance for Expected Credit Loss                                         | (12.73)                         | (9.05)                          |
| <b>Total</b>                                                                     | <b>2944.86</b>                  | <b>1511.24</b>                  |

Note : Trade Receivables include balances with related parties. (Refer to Note No. 27)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**  
(Rs. in Lacs)

| <b>PARTICULARS</b>                                                                                 | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|----------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>9. CASH AND CASH EQUIVALENTS</b>                                                                |                                 |                                 |
| <b>Cash and Cash Equivalents</b>                                                                   |                                 |                                 |
| Cash on hand                                                                                       | 17.99                           | 26.21                           |
| Balances with banks *                                                                              |                                 |                                 |
| In current accounts                                                                                | 36.86                           | 61.61                           |
| <b>Total</b>                                                                                       | <b>54.85</b>                    | <b>87.82</b>                    |
| <b>Other Bank Balances</b>                                                                         |                                 |                                 |
| Term Deposits maturing after 3 months but before 12 months                                         | 238.67                          | 206.82                          |
| <b>Total</b>                                                                                       | <b>238.67</b>                   | <b>206.82</b>                   |
| * Balance with banks includes unclaimed dividend of 0.12 for F.Y. 2017-18 and 1.17 for F.Y.2015-16 |                                 |                                 |
| <b>10. LOANS</b>                                                                                   |                                 |                                 |
| <b>Current</b>                                                                                     |                                 |                                 |
| Loans and advances to employees                                                                    | 4.66                            | 2.49                            |
| <b>Total</b>                                                                                       | <b>4.66</b>                     | <b>2.49</b>                     |

**11. EQUITY SHARE CAPITAL**

| <b>Particulars</b>                                        | <b>Number of Shares</b> | <b>Amount<br/>(Rs. in Lacs)</b> |
|-----------------------------------------------------------|-------------------------|---------------------------------|
| <b>AUTHORISED SHARE CAPITAL</b>                           |                         |                                 |
| Equity shares of ₹10/- each                               |                         |                                 |
| <b>As at March 31, 2020</b>                               | <b>25000000</b>         | <b>2500.00</b>                  |
| Increase/(decrease) during the year                       | -                       | -                               |
| <b>As at March 31, 2021</b>                               | <b>25000000</b>         | <b>2500.00</b>                  |
| <b>Reconciliation of the number of shares outstanding</b> |                         |                                 |
| <b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>             |                         |                                 |
| Equity shares of ₹ 10/- each fully paid up                |                         |                                 |
| <b>As at March 31, 2020</b>                               | <b>11779656</b>         | <b>1177.97</b>                  |
| Add: New shares allotted during the year                  | -                       | -                               |
| <b>As at March 31, 2021</b>                               | <b>11779656</b>         | <b>1177.97</b>                  |

**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, 2021****Details of shareholder(s) holding more than 5% equity shares in the Company**

| <b>PARTICULARS</b>                | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|-----------------------------------|---------------------------------|---------------------------------|
| <b>Number of Equity Shares</b>    |                                 |                                 |
| Om Prakash Bhansali               | 4417011                         | 4417011                         |
| Om Kumari Bhansali                | 1091221                         | 1091221                         |
| Vimal Bhansali                    | 598840                          | 598840                          |
| <b>% Holding in Equity Shares</b> |                                 |                                 |
| Om Prakash Bhansali               | 37.50%                          | 37.50%                          |
| Om Kumari Bhansali                | 9.26%                           | 9.26%                           |
| Vimal Bhansali                    | 5.08%                           | 5.08%                           |

**(Rs. in Lacs)**

| <b>PARTICULARS</b>                    | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|---------------------------------------|---------------------------------|---------------------------------|
| <b>12. OTHER EQUITY</b>               |                                 |                                 |
| <b>(A) Retained Earnings</b>          |                                 |                                 |
| As per last Balance Sheet             | 3066.97                         | 2737.36                         |
| Add: Profit for the period            | 176.12                          | 242.74                          |
| Add: Depreciation written back        |                                 | 86.87                           |
|                                       | 3243.09                         | 3066.97                         |
| Less: Appropriations                  | (7.61)                          | 0.00                            |
| Proposed dividend with corporate tax  | 0.00                            | 0.00                            |
| <b>Total</b>                          | <b>3235.48</b>                  | <b>3066.97</b>                  |
| <b>(B) Other Comprehensive Income</b> |                                 |                                 |
| As per last Balance Sheet             | 18.84                           | 18.84                           |
| Movement in OCI (Net) during the year | 0.00                            | 0.00                            |
| <b>Total</b>                          | <b>18.84</b>                    | <b>18.84</b>                    |
| <b>(C) Securities Premium Reserve</b> |                                 |                                 |
| As per last Balance Sheet             | 1818.17                         | 1818.17                         |
| <b>Total</b>                          | <b>1818.17</b>                  | <b>1818.17</b>                  |
| <b>Total (A+B+C)</b>                  | <b>5072.49</b>                  | <b>4903.98</b>                  |

The Company has not re-measured its long term employee benefits and the corresponding liabilities on the basis of report of an actuary. Therefore movement in OCI during the year is reported NIL.

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 | 570.24 | - |
|----------------------|--------|---|

**Unsecured**

|                    |        |        |
|--------------------|--------|--------|
| Loan from Director | 281.70 | 330.08 |
|--------------------|--------|--------|

|                  |       |       |
|------------------|-------|-------|
| Loan from others | 20.52 | 66.79 |
|------------------|-------|-------|

|                                         |               |               |
|-----------------------------------------|---------------|---------------|
| <b>Total Non Current Borrowings (A)</b> | <b>872.46</b> | <b>396.87</b> |
|-----------------------------------------|---------------|---------------|

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**(Rs. in Lacs)**

| <b>PARTICULARS</b>                                         | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Current Maturities of Borrowings</b>                    |                                 |                                 |
| <b>Secured</b>                                             |                                 |                                 |
| Term loan from banks                                       | 194.50                          | 0.00                            |
| <b>Secured</b>                                             |                                 |                                 |
| Loan from Directors                                        | 52.48                           | 102.48                          |
| Loan from others                                           | 20.52                           | 25.00                           |
| <b>Current Maturities of Borrowings (B)</b>                | <b>267.50</b>                   | <b>127.48</b>                   |
| <b>Non-Current Borrowings (A-B) (as per balance sheet)</b> | <b>604.96</b>                   | <b>269.39</b>                   |
| <b>Current</b>                                             |                                 |                                 |
| <b>Secured</b>                                             |                                 |                                 |
| Cash Credits from bank                                     | 1348.42                         | 1960.27                         |
| <b>Current Maturities from long term loan</b>              | <b>194.50</b>                   | <b>0.00</b>                     |
| <b>Unsecured</b>                                           |                                 |                                 |
| Loan from Director                                         | 52.48                           | 102.48                          |
| Loan from others                                           | 20.52                           | 25.00                           |
| <b>Total Current Borrowings</b>                            | <b>1615.92</b>                  | <b>2087.75</b>                  |

Note: Refer note 26 Financial instruments, fair values and risk measurements

Note: 1. There is no default in repayment of principal loan or interest thereon.

2. Cash Credits 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 PNB Term Loan GECL**
**(Rs. in Lacs)**

| <b>Rate of Interest</b> | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> | <b>2024-25</b> |
|-------------------------|----------------|----------------|----------------|----------------|
| 7.65 %                  | 61.17          | 122.28         | 122.28         | 63.58          |

**Maturity Profile and Rate of Interest of PNB Term Loan CEFC**
**(Rs. in Lacs)**

| <b>Rate of Interest</b> | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> | <b>2024-25</b> |
|-------------------------|----------------|----------------|----------------|----------------|
| 8.10%                   | 133.33         | 67.60          |                |                |

**Maturity Profile and Rate of Interest of Unsecured Loan from Director**
**(Rs. in Lacs)**

| <b>Rate of Interest</b> | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> | <b>2024-25</b> |
|-------------------------|----------------|----------------|----------------|----------------|
| 7.00 %                  | 52.48          | 75.00          | 75.00          | 79.22          |

**Maturity Profile and Rate of Interest of Unsecured Loan from Others**
**(Rs. in Lacs)**

| <b>Rate of Interest</b> | <b>2021-22</b> |  |  |
|-------------------------|----------------|--|--|
| 9.00%                   | 20.52          |  |  |

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lacs)

| PARTICULARS | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

**14. OTHER FINANCIAL LIABILITIES****Current**

|                 |               |               |
|-----------------|---------------|---------------|
| Other Payables* | 133.71        | 165.88        |
| <b>Total</b>    | <b>133.71</b> | <b>165.88</b> |

\* Other payables include Creditors for Expenses.

**15. PROVISIONS****Non-Current**

|                        |              |              |
|------------------------|--------------|--------------|
| Provision for gratuity | 19.23        | 19.23        |
| <b>Total</b>           | <b>19.23</b> | <b>19.23</b> |

**Non-Current**

|                                |             |             |
|--------------------------------|-------------|-------------|
| Provision for gratuity         | 1.27        | 1.27        |
| Provision for leave encashment | 0.63        | 2.68        |
| <b>Total</b>                   | <b>1.90</b> | <b>3.95</b> |

The Company has not re-measured its long term employee benefits and the corresponding liabilities on the basis of report of an actuary. Therefore provision for Gratuity remained the same.

**16. OTHER CURRENT LIABILITIES**

|                             |               |               |
|-----------------------------|---------------|---------------|
| Advance from customers      | 41.76         | 28.59         |
| Unclaimed Dividend #        | 1.51          | 1.29          |
| Statutory current liability | 211.06        | 69.92         |
| Others *                    | 42.05         | 35.29         |
| <b>Total</b>                | <b>296.37</b> | <b>135.09</b> |

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

\* Others include creditors for expenses

**17. INCOME TAX EXPENSE****(a) Tax expense recognised in profit and loss:**

|                                                                   |              |                |
|-------------------------------------------------------------------|--------------|----------------|
| Current taxes                                                     | 20.87        | 15.86          |
| Deferred Tax liability / (asset)                                  |              |                |
| Relating to origination and reversal of temporary differences     | 38.04        | (67.05)        |
| <b>Income Tax Expense reported in Statement of Profit or Loss</b> | <b>59.27</b> | <b>(51.19)</b> |

**(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                                                           | 0.00        | 0.00        |
| <b>Income Tax Expense reported in OCI</b>                                    | <b>0.00</b> | <b>0.00</b> |

The Company has not re-measured its long term employee benefits and the corresponding liabilities on the basis of report of an actuary. Therefore tax expenses on OCI is NIL.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**(Rs. in Lacs)**

| <b>PARTICULARS</b>                                                                                      | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31,<br/>2020</b> |
|---------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------|
| <b>(c) The income tax expenses for the year can be reconciled to the accounting profit as follows :</b> |                                 |                                     |
| Profit before Tax                                                                                       | 235.39                          | 325.65                              |
| Applicable tax rate                                                                                     | 25.17%                          | 25.17%                              |
| Computed Tax expense                                                                                    | 59.24                           | 82.53                               |
| Tax Effect of :                                                                                         |                                 |                                     |
| Expenses disallowed                                                                                     | 28.29                           | 97.08                               |
| Deduction Allowed                                                                                       | (4.14)                          |                                     |
| Expenses allowed                                                                                        | (66.67)                         | (163.75)                            |
| <b>Current Tax Provision( A)</b>                                                                        | <b>20.87</b>                    | <b>15.86</b>                        |
| Incremental Deferred Tax provision on account of Tangible and Intangible Assets                         | 39.49                           | (46.81)                             |
| Incremental Deferred Tax provision on account of Financial Assets and other Items                       | (1.09)                          | (20.24)                             |
| <b>Deferred tax Provision (B)</b>                                                                       | <b>38.40</b>                    | <b>(67.05)</b>                      |
| <b>Tax Expenses recognised in Statement of Profit &amp; Loss ( A+B)</b>                                 | <b>59.27</b>                    | <b>(51.19)</b>                      |
| Effective Tax Rate                                                                                      | 25.18%                          | -15.72%                             |

**(d) The movement in Deferred Tax account is as follows:**

|                                                 |              |              |
|-------------------------------------------------|--------------|--------------|
| At the beginning of the year                    | 91.07        | 158.12       |
| Charge/(Credit) to Statement of Profit and Loss | 38.40        | (67.05)      |
| <b>At the end of the year</b>                   | <b>52.67</b> | <b>91.07</b> |

**(e) Significant components of net deferred tax assets for the year ended March 31, 2021 are as follows:**

| <b>PARTICULARS</b>              | <b>As at<br/>March 31,<br/>2020</b> | <b>Charge/(credit)<br/>to profit or loss</b> | <b>As at<br/>March 31,<br/>2021</b> |
|---------------------------------|-------------------------------------|----------------------------------------------|-------------------------------------|
| Property, Plant & Equipment     | -0.55                               | (39.49)                                      | -40.04                              |
| Provision for Employee Benefits | 2.54                                | (0.19)                                       | 2.35                                |
| Provision for Expenses          | 8.16                                | 0.92                                         | 9.08                                |
| Deferred Revenue                | -4.61                               | 0.36                                         | -4.25                               |
| Others                          | 85.53                               | 0.00                                         | 85.53                               |
| <b>Total</b>                    | <b>91.07</b>                        | <b>(38.40)</b>                               | <b>52.67</b>                        |

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**  
(Rs. in Lacs)

| <b>PARTICULARS</b>                                                                        | <b>As at<br/>March 31,<br/>2021</b> | <b>As at<br/>March 31, 2020</b> |
|-------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------|
| <b>18. INCOME FROM OPERATIONS</b>                                                         |                                     |                                 |
| Sale of Products                                                                          | 4679.27                             | 4589.02                         |
| Export Incentives                                                                         | 8.24                                | 39.14                           |
| <b>Total</b>                                                                              | <b>4687.51</b>                      | <b>4628.16</b>                  |
| 20.1 Sale of Products comprises of:                                                       |                                     |                                 |
| (a) Manufactured Goods                                                                    | 4591.76                             | 4502.98                         |
| (b) Traded Goods                                                                          | 0.11                                | 59.60                           |
| (c) Sale of Scrap                                                                         | 2.92                                | 0.09                            |
| (d) Service Charges                                                                       | 84.48                               | 26.35                           |
|                                                                                           | <b>4679.27</b>                      | <b>4589.02</b>                  |
| <b>19. OTHER INCOME</b>                                                                   |                                     |                                 |
| Interest on fixed deposits with banks                                                     | 11.77                               | 15.70                           |
| Other interest (including interest on income tax refunds)                                 | 2.58                                | 0.42                            |
| Gain on exchange fluctuations                                                             | 0.00                                | 28.54                           |
| Other non-operating income                                                                | 1.00                                | 0.25                            |
| <b>Total</b>                                                                              | <b>15.35</b>                        | <b>44.91</b>                    |
| 19.1 Other non-operating income comprises of contract cancellation charges.               |                                     |                                 |
| <b>20. COST OF MATERIAL CONSUMED</b>                                                      |                                     |                                 |
| Opening Inventory                                                                         | 1885.60                             | 1825.41                         |
| Add: Purchases During The Year                                                            | 2639.85                             | 3178.87                         |
| Less: Closing Inventory                                                                   | 1660.94                             | 1885.60                         |
| <b>Total</b>                                                                              | <b>2864.51</b>                      | <b>3118.68</b>                  |
| <b>21. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS &amp; STOCK-IN-TRADE</b> |                                     |                                 |
| <b>Inventories (at closing)</b>                                                           |                                     |                                 |
| Finished Goods                                                                            | 865.97                              | 1146.40                         |
| Work-in-progress                                                                          | 982.21                              | 898.20                          |
|                                                                                           | 1848.18                             | 2044.60                         |
| <b>Inventories (at beginning)</b>                                                         |                                     |                                 |
| Finished Goods                                                                            | 1146.40                             | 992.14                          |
| Work-in-progress                                                                          | 898.20                              | 834.88                          |
|                                                                                           | 2044.60                             | 1827.02                         |
| <b>Total</b>                                                                              | <b>196.42</b>                       | <b>(217.58)</b>                 |
| <b>22. EMPLOYEE BENEFITS EXPENSE</b>                                                      |                                     |                                 |
| Salaries & wages                                                                          | 293.43                              | 310.84                          |
| Contribution to provident fund & others                                                   | 9.56                                | 12.81                           |
| Staff welfare expenses                                                                    | 0.65                                | 0.50                            |
| <b>Total</b>                                                                              | <b>303.64</b>                       | <b>324.15</b>                   |

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**  
(Rs. in Lacs)

| <b>PARTICULARS</b>              | <b>As at<br/>March 31,<br/>2021</b> | <b>As at<br/>March 31, 2020</b> |
|---------------------------------|-------------------------------------|---------------------------------|
| <b>23. FINANCE COSTS</b>        |                                     |                                 |
| Interest Expense                | 255.60                              | 282.95                          |
| Bank Charges                    | 74.63                               | 49.18                           |
| <b>Total</b>                    | <b>330.23</b>                       | <b>332.13</b>                   |
| <b>24. OTHER EXPENSES</b>       |                                     |                                 |
| Power & Fuel                    | 152.43                              | 170.64                          |
| Consumable Stores               | 69.48                               | 47.19                           |
| Clearing & Forwarding Expenses  | 14.36                               | 46.60                           |
| Repairs & Maintenance Expenses  | 40.64                               | 20.51                           |
| Legal Expenses                  | 2.02                                | 5.39                            |
| Bad Debts Provision             | 3.68                                | (21.98)                         |
| Bad Debts #                     | 67.83                               | 0.00                            |
| Printing & Stationary Expenses  | 0.00                                | 0.12                            |
| Professional Fees               | 15.71                               | 16.57                           |
| Testing Charges                 | 3.26                                | 3.63                            |
| Factory Expenses                | 3.93                                | 25.52                           |
| Freight Expenses                | 123.49                              | 151.20                          |
| Packing Expenses                | 0.71                                | 0.84                            |
| Water expense                   | 3.07                                | 3.08                            |
| Selling & Distribution Expenses | 16.29                               | 18.02                           |
| Administrative Expenses         | 20.50                               | 18.65                           |
| Auditors Remuneration           | 5.00                                | 5.00                            |
| Insurance                       | 11.73                               | 22.27                           |
| Entry Tax Demand                | 9.48                                | 0.00                            |
| Sales tax Demand                | 3.47                                | 0.00                            |
| Interest on Statutory Dues      | 23.71                               | 0.00                            |
| Loss on Exchange Fluctuations   | 1.87                                | 0.00                            |
| Office Rent*                    | 3.14                                | 3.14                            |
| Travelling Expenses             | 3.57                                | 13.01                           |
| Replacement Cost                | 0.00                                | 3.30                            |
| Other Expenses                  | 71.05                               | 85.15                           |
| <b>Total</b>                    | <b>670.42</b>                       | <b>637.85</b>                   |

**#BAD DEBTS**

The Company have debts (Debtors Outstanding against supplies) which are irrecoverable from the Debtors and therefore written off in the books of accounts during the financial year amounting to Rs. 67.83 Lacs in accordance with the resolution passed in the meeting of Board of Directors.

**\*LEASES**

The Company has taken properties on short term basis. Most of the leases include renewal and escalation clauses to lessor with no purchase option to lessee. Lease rent expenses were Rs. 3.14 lacs each for the year ended March 31, 2021 and March 31, 2020 The following is a summary of future minimum lease rental commitments towards non-cancellable leases.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**  
(Rs. in Lacs)

| <b>PARTICULARS</b>                  | <b>As at<br/>March 31,<br/>2021</b> | <b>As at<br/>March 31, 2020</b> |
|-------------------------------------|-------------------------------------|---------------------------------|
| <b>24.1 Payment to Auditors as:</b> |                                     |                                 |
| Internal Audit Fees                 | 1.00                                | 1.00                            |
| Statutory Audit Fees                | 2.00                                | 2.00                            |
| Tax Audit Fees                      | 1.00                                | 1.00                            |
| Other Services                      | 1.00                                | 1.00                            |
| <b>Total</b>                        | <b>5.00</b>                         | <b>5.00</b>                     |

**25. EARNING PER SHARE (EPS)**

**Net Profit after tax as per Statement of Profit and Loss attributable to equity shareholders:**

|                                     |        | <b>(Rs. in Lacs)</b> |
|-------------------------------------|--------|----------------------|
| Basic earnings                      | 176.12 | 242.74               |
| Adjusted for the effect of dilution | 176.12 | 242.74               |

**Weighted average number of Equity Shares for:**

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

**Earnings Per Share (₹):**

|         |      |      |
|---------|------|------|
| Basic   | 1.50 | 2.06 |
| Diluted | 1.50 | 2.06 |

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 26. FINANCIAL INSTRUMENTS, FAIR VALUE AND RISK MEASUREMENTS

## A. Financial instruments by category and their fair value

(Rs. in Lacs)

| As at March 31, 2021                                                        | 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          |
| <b>Financial assets</b>                                                     |                 |        |                |                |                                          |                                         |                                           |                |
| Investments- Non-Current                                                    | -               | -      | 0.23           | 0.23           | -                                        | 0.23                                    | -                                         | 0.23           |
| Trade Receivables                                                           | -               | -      | 2957.59        | 2957.59        | -                                        | 2957.59                                 | -                                         | 2957.59        |
| Loans- Current                                                              | -               | -      | 4.66           | 4.66           | -                                        | 4.66                                    | -                                         | 4.66           |
| Cash and Cash Equivalents                                                   | -               | -      | 54.85          | 54.85          | -                                        | 54.85                                   | -                                         | 54.85          |
| Other Bank Balances                                                         | -               | -      | 238.67         | 238.67         | -                                        | 238.67                                  | -                                         | 238.67         |
| Other financial assets                                                      | -               | -      | -              | -              | -                                        | -                                       | -                                         | -              |
| - Non-current                                                               | -               | -      | 144.06         | 144.06         | -                                        | 144.06                                  | -                                         | 144.06         |
| - Current                                                                   | -               | -      | 93.64          | 93.64          | -                                        | 93.64                                   | -                                         | 93.64          |
| <b>Total financial assets</b>                                               | -               | -      | <b>3493.70</b> | <b>3493.70</b> | -                                        | <b>3493.70</b>                          | -                                         | <b>3493.70</b> |
| <b>Financial liabilities</b>                                                |                 |        |                |                |                                          |                                         |                                           |                |
| Long-term borrowings (including current maturities of long-term borrowings) | -               | -      | 872.46         | 872.46         | -                                        | 872.46                                  | -                                         | 872.46         |
| Short-term borrowings                                                       | -               | -      | 1348.42        | 1348.42        | -                                        | 1348.42                                 | -                                         | 1348.42        |
| Trade Payables                                                              | -               | -      | 0.00           | 0.00           | -                                        | 0.00                                    | -                                         | 0.00           |
| Other financial liabilities                                                 | -               | -      | -              | -              | -                                        | -                                       | -                                         | -              |
| - Non-Current                                                               | -               | -      | 0.00           | 0.00           | -                                        | 0.00                                    | -                                         | 0.00           |
| - Current                                                                   | -               | -      | 133.71         | 133.71         | -                                        | 133.71                                  | -                                         | 133.71         |
| <b>Total financial liabilities</b>                                          | -               | -      | <b>2354.59</b> | <b>2354.59</b> | -                                        | <b>2354.59</b>                          | -                                         | <b>2354.59</b> |

(Rs. in Lacs)

| As at March 31, 2020                                                        | 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          |
| <b>Financial assets</b>                                                     |                 |        |                |                |                                          |                                         |                                           |                |
| Investments- Non-Current                                                    | -               | -      | 0.23           | 0.23           | -                                        | 0.23                                    | -                                         | 0.23           |
| Trade Receivables                                                           | -               | -      | 1520.29        | 1520.29        | -                                        | 1520.29                                 | -                                         | 1520.29        |
| Loans- Current                                                              | -               | -      | 2.49           | 2.49           | -                                        | 2.49                                    | -                                         | 2.49           |
| Cash and Cash Equivalents                                                   | -               | -      | 87.82          | 87.82          | -                                        | 87.82                                   | -                                         | 87.82          |
| Other Bank Balances                                                         | -               | -      | 206.82         | 206.82         | -                                        | 206.82                                  | -                                         | 206.82         |
| Other financial assets                                                      | -               | -      | -              | 0.00           | -                                        | -                                       | -                                         | -              |
| - Non-current                                                               | -               | -      | 221.80         | 221.80         | -                                        | 221.80                                  | -                                         | 221.80         |
| - Current                                                                   | -               | -      | 110.84         | 110.84         | -                                        | 110.84                                  | -                                         | 110.84         |
| <b>Total financial assets</b>                                               | -               | -      | <b>2150.29</b> | <b>2150.29</b> | -                                        | <b>2150.29</b>                          | -                                         | <b>2150.29</b> |
| <b>Financial liabilities</b>                                                |                 |        |                |                |                                          |                                         |                                           |                |
| Long-term borrowings (including current maturities of long-term borrowings) | -               | -      | 396.87         | 396.87         | -                                        | 396.87                                  | -                                         | 396.87         |
| Short-term borrowings                                                       | -               | -      | 1960.27        | 1960.27        | -                                        | 1960.27                                 | -                                         | 1960.27        |
| Trade Payables                                                              | -               | -      | 0.00           | 0.00           | -                                        | 0.00                                    | -                                         | 0.00           |
| Other financial liabilities                                                 | -               | -      | -              | 0.00           | -                                        | -                                       | -                                         | -              |
| - Non-Current                                                               | -               | -      | 0.00           | 0.00           | -                                        | 0.00                                    | -                                         | 0.00           |
| - Current                                                                   | -               | -      | 165.88         | 165.88         | -                                        | 165.88                                  | -                                         | 165.88         |
| <b>Total financial liabilities</b>                                          | -               | -      | <b>2523.02</b> | <b>2523.02</b> | -                                        | <b>2523.02</b>                          | -                                         | <b>2523.02</b> |

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**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 Rs. 3062.11 Lacs as at March 31, 2021 and Rs. 1672.30 Lacs as at March 31, 2020, 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, 2021, 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.

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 31.03.2021 | As at 31.03.2020 |
|-------------------------------|------------------|------------------|
| Not past due but impaired     |                  | -                |
| Neither past due not impaired | 2,043.20         | 443.41           |
| Past due not impaired         |                  |                  |
| 1-180 days                    | 143.10           | 188.99           |
| 181-365 days                  | 0.09             | 129.51           |
| more than 365 days            | 614.88           | 725.56           |
| Past due impaired             |                  |                  |
| 1-180 days                    |                  |                  |
| 181-365 days                  |                  |                  |
| more than 365 days            | 256.17           | 182.32           |
| <b>Total</b>                  | <b>3057.44</b>   | <b>1669.79</b>   |

**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.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**(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.2000.00 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.

| As at March 31, 2021                        | Contractual cash flows <span style="float: right;">(Rs. in Lacs)</span> |                |                     |                     |
|---------------------------------------------|-------------------------------------------------------------------------|----------------|---------------------|---------------------|
|                                             | Carrying amount                                                         | Total          | Less than 12 months | More than 12 Months |
| <b>Non-derivative financial liabilities</b> |                                                                         |                |                     |                     |
| Non-Current Borrowings                      | 604.96                                                                  | 604.96         | -                   | 604.96              |
| Other Non-Current Financial Liabilities     | -                                                                       | -              | -                   | -                   |
| Current Borrowings                          | 1615.92                                                                 | 1615.92        | 1615.92             | -                   |
| Current Trade Payables                      | -                                                                       | -              | -                   | -                   |
| Other Current Financial Liabilities         | 133.71                                                                  | 133.71         | 133.71              | -                   |
| <b>Total</b>                                | <b>2354.59</b>                                                          | <b>2354.59</b> | <b>1749.63</b>      | <b>604.96</b>       |

| As at March 31, 2020                        | Contractual cash flows <span style="float: right;">(Rs. in Lacs)</span> |                |                     |                     |
|---------------------------------------------|-------------------------------------------------------------------------|----------------|---------------------|---------------------|
|                                             | Carrying amount                                                         | Total          | Less than 12 months | More than 12 Months |
| <b>Non-derivative financial liabilities</b> |                                                                         |                |                     |                     |
| Non current Borrowings                      | 269.39                                                                  | 269.39         | -                   | 269.39              |
| Other Non-Current Financial Liabilities     | -                                                                       | -              | -                   | -                   |
| Current Borrowings                          | 2087.75                                                                 | 2087.75        | 2087.75             | -                   |
| Current Trade Payables                      | -                                                                       | 517.82         | 517.82              | -                   |
| Other Current Financial Liabilities         | 165.88                                                                  | 165.88         | 165.88              | -                   |
| <b>Total</b>                                | <b>2523.02</b>                                                          | <b>3040.84</b> | <b>2771.45</b>      | <b>269.39</b>       |

**(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 in 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:

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

| Particulars                    | 50 bp Increase | 50 bp decrease |
|--------------------------------|----------------|----------------|
| <b>March 31, 2021</b>          |                |                |
| Non current - Borrowings       | (42.76)        | 42.76          |
| Current - Long term borrowings | -              | -              |
| <b>Total</b>                   | <b>(42.76)</b> | <b>42.76</b>   |
| <b>March 31, 2020</b>          |                |                |
| Non current - Borrowings       | (28.16)        | 28.16          |
| Current - Long term borrowings | -              | -              |
| <b>Total</b>                   | <b>(28.16)</b> | <b>28.16</b>   |

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

**(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, 2021:

| (Rs. in Lacs)         |             |
|-----------------------|-------------|
| PARTICULARS           | U.S. DOLLAR |
| Financial assets      | 134.53      |
| Financial liabilities | 126.92      |

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 Rs.13.45 Lacs and Rs. 12.69 Lacs for financial assets and financial liabilities respectively for the year ended March 31, 2021.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

The following table sets forth information relating to foreign currency exposure as at March 31, 2020:

| <b>(Rs. in Lacs)</b>  |                    |
|-----------------------|--------------------|
| <b>PARTICULARS</b>    | <b>U.S. DOLLAR</b> |
| Financial assets      | 185.50             |
| Financial liabilities | 14.88              |

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 Rs.18.55 Lacs and Rs.1.49 Lacs for financial assets and financial liabilities respectively for the year ended March 31, 2020.

**(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, 2021 and 2020, financial liability of Rs. 2,220.88, Rs. 2,357.14 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 Rs. 22.20 Lacs and Rs. 23.57 Lacs on income for the year ended March 31, 2021 and 2020 respectively.

**27. RELATED PARTY DISCLOSURES**

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

(i)

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

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****(ii) Transactions during the year with related parties :**

The following table summarizes related party transactions and balances for the year ended/as at March 31, 2021

(Rs. in Lacs)

| <b>Nature of Transactions</b>       | <b>Key Managerial Personnel</b> | <b>Relative of Key Managerial Personnel</b> | <b>Entities in which KMP/RKMP have significant influence</b> |
|-------------------------------------|---------------------------------|---------------------------------------------|--------------------------------------------------------------|
| Sale of Goods                       | -                               | -                                           | 94.42                                                        |
| Purchase                            | -                               | -                                           | 8.98                                                         |
| Remuneration                        | 101.61                          | 4.65                                        | -                                                            |
| Loan Received                       | 0.00                            | 0.00                                        | -                                                            |
| Loan Paid                           | 65.00                           | 46.50                                       | -                                                            |
| Interest Paid                       | 17.97                           | 4.08                                        | -                                                            |
| <b>Balance as at March 31, 2021</b> |                                 |                                             |                                                              |
| Trade Receivable                    | -                               | -                                           | 64.85                                                        |
| Managerial Remuneration             | 7.76                            | -                                           | -                                                            |
| Loans                               | 281.70                          | 20.52                                       | -                                                            |

The following table summarizes related party transactions and balances for the year ended/as at March 31, 2020

(Rs. in Lacs)

| <b>Nature of Transactions</b>       | <b>Key Managerial Personnel</b> | <b>Relative of Key Managerial Personnel</b> | <b>Entities in which KMP/RKMP have significant influence</b> |
|-------------------------------------|---------------------------------|---------------------------------------------|--------------------------------------------------------------|
| Sale of Goods                       | -                               | -                                           | 78.09                                                        |
| Purchase                            | -                               | -                                           | 10.13                                                        |
| Remuneration                        | 66.32                           | 4.44                                        | -                                                            |
| Loan received                       | 247.03                          | 100.00                                      | -                                                            |
| Interest Paid                       | 25.07                           | 2.71                                        | -                                                            |
| <b>Balance as at March 31, 2020</b> |                                 |                                             |                                                              |
| Trade Receivable                    | -                               | -                                           | 44.01                                                        |
| Loans                               | 330.08                          | 66.79                                       | -                                                            |

\*Note: The Company has received money by way of loan amounting to Rs.0.00 and Rs. 247.03 lacs from its directors during the financial year 2020-21 and 2019-20 respectively.

**28. The Company has identified Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006.**

| <b>S.NO.</b> | <b>PARTICULARS</b>                                                                                                                             | <b>AS ON</b>      |                   |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|              |                                                                                                                                                | <b>31.03.2021</b> | <b>31.03.2020</b> |
| <b>1</b>     | Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end                                           | 173.32            | 75.23             |
| <b>2</b>     | Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end                                                   | NIL               | NIL               |
| <b>3</b>     | Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                   | 22.67             | 100.02            |
| <b>4</b>     | Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | NIL               | NIL               |
| <b>5</b>     | Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year            | NIL               | NIL               |
| <b>6</b>     | Interest due and payable towards suppliers registered under MSMED Act, for payments already made                                               | NIL               | NIL               |
| <b>7</b>     | Further interest remaining due and payable for earlier years                                                                                   | 0.64              | 0.32              |

28.1 The Company has provided interest on MSME creditors payable for 45 days and above as per the provisions of the Micro, Small and Medium Enterprises 2006

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**29. SEGMENT INFORMATION**

The Company is mainly engaged in manufacturing activities in India. All the activities of the Company resolved 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 once, 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:

| Particulars                                                          | (Rs. in Lacs)        |                      |
|----------------------------------------------------------------------|----------------------|----------------------|
|                                                                      | As at March 31, 2021 | As at March 31, 2020 |
| Equity*                                                              | 6,250.46             | 6,081.95             |
| Short term borrowings and current maturities of long-term borrowings | 1,615.92             | 2,087.75             |
| Long term borrowings                                                 | 604.96               | 269.39               |
| Total borrowings                                                     | 2,220.88             | 2,357.14             |
| <b>Total capital (Debt+Equity)</b>                                   | <b>8,471.35</b>      | <b>8,439.09</b>      |

**31. COMMITMENTS AND CONTINGENCIES**

In the ordinary course of business, the Company 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.

**A. Income Tax**

(i) Company has deposited an amount of Rs. 19,50,000.00 as 20% of demand raised u/s 143(3) towards assesment of AY 2015-16 as per CBDT Circular and file an appeal to CIT (A) which is pending with same jurisdiction.

**B. Others**

(i) 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.

(ii) An Ex Employee has filed a case before National Company Law Tribunal (NCLT)- Jaipur, as reported by the Management of the Company. However the complete case details not provided by Court/ Petitioner and so the company applied before the NCLT for copy of Petition filed by Employee, and the same is awaited and pending to be received by the company.

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**CONTINGENT LIABILITIES**

| <b>PARTICULARS</b>     | <b>(Rs. in Lacs)</b>            |                                 |
|------------------------|---------------------------------|---------------------------------|
|                        | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
| (i) Guarantees         |                                 |                                 |
| Performance Guarantees | 768.53                          | 817.32                          |
| Financial Guarantee    | 141.01                          | 117.66                          |
| (ii) Letter of credit  | 1246.24                         | 987.23                          |
| <b>TOTAL</b>           | <b>2155.78</b>                  | <b>1922.21</b>                  |

**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 2020-21. Out of total provision of Rs. 21.03 lacs expenditure incurred during the year 2020-21 is Rs.28.64 so the short Provision of Rs 7.61 Lacs has been created out of opening Reserves.

**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.