

**INDEPENDENT AUDITOR'S REPORT****THE MEMBERS****SOMI CONVEYOR BELTINGS LTD.****JODHPUR (RAJASTHAN)****Report on the Standalone Ind AS Financial Statements****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, 2019, 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, the aforesaid Standalone Ind AS Financial Statement, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its financial performance including other comprehensive income and it's Cash Flow for the year ended on that date.

**Basis for Opinion**

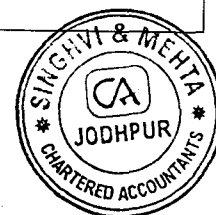
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**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. We have determined the matters described below to be the Key Audit Matters to be communicated in our Report:-

<b>Sr. No.</b>	<b>Key Audit Matters</b>	<b>Auditor's Response</b>
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, 2019 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, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>
2.	<p><b>Recoverability of Indirect tax receivables</b></p> <p>As at March 31, 2019, non-current assets in respect of withholding tax and others includes Cenvat recoverable amounting to Rs. 2.52 lacs and sales tax amounting to Rs.16.16 lacs which are pending adjudication.</p> <p>Refer Notes 31 B to the Standalone Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</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 Annexures 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.

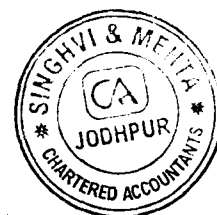
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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) 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.





# SINGHVI & MEHTA

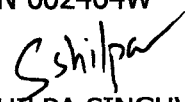
CHARTERED ACCOUNTANTS

BEHIND MEDICAL AUDITORIUM, 166-A, SECTOR-D, SHASTRI NAGAR, JODHPUR ① (O) 2637350 (R) 2752821 (M) 94-141-39933

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 31 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.

PLACE : JODHPUR  
DATED: 30<sup>TH</sup> MAY, 2019

FOR SINGHVI & MEHTA  
CHARTERED ACCOUNTANTS  
FRN 002464W

  
(SHILPA SINGHVI)  
PARTNER  
M.No. 144679



**"Annexure A" to the Independent Auditor's Report**

The annexure referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Standalone Ind AS Financial Statements of **SOMI CONVEYOR BELTINGS LIMITED** for the year ended March 31, 2019, 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, sales tax, value added tax, Goods and Services Tax, duties of customs and excise, service tax and other material statutory dues have been generally regular in depositing during the year by the Company with the appropriate authorities except for Advance tax for Financial year 2018-19 which is not paid by the company.
- (b) According to the information and explanation given to us there are no disputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax **except as stated below:-**





Name of the Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Demand	Income Tax	4657870.00	A.Y. 2010-11	ITAT- Pending for review Rajasthan High Court- Pending for admission of Appeal
Income Tax Penalty	Income Tax	3256299.00	A.Y. 2010-11	CIT(Appeal)
Income Tax Demand	Income Tax	9742460.00	A.Y. 2015-16	CIT(Appeal) However, Rs. 1950000.00 paid as 20% of demand raised.
Sales Tax Penalty	Sales Tax	146947.00	A.Y. 2008-09	Commissioner (A) Commercial Tax Department
Sales Tax Demand	Sales Tax (ITC)	1316184.00 300000.00	A.Y. 2008-09 A.Y. 2009-10	The Company is aggrieved of the demand and contesting the same. The Company is also planning to file an application before hon'able High Court relating to this matter.

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.





# SINGHVI & MEHTA

CHARTERED ACCOUNTANTS

BEHIND MEDICAL AUDITORIUM, 166-A, SECTOR-D, SHASTRI NAGAR, JODHPUR ① (O) 2637350 (R) 2752821 (M) 94-141-39933

15. NON CASH TRANSACTIONS WITH DIRECTORS

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

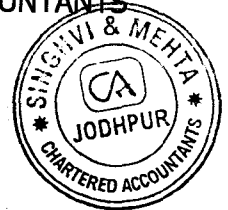
16. NBFC REGISTRATION

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

PLACE : JODHPUR  
DATED: 30<sup>TH</sup> MAY, 2019

FOR SINGHVI & MEHTA  
CHARTERED ACCOUNTANTS  
FRN 002464W

  
(SHILPA SINGHVI)  
PARTNER  
M.No. 144679



**"Annexure B" to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of SOMI CONVEYOR BELTINGS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

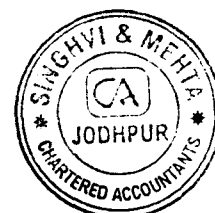
We have audited the Internal Financial Controls over financial reporting of **SOMI CONVEYOR BELTINGS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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





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

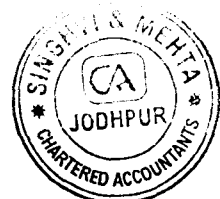
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's Internal Financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**SINGHVI & MEHTA****CHARTERED ACCOUNTANTS**

BEHIND MEDICAL AUDITORIUM, 166-A, SECTOR-D, SHASTRI NAGAR, JODHPUR ① (O) 2637350 (R) 2752821 (M) 94-141-39933

**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, 2019, 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



PLACE : JODHPUR  
DATED: 30<sup>TH</sup> MAY, 2019



**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**  
**(CIN : L25192RJ2000PLC016480)**

**BALANCE SHEET AS AT MARCH 31, 2019**

(₹ in Lacs)

Particulars	Particulars	March 31, 2018	March 31, 2019
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	2650.20	3057.83
(b) Capital Work-In-Progress	3	76.39	42.55
(c) Other Intangible Assets	3	1.56	2.13
(d) Financial Assets			
(i) Investments	4	0.23	0.23
(ii) Trade Receivables	8	150.82	107.05
(iii) Other Financial Assets	5	79.24	24.39
(e) Deferred Tax Assets (Net)	19	158.12	168.48
(f) Other Non-Current Assets	6	0.21	0.21
<b>Total Non-Current Assets</b>		<b>3116.77</b>	<b>3402.87</b>
<b>2. Current Assets</b>			
(a) Inventories	7	3933.67	4113.46
(b) Financial Assets			
(i) Trade Receivables	8	2079.50	1937.09
(ii) Cash and Cash Equivalents	9	42.67	32.77
(iii) Other Bank Balances	9	254.49	272.60
(iv) Loans	10	17.61	11.88
(v) Other Financial Assets	5	111.85	218.34
(c) Other Current Assets	6	523.45	332.82
<b>Total Current Assets</b>		<b>6963.24</b>	<b>6918.96</b>
<b>Total Assets</b>		<b>10080.01</b>	<b>10321.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	1177.97	1177.97
Other Equity	12	4574.37	4486.10
<b>Total Equity</b>		<b>5752.34</b>	<b>5664.07</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	592.95	142.52
(ii) Other financial liabilities	14	0.00	94.84
(b) Provisions	15	19.23	17.13
<b>Total Non-Current Liabilities</b>		<b>612.18</b>	<b>254.49</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	1897.79	2493.91
(ii) Trade Payables	16	1191.81	997.53
(iii) Other Financial Liabilities	14	284.52	154.13
(b) Employee Benefits Obligations	17	6.36	6.55
(c) Other Current Liabilities	18	280.21	667.32
(d) Current Tax Liabilities (net)		54.80	83.84
<b>Total Current Liabilities</b>		<b>3715.49</b>	<b>4403.27</b>
<b>Total Liabilities</b>		<b>4327.67</b>	<b>4657.76</b>
<b>Total Equity and Liabilities</b>		<b>10080.01</b>	<b>10321.83</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

*Sshilpa*  
 (SHILPA SINGHVI)  
 PARTNER  
 M. NO. 144679



PLACE : JODHPUR  
 DATED: 30<sup>TH</sup> MAY, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

*O.P. Bhansali*  
 O.P. BHANSALI  
 (MANAGING DIRECTOR)  
 DIN 00351846

*Gaurav Bhansali*  
 GAURAV BHANSALI  
 (WHOLE TIME DIRECTOR)  
 DIN 00351860

*Manish Bohra*  
 MANISH BOHRA  
 (CHIEF FINANCIAL OFFICER)

*Amit Baxi*  
 AMIT BAXI  
 (COMPANY SECRETARY)



**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**  
**(CIN : L25192RJ2000PLC016480)**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lacs)

<b>INCOME</b>			
Income from operations	20	6066.39	6515.87
Other Income	21	34.91	54.82
<b>Total Income (A)</b>		<b>6101.30</b>	<b>6570.69</b>
<b>EXPENSES</b>			
Cost of Material Consumed		4122.88	4392.92
Purchase of Stock-in-Trade		28.64	10.53
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(133.69)	(312.05)
Excise Duty		-	112.51
Employee Benefits Expense	23	401.42	434.70
Finance Costs	24	352.08	369.07
Depreciation and Amortisation Expense	3	344.35	485.41
Other Expenses	25	767.65	935.69
<b>Total Expenses (B)</b>		<b>5883.33</b>	<b>6428.78</b>
<b>Profit Before Tax (A-B)</b>		<b>217.97</b>	<b>141.91</b>
<b>Tax Expense</b>			
Current Tax	19	54.80	83.84
Deferred Tax	19	(8.55)	43.04
<b>Profit for the Year</b>		<b>154.62</b>	<b>101.11</b>
<b>Other Comprehensive Income / (Loss)</b>			
(i) Items that will not be reclassified to profit or loss			
Actuarial Gains / (Losses)		6.46	7.14
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.80)	(2.38)
<b>Total Other Comprehensive Income</b>		<b>4.66</b>	<b>4.76</b>
<b>Total Comprehensive Income for the Year</b>		<b>159.28</b>	<b>105.87</b>
<b>Earning per Equity Share (EPS) of face value of ₹ 10</b>	26		
Basic (₹)		1.31	0.86
Diluted (₹)		1.31	0.86
Significant Accounting Policies	2		
The accompanying notes are integral part of the Financial Statements.			
<b>As per our report of even date attached</b>			

FOR SINGHVI & MEHTA  
 CHARTERED ACCOUNTANTS  
 FRN 002464W

*Shilpa*  
 (SHILPA SINGHVI)  
 PARTNER  
 M.NO. 144679



PLACE : JODHPUR  
 DATED: 30<sup>TH</sup> MAY, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

*O.P. Bhansali*  
 O.P. BHANSALI  
 (MANAGING DIRECTOR)  
 DIN 00351846

*Manish Bohra*  
 MANISH BOHRA  
 (CHIEF FINANCIAL OFFICER)

*Gaurav Bhansali*  
 GAURAV BHANSALI  
 (WHOLE TIME DIRECTOR)  
 DIN 00351860

*Amit Baxi*  
 AMIT BAXI  
 (COMPANY SECRETARY)



**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**  
**(CIN : L25192RJ2000PLC016480)**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

**A. Equity Share Capital**

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

Equity shares of ₹ 10/- each fully paid up

<b>As at 31 March 2018</b>	<b>11779656</b>	<b>1177.97</b>
Changes in equity share capital during the year	-	-
<b>As at 31 March 2019</b>	<b>11779656</b>	<b>1177.97</b>

**B. Other Equity**

**(₹ in Lacs)**

<b>Balance at March 31, 2018</b>	<b>1818.17</b>	<b>2667.93</b>	<b>4486.10</b>
Profit for the year	-	154.62	154.62
Other Comprehensive Income for the year	-	4.66	4.66
Total comprehensive income for the year	-	159.28	159.28
Proposed Dividend with Corporate Tax	-	(71.01)	(71.01)
<b>Balance at March 31, 2019</b>	<b>1818.17</b>	<b>2756.20</b>	<b>4574.37</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

*Sshilpa*  
 (SHILPA SINGHVI)  
 PARTNER  
 M. NO. 144679



PLACE : JODHPUR  
 DATED: 30<sup>TH</sup> MAY, 2019

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**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**  
**(CIN : L25192RJ2000PLC016480)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lacs)

**A. CASH FLOW FROM OPERATING ACTIVITIES**

Profit / (Loss) after tax	154.62	96.34
<b>Adjustments for:</b>		
Depreciation and Amortisation Expense	344.35	485.41
Tax Expenses	63.36	45.57
Interest Income	(19.39)	(16.05)
Interest Expense	277.15	260.37
<b>Cash Flow from Operating Activities before Working Capital Changes</b>	<b>820.09</b>	<b>871.66</b>
Trade Receivables	(156.33)	(163.60)
Loans and Advances & Other Financial Assets	20.24	(42.96)
Other Current and Non Current Assets	(188.83)	(63.92)
Inventories	179.79	(425.42)
Trade Payables & Acceptances	194.28	58.86
Other Current and Non-Current Liabilities	(546.01)	2.63
Other Financial Liabilities	37.63	41.13
Provisions	22.48	30.26
<b>Cash Generated From Operations</b>	<b>383.34</b>	<b>308.64</b>
Income Taxes Credit / (Paid) (Net)	-	27.65
<b>Net Cash Flow From Operating Activities (a)</b>	<b>383.34</b>	<b>336.29</b>

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Acquisition of Property, Plant & Equipments	30.03	(86.40)
Interest Income	19.39	16.05
<b>Net Cash used in Investing Activities (b)</b>	<b>49.42</b>	<b>(70.35)</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Non-Current Borrowings	457.24	135.71
Repayment of Non-Current Borrowings	(6.82)	(7.48)
Proceeds from Current Borrowings	-	-
Repayment of Current Borrowings	(596.13)	(131.30)
Interest Paid	(277.15)	(260.37)
<b>Net Cash used in Financing Activities (c)</b>	<b>(422.86)</b>	<b>(263.43)</b>

**Net Increase/ (Decrease) in cash & cash Equivalents (a+b+c)**

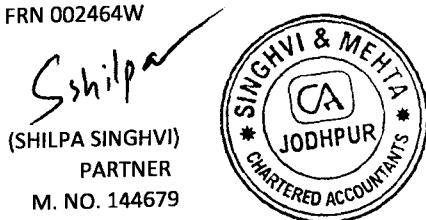
Cash & Cash Equivalent At the Beginning of the year	9.90	2.50
<b>Cash &amp; Cash Equivalent At the End of the year</b>	<b>32.77</b>	<b>30.26</b>

\*Cash & Cash Equivalents include Unclaimed Dividend of Rs. 28.34 lacs

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

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

FOR SINGHVI & MEHTA  
 CHARTERED ACCOUNTANTS  
 FRN 002464W



PLACE : JODHPUR  
 DATED: 30<sup>TH</sup> MAY, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

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*Amit Saxi*  
 AMIT SAXI  
 (COMPANY SECRETARY)



## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

### **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, 2019 were authorized and approved for issue by the Board of Directors on 30 May, 2019.

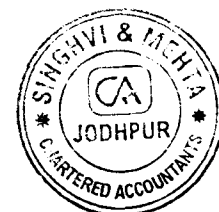
The revision to financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

#### **(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. Up to financial year ended on 31<sup>st</sup> March, 2017, the company has prepared the accounts according to the Previous GAAP.

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".

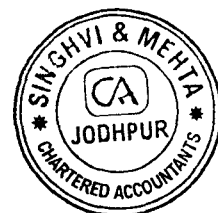


**(C) Use of estimates and judgements**

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. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) is not received by the company on its own account. Rather, it is tax collected on value 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.

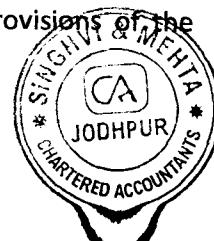
- i. Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas currencies vis-à-vis functional currency between the date of transaction and that of payment is charged to Statement of Profit & 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.

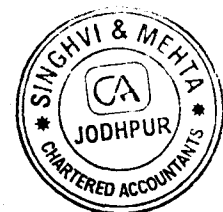
## **(I) Earnings per share**

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:

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

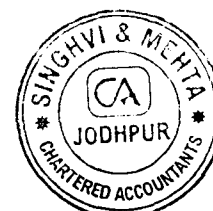
On transition to Ind AS, the Company had elected to carry forward the previous GAAP net carrying value of all its property, plant and equipment recognized as at 1st April, 2017 as the deemed cost.

### **(L) Other intangible assets**

Intangible Assets are initially recognized at:-

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

According to IND AS 17, at the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

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

#### **(N) Impairment**

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

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





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

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

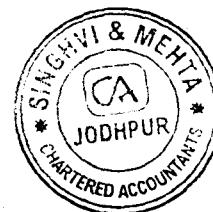
- 12 months expected credit losses, or
- Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition.

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

As at March 31, 2019, 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.

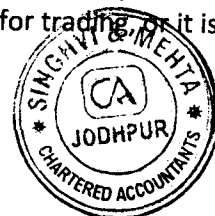
- **Financial assets at Amortised Cost:**

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.

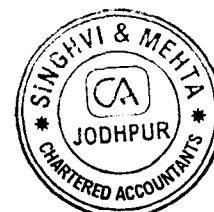
Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

A qualifying asset is an asset that necessarily requires a subst

ntial period of time to get ready for its intended use or sale. All other borrowing cost is recognized as expense in the period in which they are incurred.

**(T) Cash and cash equivalents**

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



## **(U) Investments**

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

## **(V) Events after the reporting Period**

### Adjusting Events:

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

### Non adjusting Events:

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

## **(W) Recent Accounting Pronouncements**

- **Ind AS 116 Leases :**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

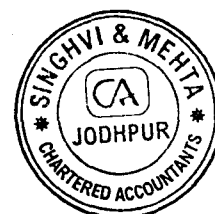
Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.



On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

- **Ind AS 12 Appendix C:**

Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

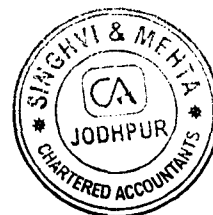
The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

- **Amendment to Ind AS 12 – Income taxes :**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

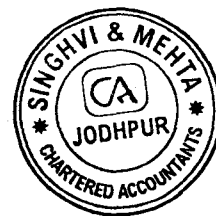


- **Amendment to Ind AS 19 – plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity: to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

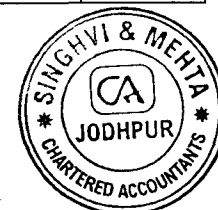
**3. Property, Plant & Equipment, Intangible Assets and Capital WIP**

(₹ in Lacs)

<b>(A) Property, Plant &amp; Equipment</b>										
Land-Freehold	593.80	-	-	593.80	-	-	-	-	593.80	593.80
Office Building (RCC FRAME)	219.63	-	-	219.63	85.30	6.18	-	91.48	128.14	134.33
Factory Building	1055.67	-	-	1055.67	588.14	44.00	-	632.14	423.53	467.52
Computers	28.52	0.35	-	28.87	25.67	1.20	-	26.87	2.00	2.86
Plant & Machinery	5139.90	24.11	89.32	5074.69	3341.89	317.96	43.25	3616.60	1458.09	1798.00
Office Equipments	14.65	0.98	-	15.63	12.46	0.94	-	13.40	2.23	2.19
Laboratory Equipments	53.21	-	-	53.21	38.16	3.99	-	42.15	11.06	15.05
Furniture & Fixtures	52.28	-	-	52.28	45.13	2.13	0.66	46.60	5.68	7.15
Vehicles	162.97	-	-	162.97	126.02	11.28	-	137.30	25.67	36.95
<b>Total</b>	<b>7320.63</b>	<b>25.44</b>	<b>89.32</b>	<b>7256.75</b>	<b>4262.77</b>	<b>387.68</b>	<b>43.91</b>	<b>4606.54</b>	<b>2650.20</b>	<b>3057.83</b>
<b>B. Intangible Assets</b>										
Trade Mark & Computer Software	4.71	-	-	4.71	2.58	0.58	-	3.16	1.56	2.13
<b>C. Capital WIP</b>	<b>42.55</b>	<b>37.88</b>	<b>4.04</b>	<b>76.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76.39</b>	<b>42.55</b>
<b>Total (A) + (B) + (C)</b>	<b>7367.89</b>	<b>63.32</b>	<b>93.36</b>	<b>7337.85</b>	<b>4265.35</b>	<b>388.26</b>	<b>43.91</b>	<b>4609.70</b>	<b>2728.15</b>	<b>3102.51</b>

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

2. Price Adjustment is made during the year on account of Creditors for Capital Expenditure of Rs. 89.32 lacs.





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lacs)

**Non-Current**

NSC

**Total**

0.23

0.23

**0.23**

**0.23**

**Non-Current**

Security & other deposits

**Total**

79.24

24.39

**79.24**

**24.39**

**Current**

Security & other deposits

**Total**

111.85

218.34

**111.85**

**218.34**

**Non-Current**

Capital advances

**Total**

0.21

0.21

**0.21**

**0.21**

**Current**

Balances with Government Authorities

147.80

131.71

Export Incentives Receivable

67.38

33.39

Prepaid expenses

53.27

12.27

Advances to vendors

254.43

155.17

Other Current Assets

0.57

0.28

**Total**

**523.45**

**332.82**

Raw materials & components

1825.41

1796.24

Work-in-progress

834.88

807.43

Finished goods

992.14

885.90

Goods-in-transit - Finished goods

281.24

623.89

**Total**

**3933.67**

**4113.46**

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

**Non-Current**

Trade Receivables - Unsecured & considered good

**Total**

150.82

107.05

**150.82**

**107.05**

**Current**

Trade Receivables - Unsecured

2110.65

1954.32

Less: Allowance for bad & doubtful debts

(31.15)

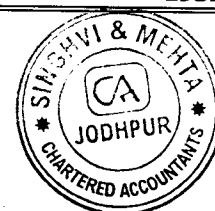
(17.23)

**Total**

**2079.50**

**1937.09**

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





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lacs)

**Cash and Cash Equivalents**

Cash in hand	3.11	12.37
Balances with banks *		
In current accounts	39.56	20.40
<b>Total</b>	<b>42.67</b>	<b>32.77</b>

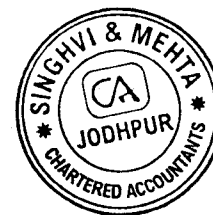
**Other Bank Balances**

Term Deposits maturing after 3 months but before 12 months	254.49	272.60
<b>Total</b>	<b>254.49</b>	<b>272.60</b>

\* Balance with banks includes unclaimed dividend of ₹ 9.93 for F.Y. 2017-18 and ₹ 18.41 for F.Y.2015-16

**Current**

Loans and advances to employees	17.61	11.88
<b>Total</b>	<b>17.61</b>	<b>11.88</b>





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**AUTHORISED SHARE CAPITAL**

Equity shares of ₹ 10/- each

<b>As at April 01, 2018</b>	<b>25000000</b>	<b>2500.00</b>
Increase/(decrease) during the year	-	-
<b>As at March 31, 2019</b>	<b>25000000</b>	<b>2500.00</b>

**Reconciliation of the number of shares outstanding**

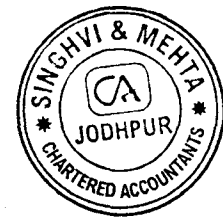
Particulars	Number of Shares	Amount in Rupees
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
Equity shares of ₹ 10/- each fully paid up		
<b>As at April 01, 2018</b>	<b>11779656</b>	<b>1177.97</b>
Add: New shares allotted during the year	-	-
<b>As at March 31, 2019</b>	<b>11779656</b>	<b>1177.97</b>

**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.

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

<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%





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lacs)

<b>12. OTHER EQUITY</b>		As at March 31, 2019	As at March 31, 2018
<b>(A) Retained Earnings</b>			
As per last Balance Sheet		2653.75	2557.41
Add: Profit for the period		154.62	96.34
		2808.37	2653.75
Less: Appropriations		71.01	-
Proposed dividend with corporate tax		-	-
<b>Total</b>		<b>2737.36</b>	<b>2653.75</b>
<b>(B) Other Comprehensive Income</b>			
As per last Balance Sheet		14.18	4.65
Movement in OCI (Net) during the year		4.66	9.53
<b>Total</b>		<b>18.84</b>	<b>14.18</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>4574.37</b>	<b>4486.10</b>

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.

<b>13. BORROWINGS</b>		As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>			
<b>Secured</b>			
Term loan from banks		-	16.99
<b>Unsecured</b>			
Loan from Director		592.95	135.71
Buyer's Credit		-	-
		<b>592.95</b>	<b>152.70</b>
<b>Current Maturities of Borrowings</b>			
<b>Secured</b>			
Term loan from banks		-	10.18
<b>Current Maturities of Borrowings (B)</b>			<b>10.18</b>
<b>Non-Current Borrowings (A-B) (as per balance sheet)</b>		<b>592.95</b>	<b>142.52</b>
<b>Current</b>			
<b>Secured</b>			
Cash Credits from bank		1897.79	1,935.99
Buyer's Credit		-	557.92
<b>Total Current Borrowings</b>		<b>1897.79</b>	<b>2493.91</b>

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





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

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

Rate of Interest		(₹ in Lacs)
	2019-20	
9.90		8.10

**Maturity Profile and Rate of Interest of Unsecured Loan from Director**

Rate of Interest		(₹ in Lacs)		
		2019-20	2020-21	2021-22
		130.00	100.00	100.00
7.00		2022-23	2023-24	2024-25
		100.00	100.00	59.75

(₹ in Lacs)

**14. OTHER FINANCIAL LIABILITIES**

**Non-Current**

Long Term Trade payables  
 Capital Creditors

**Total**

As at	As at
March 31, 2019	March 31, 2018
-	-
-	94.84
-	<b>94.84</b>

**Current**

Current maturities of long term loan  
 Other Payables\*

**Total**

8.10	10.18
276.42	143.95
<b>284.52</b>	<b>154.13</b>

\* Other payables include advances from customers.

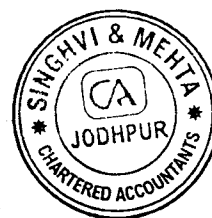
**15. PROVISIONS**

**Non-Current**

Provision for gratuity

**Total**

As at	As at
March 31, 2019	March 31, 2018
19.23	17.13
<b>19.23</b>	<b>17.13</b>





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lacs)

Micro, Small and Medium Enterprises	115.47	195.02
Others	1076.34	802.51
<b>Total</b>	<b>1,191.81</b>	<b>997.53</b>

NOTE: (1) The Company has identified Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006.

(2) Trade Payables include Balances due to Related Parties. (Refer to Note No. 28)

Provision for gratuity	1.27	1.46
Provision for leave encashment	5.09	5.09
<b>Total</b>	<b>6.36</b>	<b>6.55</b>

Advance from customers	31.52	270.51
Creditors for capital expenditures	-	-
Unclaimed Dividend *	28.34	18.41
Statutory current liability^	160.06	224.73
Others *	60.29	153.67
<b>Total</b>	<b>280.21</b>	<b>667.32</b>

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

\* Others include creditors for expenses and Corporate Dividend Tax of Rs.12.11 Lacs.

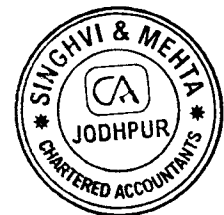
^ Statutory current liabilities includes interest payable to MSME trade payables of Rs. 0.32 lacs

<b>(a) Tax expense recognised in profit and loss:</b>		
Current taxes	54.8	83.84
Deferred Tax liability / (asset)		
Relating to origination and reversal of temporary differences	10.36	(43.04)
<b>Income Tax Expense reported in Statement of Profit or Loss</b>	<b>65.16</b>	<b>40.80</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	(1.80)	2.38
<b>Income Tax Expense reported in OCI</b>	<b>(1.80)</b>	<b>2.38</b>





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

PARTICULARS	2019	2018
Profit before Tax	217.97	141.91
Applicable tax rate	27.82%	33.06%
Computed Tax expense	60.64	46.92
Tax Effect of :		
Expenses disallowed	204.17	37.93
Expenses allowed	(210.01)	(1.01)
<b>Current Tax Provision( A)</b>	<b>54.80</b>	<b>83.84</b>
Incremental Deferred Tax provision on account of Tangible and Intangible Assets	2.82	(28.92)
Incremental Deferred Tax provision on account of Financial Assets and other Items	(11.37)	(14.12)
<b>Deferred tax Provision (B)</b>	<b>(8.55)</b>	<b>(43.04)</b>
<b>Tax Expenses recognised in Statement of Profit &amp; Loss ( A+B)</b>	<b>46.25</b>	<b>40.80</b>
Effective Tax Rate	21.22%	28.75%

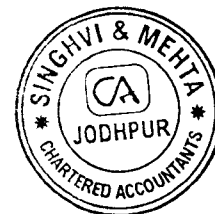
**(d) The movement in Deferred Tax account is as follows:**

**(₹ in Lacs)**

PARTICULARS	March 31, 2019	March 31, 2018
At the start of the year	168.48	127.83
Charge/(Credit) to Statement of Profit and Loss	(10.36)	40.65
<b>At the end of the year</b>	<b>158.12</b>	<b>168.48</b>

**(e) Significant components of net deferred tax assets for the year ended March 31, 2019 are as follows:**

PARTICULARS	2019	2018	2017
Property, Plant & Equipment	43.44	2.82	46.26
Provision for Employee Benefits	5.90	(1.27)	4.63
Provision for Expenses	8.95	4.77	13.72
Deferred Revenue	24.66	(16.68)	7.98
Others	85.53	-	85.53
	<b>168.48</b>	<b>(10.36)</b>	<b>158.12</b>





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lacs)

<b>Income Statement</b>		
Sale of Products	5990.14	6472.08
Export Incentives	76.25	43.79
<b>Total</b>	<b>6066.39</b>	<b>6515.87</b>

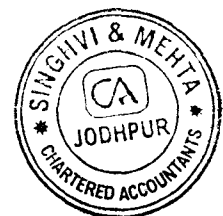
20.1 Sale of Products comprises of:

(a) Manufactured Goods	5914.46	6416.14
(b) Traded Goods	41.49	52.15
(c) Sale of Scrap	3.92	3.62
(d) Service Charges	0.27	0.17
<b>Total</b>	<b>5960.14</b>	<b>6472.08</b>

<b>Other Non-Operating Income</b>		
Interest on fixed deposits with banks	18.26	14.87
Other interest (including interest on income tax refunds)	1.13	1.17
Insurance claim received	6.67	4.14
Gain on exchange fluctuations	-	11.63
Service charges received	-	-
Other non-operating income	8.85	23.01
<b>Total</b>	<b>34.91</b>	<b>54.82</b>

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

<b>Inventories (at closing)</b>		
Finished Goods	992.14	885.90
Work-in-progress	834.88	807.43
	1827.02	1693.33
<b>Inventories (at beginning)</b>		
Finished Goods	885.90	784.82
Work-in-progress	807.43	596.46
	1693.33	1381.28
<b>Total</b>	<b>(133.69)</b>	<b>(312.05)</b>





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

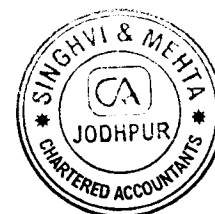
**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lacs)

Salaries & wages	372.19	398.26
Contribution to provident fund & others	27.86	35.16
Staff welfare expenses	1.37	1.28
<b>Total</b>	<b>401.42</b>	<b>434.70</b>

Interest Expense	277.14	260.37
Bank Charges	74.94	108.70
<b>Total</b>	<b>352.08</b>	<b>369.07</b>

Power & Fuel	207.29	254.75
Consumable Stores	58.82	50.77
Clearing & Forwarding Expenses	79.41	46.09
Repairs & maintenance	26.55	66.38
Legal Expenses	3.42	3.74
Bad Debts	13.93	17.23
Printing & Stationary	0.39	2.72
Professional Fees	16.70	13.20
Testing Charges	4.58	2.58
Factory expense	19.88	13.80
Freight Expenses	235.83	285.69
Packing expenses	0.56	1.84
Water expense	4.08	4.10
Selling & Distribution	22.81	67.35
Administrative expenses	16.78	23.04
Auditors remuneration	5.00	5.00
Insurance	14.43	18.53
Loss on exchange fluctuations	5.68	-
Office Rent*	3.14	18.97
Travelling Expenses	11.61	30.19
Warranty	0.00	1.26
Other Expenses	16.76	8.46
<b>Total</b>	<b>767.65</b>	<b>935.69</b>





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**\*LEASES**

The Company has taken on lease properties under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were ₹ 3.14 lacs each for the year ended March 31, 2019 and March 31, 2018. The following is a summary of future minimum lease rental commitments towards non-cancellable operating leases.

	<b>(₹ in Lacs)</b>	
<b>PARTICULARS</b>		
Due within one year	3.14	3.14
Due between one year and five year	0	16.16
Due after five year	0	16.96
Total Lease commitments	<u>3.14</u>	<u>36.26</u>

	<b>(₹ in Lacs)</b>	
<b>25.1 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
Professional Fees	1.00	1.00
	<u>5.00</u>	<u>5.00</u>

**Net Profit after tax as per Statement of Profit and Loss attributable to equity shareholders (₹ in Lacs):**

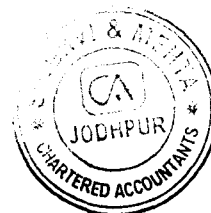
Basic earnings	154.62	101.11
Adjusted for the effect of dilution	154.62	101.11

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

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

**Earnings Per Share (₹):**

Basic	1.31	0.86
Diluted	<u>1.31</u>	<u>0.86</u>





**SOMI CONVEYOR BELTINGS LIMITED**

**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

23.1 As per Ind AS 19 "Employee Benefits", the disclosures as defined are given below:

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

Particulars	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Mortality	(2006-08) Ult.	(2006-08) Ult.
Rate of Employee Turnover	10.00%	10.00%
Rate of Discounting	7.80%	7.80%
Rate of Return on Plan Assets	NA	NA
Rate of Salary escalation	7.00%	7.00%

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

(₹ in Lacs)

Particulars		
-------------	--	--

**I. Table showing change in employee benefit obligation**

Opening defined benefit obligation	18.60	12.32
Interest Cost	1.45	0.94
Current Service Cost	6.91	12.47
Past Service Cost	-	-
Benefit Paid	-	-
Actuarial Loss / (gain) on Obligations		
Due to Demographic Assumptions	-	(1.19)
Due to Financial Assumptions	0.24	(0.19)
Due to Experience	(6.70)	(5.76)
<b>Liability at the end of the period</b>	<b>20.50</b>	<b>18.60</b>

**II. Table showing change in Fair Value of Plan Assets**

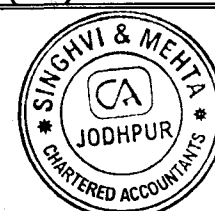
<b>Assets</b>		
Fair Value of Plan Assets at the beginning	-	-
Adjustment to Opening fund	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefit Paid	-	-
Actuarial gain /(loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the period	-	-

**III. Expense recognized in Statement of Profit & Loss**

Current Service cost	6.90	12.47
Past Service Cost	-	-
Interest cost	1.45	0.94
<b>Total Expense recognized in SOPL during the year</b>	<b>8.35</b>	<b>13.41</b>

**IV. Actual Gain / loss recognized in Other Comprehensive Income**

Actuarial (gain) / loss on obligations	(6.45)	(7.14)
Actuarial (gain) / loss on Plan Assets	-	-
<b>Net Actuarial (gain) / loss recognized during the year</b>	<b>(6.45)</b>	<b>(7.14)</b>



**SOMI CONVEYOR BELTINGS LIMITED****4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR****NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****V. Amount recognized in Balance Sheet**

Liability at the end of the period  
Fair Value of Plan Asset at the end of the period

**Net Amount recognized in Balance Sheet**

Current liability  
Non-current liability  
**Total Liability**

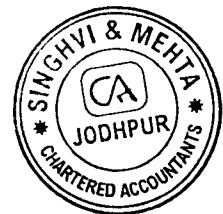
20.50	18.60
<b>20.50</b>	<b>18.60</b>
1.27	1.47
19.23	17.13
<b>20.50</b>	<b>18.60</b>

**VI. Sensitivity Analysis**

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

<b>Sensitivity analysis - Gratuity</b>	<b>2018-19</b>		<b>2017-18</b>	
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
Discount rate (1% movement)	(1.43)	1.63	(1.27)	1.45
Salary growth rate (1% movement)	1.62	(1.45)	1.45	(1.29)
Employee turnover rate (1% movement)	(0.24)	0.23	(0.16)	0.16

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





**SOMI CONVEYOR BELTINGS LIMITED**  
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**27. FINANCIAL INSTRUMENTS, FAIR VALUE AND RISK MEASUREMENTS**

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

(₹ in Lacs)

As at March 31, 2019	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	-	-	2110.65	2110.65	-	2110.65	-	2110.65
Loans- Current	-	-	17.61	17.61	-	17.61	-	17.61
Cash and Cash Equivalents	-	-	42.67	42.67	-	42.67	-	42.67
Other Bank Balances	-	-	254.49	254.49	-	254.49	-	254.49
Other financial assets								
- Non-current	-	-	230.06	230.06	-	230.06	-	230.06
- Current	-	-	111.85	111.85	-	111.85	-	111.85
<b>Total financial assets</b>	-	-	<b>2767.56</b>	<b>2767.56</b>	-	<b>2767.56</b>	-	<b>2767.56</b>
<b>Financial liabilities</b>								
Long-term borrowings (including current maturities of long-term borrowings)	-	-	592.95	592.95	-	592.95	-	592.95
Short-term borrowings	-	-	1897.79	1897.79	-	1897.79	-	1897.79
Trade Payables	-	-	1191.81	1191.81	-	1191.81	-	1191.81
Other financial liabilities								
- Non-Current	-	-	0.00	0.00	-	0.00	-	0.00
- Current	-	-	276.42	276.42	-	276.42	-	276.42
<b>Total financial liabilities</b>	-	-	<b>3958.97</b>	<b>3958.97</b>	-	<b>3958.97</b>	-	<b>3958.97</b>

(₹ in Lacs)

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

**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).





**SOMI CONVEYOR BELTINGS LIMITED**  
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**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 ₹ 2279.08 Lacs as at March 31, 2019 and ₹ 2073.25 Lacs as at March 31, 2018, 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, 2019, 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 31.03.2019	As at 31.03.2018
Not past due but impaired	-	-
Neither past due not impaired	1,158.23	744.33
Past due not impaired		
1-180 days	311.92	643.27
181-365 days	172.72	65.01
more than 365 days	493.10	539.81
Past due impaired		
1-180 days	0.90	0.04
181-365 days	-	-
more than 365 days	124.61	68.90
<b>Total</b>	<b>2,261.48</b>	<b>2,061.37</b>

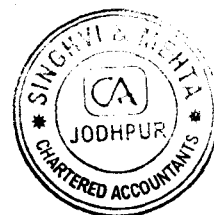
**Trade Receivables**

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.

**(ii) Liquidity risk**

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

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





**SOMI CONVEYOR BELTINGS LIMITED**  
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Exposure to liquidity risk**

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

(₹ in Lacs)

As at March 31, 2019	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 Months
<b>Non-derivative financial liabilities</b>				
Non-Current Borrowings	592.95	592.95	-	592.95
Other Non-Current Financial Liabilities	-	-	-	-
Current Borrowings	1897.79	1897.79	1,897.79	-
Current Trade Payables	1,191.81	1,191.81	1,191.81	-
Other Current Financial Liabilities	276.42	276.42	276.42	-
<b>Total</b>	<b>3958.97</b>	<b>3958.97</b>	<b>3366.02</b>	<b>592.95</b>

(₹ in Lacs)

As at March 31, 2018	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 Months
<b>Non-derivative financial liabilities</b>				
Non current Borrowings	142.53	142.53	-	142.53
Other Non-Current Financial Liabilities	94.84	94.83	-	94.83
Current Borrowings	2493.91	2493.91	2493.91	-
Current Trade Payables	997.53	997.53	997.53	-
Other Current Financial Liabilities	143.95	143.95	143.95	-
<b>Total</b>	<b>3872.76</b>	<b>3872.75</b>	<b>3635.39</b>	<b>237.36</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 on interest rates. A reasonable possible change of 50 basis points (bp) in interest rates at the reporting date would have impact by the amount shown in sensitivity analysis as below:

Particulars	50 bp Increase	50 bp decrease
<b>March 31, 2019</b>		
Non current - Borrowings	(21.14)	21.14
Current - Long term borrowings	-	-
<b>Total</b>	<b>(21.14)</b>	<b>21.14</b>
<b>March 31, 2018</b>		
Non current - Borrowings	(7.83)	7.83
Current - Long term borrowings	-	-
<b>Total</b>	<b>(7.83)</b>	<b>7.83</b>

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





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**(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 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.

(₹ in Lacs)

Particulars	
Financial assets	472.54
Financial liabilities	41.04

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 ₹ 47.25 Lacs and ₹ 4.10 Lacs for financial assets and financial liabilities respectively for the year ended March 31, 2019.

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

(₹ in Lacs)

Particulars	
Financial assets	103.08
Financial liabilities	771.02

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

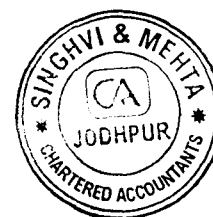
**(b) Interest rate risk**

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, 2019 and 2018, financial liability of ₹ 2,490.74, ₹ 2,636.45 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 ₹ 24.91 Lacs and ₹ 26.36 Lacs on income for the year ended March 31, 2019 and 2018 respectively.





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**  
**(CIN : L25192RJ2000PLC016480)**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**28. RELATED PARTY DISCLOSURES**

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

(i)

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

(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, 2019

(₹ 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			95.53
Purchase			38.62
Remuneration	31.71	4.59	
Loan Received	436.20		
Interest Paid		19.82	





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**  
**(CIN : L25192RJ2000PLC016480)**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Balance as at March 31, 2019**

Trade Receivable	60.83
Loans	592.95

The following table summarizes related party transactions and balances for the year ended/as at March 31, 2018

<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			69.74
Purchase			15.93
Remuneration	29.36	4.77	
Interest Paid	5.71		
Rent	16.10	2.04	
Advance paid for Purchases			6.00
<b>Balance as at March 31, 2018</b>			
Trade Receivable			38.37
Loans	135.71		

**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: (₹ in Lacs)

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Equity*	5,752.34	5,664.07
Short term borrowings and current maturities of long-term borrowings	1,905.89	2,504.09
Long term borrowings	-	-
Total borrowings	1,905.89	2,504.09
<b>Total capital (Debt+Equity)</b>	<b>7,658.23</b>	<b>8,168.15</b>





**SOMI CONVEYOR BELTINGS LIMITED**  
**4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR**  
**(CIN : L25192RJ2000PLC016480)**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**31. COMMITMENTS AND CONTINGENCIES**

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

**LITIGATIONS**

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

**A. Income Tax**

(i) Company has deposited an amount of Rs. 4657870.00 for Assessment Year 2010-11 where case was pending at CIT(A) which was dismissed by department and Company has made further appeal with ITAT against order passed by CIT(A) u/s 250 which also been decided against the company. Now Company has decided to approach in High Court to get the relief and matter it is pending for admission of appeal before Rajasthan High Court

(ii) During the previous financial year Company has made an Appeal with CIT(A) towards order passed u/s 271(1)(c) for concealing the income for AY 2010-11 which is pending for decision

(iii) Company has deposited an amount of rs. 19,50,000/- for as 20% of demant 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. Duties & Demands**

(i) Sales Tax Penalty of Rs. 146947.00 for the Assessment Year 2008-09 is pending at Commissioner(A) Commercial Tax Department and the Company is contesting the same.

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

**C. Others**

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

**CONTINGENT LIABILITIES**

(₹ in Lacs)

PARTICULARS		
(i) Guarantees		
Performance Guarantees	1133.38	912.08
Financial Guarantee	78.84	894.97
(ii) Letter of credit	1019.69	559.82





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**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

- 32.** As at the balance sheet date, the Company has taken unsecured loan of Rs.592.95 lacs from its directors and same has been reported here in context to recently inserted rule 16(a) of Section 73 of Companies(Acceptance of Deposits) Rules, 2014.
- 33.** 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 2018-19. Out of total provision of Rs. 21.03 lacs expenditure incurred during the year 2018-19 is Rs. Nil (Previous Year Rs. Nil).
- 34.** 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.
- 35.** 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.
- 36.** 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.

