



**SOMA TEXTILES &
INDUSTRIES LIMITED**

CONSISTENT
QUALITY THAT
INSPIRES
FAITH
GLOBALLY



78th
ANNUAL
REPORT

2015-2016





78th Annual Report 2015-2016

BOARD OF DIRECTORS

Shri S. K. Somany - Chairman (Non-Executive)
Shri A. K. Somany - Managing Director
Shri S. B. Bhat - Whole-time Director (Executive Director)
Shri B. K. Hurkat - Non-Executive Independent Director
Shri M. H. Shah - Non-Executive Independent Director
Smt. N. Loyalka - Non-Executive Independent Director

COMPANY SECRETARY

Shri R. S. Sharma

AUDITORS

Pipara & Company
Chartered Accountants
“Pipara Corporate House”,
Near Gruh Finance,
Netaji Marg, Law Garden,
Ahmedabad-380006.

BANKERS

IDBI Bank Limited
Dena Bank
AXIS Bank Limited
ICICI Bank Limited

REGISTERED OFFICE

2, Red Cross Place, Kolkata - 700 001
Ph. No. : 033-22487406/07
CIN: L51909WB1940PLC010070
E-mail: investors@somatextiles.com
Website: www.somatextiles.com

WORKS

Rakhial Road, Ahmedabad - 380 023

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup(West),
Mumbai-400078
Ph. No. : 022-25946970/25946960
E-mail : rnthelpdesk@linkintime.co.in

BRANCH OFFICE AT :

303, Shopper's Plaza – V,
Opp. Municipal Market, Off. C. G. Road,
Navrangpura, Ahmedabad-380 006
Phone No. : 079 -26465179
E-mail : ahmedabad@linkintime.co.in

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NOTICE OF THE 78th ANNUAL GENERAL MEETING

TO THE SHAREHOLDERS

NOTICE is hereby given that the Seventy-eighth (78th) Annual General Meeting of the Members of Soma Textiles & Industries Limited will be held at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001, on Wednesday, the 7th day of September, 2016 at 12-00 Noon to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements (including audited consolidated financial statements) of the Company for the financial year ended 31st March, 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri S. B. Bhat (DIN: 00650380), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification(s), the following resolutions:-

4. **Re-appointment of Shri A. K. Somany (DIN: 00024903), as Managing Director, being a Key Managerial Personnel As a Special Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and rules made thereunder and any amendments thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the requisite approval of Central Government, if required, and such other approvals, permissions and sanctions as may be required and subject to such conditions and modifications as may be imposed and/or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as are agreed to by the Board of Directors (hereinafter referred to as 'the Board' which terms shall include any committee constituted/to be constituted by the Board and any person authorized by the Board in this behalf) and acceptable to Shri A. K. Somany (Shri Somany), the consent of the Company be and is hereby accorded to the re-appointment of Shri Somany, as Managing Director, being a Key Managerial Personnel, of the Company, who shall not be subject to retirement by rotation in terms of Section 152 read with other relevant provisions including Section 160 of the Companies Act, 2013 for a period of Three (3) years with effect from 22nd January, 2017 to 21st January, 2020, on such remuneration by way of salary, commission, perquisites, allowances and/or benefits, within and up to the maximum limit as have been determined, fixed and approved by the Board subject to overall limit, stipulated in Sections 197 read with Schedule V of the Companies Act, 2013 and subject further to obtaining Members' approval by virtue of this Special Resolution, proposed to be passed at this meeting and on such other terms, conditions and stipulations (including remuneration) as contained in the "Draft Agreement" to be entered into between the Company of the ONE PART and Shri Somany of the OTHER PART, and duly specified in the Statement, annexed to the Notice of 78th Annual General Meeting of the Company ("AGM Notice"), which forms the part of this resolution and Draft of the AGREEMENT, as placed before this meeting and initiated by the Chairman of the Company for the purpose of identification, is hereby specifically approved and sanctioned.

"RESOLVED FURTHER THAT Board may in its absolute discretion pay to Shri Somany, the Managing Director, being a Key Managerial Personnel, lower remuneration within the said maximum limits as stipulated in the Draft Agreement and the Statement hereinabove referred to."

"RESOLVED FURTHER THAT the Managing Director, being a Key Managerial Personnel, shall not be entitled to any sitting fee for attending meeting of the Board and/or Committee(s) thereof."

"RESOLVED FURTHER THAT, within the terms of remuneration as set out in the Statement and the 'Draft Agreement' referred to hereinabove and as approved herein by the shareholders, the Board of Directors of the Company be and is hereby authorised to revise, vary or increase the remuneration (salary, commission, perquisites and allowances) payable to Shri Somany from time to time, to the extent the Nomination and Remuneration Committee of the Board of Directors and/or the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provisions under the Act, for the time being in force, provided however, that the remuneration payable to Shri Somany shall be within the limits set out in the Act including Schedule V to the Act or any amendments thereto or any modifications or statutory enactment thereof and/or rules or regulations framed thereunder unless otherwise Central Government approval is obtained to the extent necessary without any further reference to the Members of the Company in the General Meeting and accordingly the terms of the aforesaid 'Draft Agreement' between the Company and Shri Somany shall be suitably modified to give effect to such variation or increase as the case may be."



“RESOLVED FURTHER THAT notwithstanding anything contained hereinabove where in any financial year during the term of employment of Shri Somany, the Company has no profits or its profits are inadequate, the Company do pay to Shri Somany, subject to requisite approval, the existing remuneration or the revised remuneration, as may be approved by the Board, as a “Minimum Remuneration” per month by way of salary, perquisites, allowances and/or benefits, as specified in the ‘Draft Agreement’ and also in the Statement annexed to the AGM Notice, subject to and within the maximum ceiling limits laid down under Section II of Part II of Schedule V to the Act as applicable to the Company at the relevant time depending upon the effective capital of the Company or such other limits as may be prescribed by the Central Government from time to time as to minimum remuneration or any amendments thereto or any modifications or statutory re-enactment thereof and/or any rules or regulations framed thereunder unless otherwise prior approval of the Central Government is obtained if and to the extent necessary.”

“RESOLVED FURTHER THAT, in the event Central Government approval is sought for, the remuneration payable to Shri Somany, as set out in ‘Draft Agreement’ and also in the Statement annexed to the Notice of 78th AGM and referred to hereinabove will be subject to such modifications/amendments/changes as the Central Government may suggest or require or direct and which the Board of Directors/Nomination and Remuneration Committee is authorised to accept on behalf of the Company and as may be acceptable to Shri Somany.”

“RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to Schedule V to the said Act, the Board of Directors of the Company be and is hereby authorised and empowered to vary, alter, increase, enhance or widen the scope of remuneration including salary, commission, perquisites, allowances and/or benefits, to the extent but within the maximum permissible limits for payment of managerial remuneration specified in Schedule V to the said Act and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, without any further reference to the Members of the Company in General Meeting.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to execute and sign the agreement and other documents and take such steps and do all such act, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

5. Remuneration to the Cost Auditors for the Financial Year ending 31st March, 2017

As an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. N. D. Birla & Company, the Cost Auditors, appointed as Cost Auditors of the Company by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, be paid the remuneration by way of Cost Audit Fee of ₹ 48,000/- (Rupees Forty Eight Thousands Only) plus service tax, as applicable and reimbursement of out of pocket expenses, if any, incurred in the course of their audit and the said reimbursement is hereby confirmed and ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters, things and take all such steps as may be considered necessary, desirable, proper or expedient to give effect to this resolution.”

Registered Office:

2, Red Cross Place,
Kolkata – 700 001
Dated, the 27th May, 2016

By order of the Board

R. S. Sharma
(Company Secretary & Compliance Officer)

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT ANY OTHER PERSON AS HIS/HER PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A BLANK PROXY FORM IS ATTACHED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of Members (not exceeding fifty (50) Members) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

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2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means (remote e-voting). The facility for voting through Ballot Paper will also be made available at the AGM and the members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their votes at the AGM through Ballot Paper. Members who have cast their votes by remote e-voting prior to the AGM, may attend the AGM, but shall not be entitled to cast their votes again. Instructions and other information relating to e-voting are given in this Notice under Note No. 20.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business under Item Nos. 4 & 5, to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
4. Corporate Members/Trust/Society intending to send their authorized representatives to attend and vote at the Annual General Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Annual General Meeting.
5. In case of Joint Holders attending the Meeting only such Joint Holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 29th August, 2016 to Wednesday, the 7th September, 2016 (both days inclusive) for the purpose of Annual General Meeting of the Company.
7. Members, holding Shares in electronic form are requested to notify change in their registered address, if any, to their Depositories Participants ('DP') with whom they are maintaining their demat accounts. Members, holding Shares in physical form are requested to notify change in their registered address, if any, quoting their folio number to the Company and/or Link Intime India Private Limited, the Registrar & Transfer Agents (RTA) of the Company.
8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the details of such folios together with share certificates to Link Intime India Private Limited, the Registrar & Share Transfer Agents, for consolidation into a single folio.
9. Members, Proxies and Authorised Representatives are requested to bring to the Meeting, their attendance slips duly completed and signed mentioning details of their DP ID and Client ID/ Folio No.
10. Pursuant to the provisions of Section 205A of the Companies Act, 1956 and the Rules made thereunder (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), all unclaimed or unpaid dividends declared up to and including the financial year ended 31st March, 1995 have already been transferred to the General Revenue Account of the Central Government as required by the Companies unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those Shareholders, who have, so far, not claimed or collected the dividends up to the aforesaid financial years, may claim their dividend from the Registrar of Companies, West Bengal, Nizam Palace, IInd MSO Building, 234/4, A.J.C. Bose Road, Kolkata – 700 020 by submitting to them an application in Form II, prescribed under the Companies unpaid Dividend (Transfer to General Revenue Account of the Central Government), Rules 1978.
11. Pursuant to the provisions of Section 205A(5) read with Section 205C of the Companies Act, 1956, as amended (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred all the unpaid and/or unclaimed dividends up to the financial year ended 31st March, 1998, from time to time on due dates, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The Company has however not declared any dividend thereafter since the financial year ended 31st March, 1999 and up to the year ended 31st March, 2016, and therefore uploading of details of unpaid and unclaimed amounts lying with the Company as on 17th September, 2015 (date of last Annual General Meeting) on the website of the Company i.e. www.somatextiles.com and also on the website of the Ministry of Corporate Affairs, as required pursuant to the provisions of the provisions of Investors Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the Companies Rules, 2012, does not arise.

Shareholders may note that no claim shall lie against the Company or the said Fund in respect of any individual amounts which were unclaimed and unpaid for a period of Seven (7) years from the date(s), they first became due for payment, once transferred to the said fund and no payment shall be made in respect of any such claim.
12. In accordance with the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nominations by filing Form No. SH.13 in respect of the Equity Shares held by them, in physical form, duly completed and signed to the Company or its Registrar & Share Transfer Agents (RTA) in their own interest. Members holding shares in demat may get their nomination recorded with their respective Depository Participant (DP).
13. Electronic copy of the Annual Report for 2015-16 comprising the Notice of the 78th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all Members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any Member has requested for a hard copy of the same.



For members who have not registered their email address, physical copies of the Annual Report for 2015-16 comprising the Notice of the 78th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.

14. Members who wish to obtain any information, on the Company or its Accounts and operation may send their queries to the Company at least ten (10) days before the Meeting so as to enable the management to keep the information ready at the Meeting.
15. Members may also note that the Notice of the 78th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.somatextiles.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days.
16. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the Company's investor email id: investors@somatextiles.com.
17. Members who hold shares in dematerialised form are requested to bring their Depository ID and Client ID Numbers for easier identification of attendance at the Annual General Meeting.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant's in securities market. Members holding Shares in electronic form (D-MAT) are therefore requested to submit their PAN to their concerned Depository Participants ('DP'). Members holding Shares in physical form can submit their PAN to the Company or its Registrar and Transfer Agents (RTA).
19. All documents referred to in the notice and the statement shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 12:00 Noon and 2:00 P.M. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting.

20. Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Rules framed thereunder duly amended and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Members are provided with the facility to cast their vote by using an electronic voting system from a place other than venue of the AGM ('remote e-voting'), through the e-voting services provided by Central Depository Services India Limited ("CDSL") on all the resolutions set forth in this Notice. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting may attend the AGM, but shall not be entitled to cast their votes again at the AGM.

The procedure and instructions for e-voting are as under:-

- (i) The e-voting period commences on Sunday, the 4th September, 2016 (9:00 A.M. IST) and ends on Tuesday, the 6th September, 2016 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off Date (record date) of 31st August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab
- (iv) Now, select the "Electronic Voting Sequence Number (EVSN) – 160808032 along with "SOMA TEXTILES AND INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT".
- (v) Now enter your User ID :-
 - (a) For **CDSL** – 16 digits beneficiary ID,
 - (b) For **NSDL** – 8 Characters DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below (Applicable for both demat shareholders as well as physical shareholders).

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(ix) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and last 8 digits of the sequence number in PAN Field. The Sequence Number is printed on a separate sheet enclosed (with Annual Report). In case the sequence number is less than 8 digits enter the applicable number of 0's (Zero's) before the number, after the first two characters of the name in CAPITAL letters. Eg. If your name is Ravi Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for future Communication(s).
- (xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this AGM Notice.
- (xiv) Click on Electronic Voting Sequence Number (EVSN) - **160808032** for "**SOMA TEXTILES & INDUSTRIES LIMITED**" to vote.
- (xv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- (xvii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xx) If Demat account holder has forgotten his password, then enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xxi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for Android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.**
- (xxii) Note for Non-Individual Shareholders and Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as **Corporates**.



- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQ") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxiv) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holds shares as on the cut-off date i.e. 31st August, 2016, may obtain the User ID and Password by sending a request (alongwith Name, Folio No./DP ID & Client ID, as the case may be and shareholding) to RTA at ahmedabad@linkintime.co.in to vote through remote e-voting procedure.
- (xxv) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the Equity Capital of the Company as on the cut-off i.e. 31st August, 2016. A person, whose name is recorded in the Register of Members/Lists of Beneficial Owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot.
- (xxvi) In case of members receiving the physical copy they are advised to follow all the steps from serial no. (ii) to (xxi).
- II. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote (including through e-mail) to the Scrutinizer at its e-mail drolipravin@yahoo.co.in with a copy marked to helpdesk.evoting@cdslindia.com before the closing hours on 25th August, 2016 without which the vote shall not be treated as valid.
- III. **Voting facility at AGM:**
In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the AGM, by way of ballot paper. Members may participate in the AGM even after exercising right to vote through remote e-voting as above but shall not be allowed to vote again at the meeting. Only such members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the meeting.
- IV. Mr. P. K. Darolia, Practising Company Secretary (Membership No. 2366, CP No.1362), Kolkata, has been appointed as the Scrutinizer for conducting the remote e-voting process and voting at the venue of the AGM in a fair and transparent manner.
- V. At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting.
- VI. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three (3) days from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and shall declare the results of the voting forthwith. The manner in which the members have cast their votes shall remain secret and not made available to the Chairman, Scrutinizer or any other person till the votes are cast in the AGM.
- VII. The Results on Resolutions shall be declared after receiving Consolidated Scrutinizer's Report of the total votes cast, by the Chairman of the Company or by any other persons duly authorized in this regard. The Resolutions will be deemed to be passed on the date of Annual General Meeting subject to receipt of the requisite number of votes. The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.somatextiles.com and on the website of CDSL immediately after the result is declared and simultaneously, communicated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), where the equity shares of the Company are listed, for placing the results on its and their website.
21. Members can choose only one of the two options, namely e-voting (remote e-voting) or voting by means of Ballot Paper at the AGM. In case the votes are casted through both the formats, then votes casted through remote e-voting shall prevail over those votes casted by means of Ballot Paper at the AGM and the vote cast by means of Ballot Paper shall be treated as invalid and cancelled.

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IMPORTANT COMMUNICATION TO MEMBERS

The green initiative circulars issued by Ministry of Corporate Affairs (MCA) as well as Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits sending of soft copies of annual reports to all those Members who have registered their e-mail addresses for the purpose.

The Companies Act, 2013 has also recognized serving of documents to any Member through electronic mode. In terms of the Circular No. NSDL/CIR/II/10/2012 dated March 9, 2012 issued by National Securities Depository Limited (NSDL), email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode. In light of the requirements prescribed by the aforesaid circulars, for those Members whose Depository Participant accounts do not contain the details of their email address, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended March 31, 2016 would be dispatched.

The Notice of Annual General Meeting and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website www.somatextiles.com of the Company and the other requirements as applicable will be duly complied with. Members holding shares in electronic mode are requested to ensure to keep their e-mail addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to register their e-mail address with our Registrar & Share Transfer Agent – M/s. Link Intime India Private Limited, at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, quoting their folio nos. at E-mail ID: rnthelpdesk@linkintime.co.in. Such registration of e-mail address may also be made with the Company at its Registered Office as per the address mentioned above or at the E-mail ID: investors@somatextiles.com. Any changes in the E-mail address may also be communicated from time to time.

Brief Resume and other information in respect of the Director, retiring by rotation seeking re-appointment and the Director proposed to be re-appointed as the Managing Director, being a Key Managerial Personnel at the 78th Annual General Meeting of the Company, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Shri Shrikant Bhat (DIN: 00650380) ('Shri Bhat'), aged about 51 years, is a Commerce Graduate and a Member of Institute of Chartered Accountants of India. He has experience and expertise in a wide range of fields like Corporate Finance, Finance Restructuring, Tax Laws and Company Law spanning over 26 years. He was appointed as an additional director and a Whole time Director designated as an Executive Director of the Company, liable to retire by rotation with effect from 18th January, 2008. He looks after the affairs of the Company. He holds office of Director in Somany Evergreen Knits Limited. He does not hold any shares in the Company

Shri Bhat (DIN: 00650380) retires from the Board by rotation at this meeting and being eligible, offers himself for re-appointment as Director of the Company.

Shri A. K. Somany (Shri Somany) (DIN:00024903), an industrialist and a co-promoters of the Company, aged about 60 years, is a science graduate (B.Sc.). He holds Membership of All India Management Association (MIMA). He is son of Shri S. K. Somany, Chairman of the Company.

He has extensive working experience of more than 36 years in Textile and Ceramic Industry, of which more than 28 years, belong to Textile Industry as the Managing Director of the Company. He traveled around the world and accumulated a good understanding of Global business issues. He combines comprehensive mix of academic qualification and professional experience. He is currently the Managing Director of the Company and looks after the Management Control and affairs of the Company. Shri Somany is a member of Stakeholders Relationship Committee and Share Transfer Committee of the Company. Shri Somany holds 8,54,848 Equity Shares, constituting 2.59% of the Equity Share Capital of the Company.

He is holding directorship in Pudumjee Industries Limited and KGPL Industries & Finvest Private Limited. He is past Chairman of the Ahmedabad Mills Owners' Association and has been a member of the Indian Cotton Mills' Federation and several other committees constituted by Government Boards.

Shri A. K. Somany's present term of appointment expires by efflux of time on 21st January, 2017. Therefore his re-appointment for further term of 3 years effective from 22nd January, 2017, was to be considered, well in advance to seek Shareholders approval at the ensuing Annual General Meeting of the Company.

Registered Office:

2, Red Cross Place,
Kolkata – 700 001
Dated, the 27th May, 2016

By order of the Board

R. S. Sharma
(Company Secretary & Compliance Officer)

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 4**

The present tenure of Shri A. K. Somany (Shri Somany), as Managing Director of the Company, who is not subject to retirement by rotation, will expire by an efflux of time on 21st January, 2017.

The Board of Directors of the Company ('the Board') at its meeting held on 27th May, 2016, have re-appointed Shri Somany as Managing Director for a period of 3 (Three) years, effective from 22nd January, 2017, subject however to the approval of the shareholders in the ensuing 78th Annual General Meeting (AGM) and of the Central Government, if and to the extent necessary, the Financial Institutions, if required, who have granted financial assistance to the Company and subject further to such other approvals and/or sanctions, as may be required, on the terms and the remuneration permissible under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act"), as embodied in the Agreement, to be entered into with Shri Somany. Shri Somany shall be a non-retiring Managing Director, who shall not be liable to retire by rotation, in terms of Section 160 of the Act, including other provisions of the Act.

The Board considers that his service will be useful to the Company and that it is in interest of the Company that he be re-appointed as 'Managing Director' of the Company. His appointment and remuneration so fixed by the Board upon recommendation of the Nomination and Remuneration Committee are in accordance with Schedule V to the Act and subject to the approval of Members of the Company at the ensuing 78th AGM and subject further to the prior approval of the Central Govt., if and to the extent necessary.

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

1) Period of Appointment:

3 (Three) years commencing from 22nd January, 2017

2) Nature of Duties:

Subject to the superintendence, control and direction of the Board, Shri Somany shall perform such duties and exercise such powers as may from time to time be entrusted to or vested in him by the Board and shall devote the whole of his time and attention to his service as the Managing Director of the Company.

3) Remuneration (including maximum limit)

Shri A. K. Somany, Managing Director (hereinafter referred to as the appointee), shall be entitled to the following remuneration with effect from 22nd January, 2017 for the period of his office from 22nd January, 2017 to 21st January, 2020 or as may be determined and revised by the Board at its discretion from time to time within the maximum permissible limit.

A. Salary (Basic & D.A.)

At ₹ 3,55,000/- lacs per month, effective from 22nd January, 2017. with such increments and/or accelerated increments as may be decided by the Board of the Company, upon due recommendation of the Remuneration Committee, at its absolute discretion from time to time and with proportionate increase in all perquisites, allowances & benefits related to and depending upon the quantum of salary, within and up to a maximum of ₹ 7.50 lacs (Rupees Seven Lacs Fifty Thousands Only) per month or ₹ 90 lacs (Rupees Ninety Lacs Only) per annum and such other perquisites, allowances and benefits. First Annual increment is due and effective from 1st April, 2017 and thereafter from 1st April, each year. Salary may include basic salary, additional salary, special allowances and any other allowances as may be determined by the Board from time to time subject to within and up to a maximum Salary of ₹ 7.50 Lacs per month or ₹ 90 Lacs per annum. Such special allowances or such other allowances or additional salary, will however not be eligible for retrial benefits such as Provident fund, Gratuity/Super Annuation Fund and other perquisites, allowances and benefits.

B. Commission

In addition to Salary, in the event of profits or adequate profits, appointee shall also be entitled to such remuneration by way of such percentage of Commission as may be decided by the Board on the recommendation of Remuneration Committee at its discretion from time to time or at the end of such Financial Year.

C. Perquisites

In addition to Salary and Commission the appointee shall be entitled to the following perquisites, subject however to a ceiling restricted to 100% of annual salary of appointee, unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:-

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CATEGORY – A

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees on clubs and personal accident insurance and such other benefits, facilities and allowances as may be available and allowed to appointee, as per rules of the Company. These may be provided for as under:-

HOUSING

- i) The expenditure incurred by the Company on hiring furnished accommodation for appointee will be subject to the ceiling – 60 (Sixty) percent of the Salary over and above 10 (Ten) per cent payable by the appointee.
- ii) In case the accommodation is owned by the Company, 10 (Ten) per cent of the salary of appointee shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, appointee shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing-(i).

Explanation:

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

MEDICAL REIMBURSEMENT

Expenses incurred for the appointee and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

LEAVE TRAVEL CONCESSION

For the appointee and his family once in a year, while on leave, incurred in accordance with the rules of the Company.

CLUB FEES

Fees of Clubs subject to a maximum of two clubs as may be permissible by the Company. This will not include admission and life membership fees.

PERSONAL ACCIDENT INSURANCE

Of an amount, the annual premium of which does not exceed ₹10,000/- per annum.

OTHER BENEFITS AND ALLOWANCES

Any other benefits, facilities and allowances as may be available and allowed to the appointee, as per rules of the Company.

The value of the perquisites for the purpose of calculating the above annual ceiling shall be evaluated as per Income Tax Rules, wherever applicable, otherwise at actuals.

Explanation:

For the purpose of Category –'A', family means, the spouse, the dependent children and dependent parents of the appointee.

Note: All the perquisites will be interchangeable i.e. any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisites.

CATEGORY – B

- i) Contributions to Provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable should not exceed half a month's salary for each completed year of service, subject to such ceiling as may be fixed by the Government from time to time and will not be included in the computation of the ceiling on perquisites.
- iii) Encashment of Leave at the end of the tenure will be permitted as per the Rules of the Company and will not be included in the computation of the ceiling on perquisites.

These above perquisites, as specified in paragraph 1 of Section IV of Part II of Schedule V to the Act shall not, however be included in the computation of the ceiling on the minimum remuneration specified under Section II of Part II of Schedule V to the Act.

CATEGORY – C

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to the appointee.

Provided the aggregate of salary, commission, perquisites, allowances and benefits as contemplated in Clauses (A), (B) and (C) under the Remuneration Clause 3 above shall not in any financial year exceed the overall ceiling stipulated in Sections 197 and other applicable provisions of the Act read with the Schedule V of the Act (5% of the net profits in



case of One Whole-time Director and 10% of the net profits for more than One Whole-time Director as calculated in accordance with Sections 197 of the Act).

OVERALL REMUNERATION

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to the Managing Director and Executive Director(s) as calculated in accordance with Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being in force.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits under Sections 198 of the Companies Act, 2013, in any financial year(s) during the currency of tenure of office of appointee, the Company shall pay him in respect of such financial year(s) remuneration by way of consolidated salary, perquisites, allowances and benefits, as "Minimum Remuneration" as he may be the then time drawing as specified in Clauses (A), (B) & (C) of the Remuneration Clause 3 above, subject to an overall limits laid down under Section II of the Part II of Schedule V to the Act, as applicable to the Company at the relevant time depending upon the effective capital of the Company or such other limits, as may be provided by the Central Government from time to time as to "Minimum Remuneration".

The perquisites specified under category 'B' of Remuneration Clause 3(C), above in terms of paragraph 1 of Section IV of Part II of Schedule V to the Act, however shall not be included in the computation of the ceiling on the "Minimum Remuneration" specified under Section II of Part II of Schedule V to the Act.

SITTING FEE

The appointee shall not so long as he acts as the Managing Director of the Company be paid any sitting fees for attending any meetings of the Board or any Committee thereof.

RETIREMENT BY ROTATION

The appointee shall not be liable to retire by rotation. If at any time the appointee ceases to be a Director of the Company for any cause whatsoever he shall cease to be a Managing Director of the Company.

OTHER TERMS

The appointee shall not during the continuance of his employment hereunder or at any time thereafter, divulge or disclose to any person or make use whatever for his own or for any other purpose any confidential information or knowledge acquired by him during his employment under the Company as to the business or affairs of the Company or as to any trade secret(s) or process(es) of the Company and shall during the continuance of his employment use his best endeavors to prevent any other person from doing so.

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

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

TERMINATION

Notwithstanding anything contained in the Agreement, either party, shall be entitled to determine the Agreement by giving 6(six) calendar months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason, whatsoever to terminate the Agreement on giving to the appointee 6(six) month's salary as specified in Remuneration Sub-clause (A) of Remuneration Clause 3 above in lieu of 6(six) calendar months' notice required to be given under this Clause.

SERVICE OF NOTICE

Any notice to be given hereunder shall be sufficiently given or served in case of appointee by being delivered either personally to him or left for him at his address last known to the Company or sent by Registered Post addressed to him at such address and in the case of the Company by being delivered at or sent by Registered Post addressed to its Registered Office. Any such notice if so posted shall be deemed served on the day following that on which it was posted.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Act, a Special Resolution as set out in item No. 4 of the accompanying Notice is now being placed before the Members for their approval.

The Board therefore recommends passing of the Resolutions set out in item No.4 of the accompanying Notice.

MEMORANDUM OF INTEREST

Save and except Shri S. K. Somany, Chairman and Shri A. K. Somany, Managing Director, being close relatives to each other, none of the other Directors of the Company are, in any way concerned or interested or deemed to be concerned and interested in this Resolution.

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INSPECTION OF DOCUMENTS

The draft copy of the service Agreement proposed to be entered into between the Company and Shri Somany in connection with his re-appointment as Managing Director is available for inspection of the Members at the Registered Office of the Company on any working day between 11-00 A.M. and 1-00 P.M. upto and including the date of Annual General Meeting or any adjournment or adjournments thereof. The same will also be available at the meeting.

ABSTRACT OF TERMS AND CONDITIONS OF APPOINTMENT UNDER SECTION 190 OF THE COMPANIES ACT, 2013

The terms and conditions of re-appointment and remuneration payable to Shri Somany as Managing Director, designated as 'Executive Director', being a Key Managerial Personnel of the Company, as set out in the Agreement referred to and Statement, duly annexed to the accompanying Notice should be treated as an 'ABSTRACT' of the terms of his re-appointment and Memorandum of Interest under Section 190 of the Companies Act, 2013.

The requisite information required to be provided to the Shareholders of the Company in the Notice convening the Annual General Meeting of the Company in terms of Part-II, Section II of Schedule V to the Companies Act, 2013 is set out below :-

I. General Information :-

- (1) Nature of Industry : Manufacturer of Textile and Cotton Yarn.
- (2) Date or expected date of commencement of Commercial production : Commercial Operations commenced in the year 1969.
- (3) Financial Performance based on given indicators : (₹ in Lakhs)

Year ending 31 st March	Sales	Operating Profit/(Loss)	Profit/(Loss) Before Tax	Net Profit/(Loss) After Tax
2012	26,614	1,642	(787)	(746)
2013	32,271	2,521	95	(1,66)
2014	27,293	593	(1,769)	(1,334)
2015	22,554	(2,123)	(4,375)	(3,358)
2016	17,024	473	(1,786)	(1,422)

*Revised and regrouped

- (4) Export performance and net foreign exchange earnings :
Due to stiff competition, the Company was able to export for ₹ 1,956 lacs as against the export of ₹ 4,842 lacs achieved in the previous year.

Foreign exchange earned and used during the financial year 2015-16 and 2014-15 :- (₹ in Lakhs)

	2015-16	2014-15
Foreign Exchange earned	1,956	4,842
Foreign Exchange used	472	357

- (5) Foreign Investments or Collaborators, if any :
Holdings of FIIs/NRIs and other non-residents is 15.50% (out of which 15.10% is held by APMS Investment Fund Limited in the Company as at 31st March, 2016. The Company has no foreign Collaborator.

II. Information about the appointee:-

- (1) Background details : **Shri A. K. Somany**
Shri A. K. Somany ("Shri Somany") is an Industrialist from Somany family and is actively looking after the affairs of the Company. He is the co-promoter and presently the Managing Director of the Company. Shri Somany, aged about 60 years' is a Science Graduate (B.Sc.) and holds Membership of All India Management Association (MIMA). He has more than 36 years' experience in Textile and Ceramic Industry, to his credit, of which more than 28 years' in Textile Industry as the Managing Director of the Company, appointed since 22nd January, 1988. Shri



Somany has taken several initiatives to focus on growth, value addition and cost effectiveness for growth of the Company. Shri Somany looks after the overall Management Control and affairs of the Company. Shri Somany has successfully and in a sustained way, contributed significantly towards improvement and growth of the Company.

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| (2) Past remuneration | : | 2011-2012 : ₹ 2,436,000/-
2012-2013 : ₹ 2,839,200/-
2013-2014 : ₹ 3,323,040/-
2014-2015 : ₹ 3,613,344/-
2015-2016 : ₹ 3,847,200/- |
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| (3) Recognition or Awards | : | He is the past Chairman of Ahmedabad Mill Owners' Association and has been a member of The Indian Cotton Mills' Federation and several other committees constituted by governmental bodies. |
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| (4) Job profile and his suitability | : | To provide vision guidance and direction for long term growth and overall management control and to formulate plans and strategy for continuance performance & growth of the Company. Shri A. K. Somany ("Shri Somany") is entrusted with the substantial power and authorities to manage the affairs of the Company. Shri Somany, the Managing Director, shall devote his whole-time and attention to the business and affairs of the Company and carryout such duties as may be entrusted to him from time to time by the Board of Directors of the Company ("the Board") and exercise such powers as assigned to him by the Board under the superintendence, control and direction of the Board in the best interest of the Company. The Board is of the opinion that Shri Somany possesses in depth understanding and knowledge of the Textiles Industry and leadership skills, he is therefore ideally suited for the job. |
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| (5) Remuneration proposed | : | (a) Salary (Basic + DA) at ₹ 3,55,000/- per month within and up to a maximum of ₹ 7,50,000/- per month with authority to the Board to fix the salary and to consider an annual increment/accelerated increment at its discretion upto and within the said maximum amount of salary, upon due recommendation of the Remuneration Committee,
(b) such percentage of Commission as may be decided by the Board on the recommendation of Nomination and Remuneration Committee at its discretion from time to time or at the end of such financial year,
(c) Perquisites, allowances and benefits, as spelt out in the Statement annexed to the Notice convening the 78 th Annual General Meeting of the Company subject to a ceiling restricted to 100% of his annual salary (BASIC + D.A.) or as may be determined by the Board from time to time within the maximum limit for remuneration fixed by the Company provided the aggregate of salary, Commission, perquisites, allowances & benefits, as contemplated under items (a), (b) & (c) above shall not exceed the overall limits prescribed under Sections 197 and other applicable provisions of the Companies Act, 2013, read with |
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Schedule V of the said Act as may for the time being in force (5% of the net profits in case of one Whole-time Director and 10% of the net profits for more than one Whole-time Director as calculated under Sections 197 of the Companies Act, 2013).

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| (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | : Compared to the remuneration with respect to the Industry, Companies of similar size as that of the Company and persons holding similar position, the remuneration proposed to be paid to Shri Somany as the Managing Director is not adequate. Remuneration for a person of his caliber and position should generally be higher than what is being paid to him. |
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| (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any | : Shri S. K. Somany, the Non-executive Chairman of the Company, is the father of Shri A. K. Somany (Shri Somany). Shri Somany holds 8,54,848 Equity Shares, constituting 2.59% of the paid up Equity Share Capital of the Company and belongs to promoters' group having control over the management of the Company. The Managing Director has no other pecuniary relationship directly or indirectly with the Company or with any of the managerial personnel of the Company, except to the extent of remuneration and other employment benefits being paid to him as Managing Director of the Company and the holdings in the Company held by him and his relatives and associates or held by the Company(ies), Firm(s) and Trust(s), in which he is interested as a director, member, partner and trustee and further to the extent of dividend, if any, declared and paid by the Company on their respective holdings and such other benefits arising out of such Shareholdings, as Managing Director. |
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III. Other Information:-

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| (1) Reasons for loss or inadequate profits | : Ever increasing input costs, high interest rates, high debt burden coupled with high volatility in forex market, adverse market conditions and general economic slow-down had severe adverse impact on the workings and the financial performance of the Company. All these factors collectively resulted in continuing loss in the Company from the year 2007-08 and onwards. |
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| (2) Steps taken or proposed to be taken for improvement | : The Management is taking necessary and adequate steps to improve workings and profitability of the Company. Various measures and steps have been taken in the matter of cost control, product mix borrowing at cheaper rates and process improvement for improving efficiency. The Company would continue its endeavors to increase the revenues to improve its productivity and profits in the coming years. |
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| (3) Expected increase in productivity and profits in measurable terms | : Steps, as aforesaid, being taken by the Company, would increase the productivity of the Company. The Company continues to undertake constant measures for improvement in its productivity and profits. The Management expects reasonable growth in business, gross revenue and profit of the Company. However it is difficult to predict profits in the measurable terms, in the present business scenario for the coming years. |
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IV. Disclosures :

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| (1) The Shareholders shall be informed of the remuneration package of the managerial person | : Yes, the Remuneration package has been fully disclosed under the Statement, in regard to special resolution set out at item no. 4 of the Notice relating to re-appointment and remuneration payable to Shri A. K. Somany, the Managing Director duly annexed to the Notice convening the 78 th Annual General Meeting of the Company, as determined and fixed by the Board subject to overall ceiling laid down in Sections 197 & other applicable provisions of the Companies Act, 2013, including Schedule V to the Act, to seek members' approval. |
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| (2) All elements of remuneration package such as salary benefits, bonuses, stock option, perquisites of all the Directors | : The Remuneration package and other terms applicable to the Directors have been disclosed in the Corporate Governance Report forming part of the Annual Report for the year 2015-2016. |
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| (3) Details of fixed components and performance linked incentives along with performance criteria | : The Remuneration package and other terms applicable to the Directors have been disclosed in the Corporate Governance Report forming part of the Annual Report for the year 2015-2016. |
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| (4) Service contracts, notice period, severance fees etc | : Service Agreement is for a period of Three (3) years from 22 nd January, 2017 to 21 st January, 2020. Notice period is Six (2) months. No severance fee is payable on termination. |
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| (5) Stock option details, if any and whether the same has been insured at a discount as well as the period over which accrued and over which exercisable | : The Company has not issued any stock options to any of its Directors or Managerial Personnel. |
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None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5

The Board on the recommendation of Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Registered Office:

2, Red Cross Place,
Kolkata – 700 001
Dated, the 27th May, 2016

By order of the Board

R. S. Sharma
(Company Secretary & Compliance Officer)

**DIRECTORS' REPORT**

To
The Members,

Your Directors have pleasure in presenting their Seventy-eighth (78th) Annual Report of the Company, together with the audited financial statements for the financial year ended 31st March, 2016.

1. FINANCIAL PERFORMANCE

There was no improvement in the business scenario of the Textile Industry and is continued to remain challenging.

The revenue from operations for the year 2015-16 was ₹ 17,024 lacs as compared to ₹ 22,554 lacs in previous year, a decline by 24.52%.

The loss before Prior period, Exceptional item and tax was ₹ 2,347 lacs against the previous year loss of ₹ 4,764 lacs.

The net loss for the year was ₹ 1,423 lacs against the previous year net loss of ₹ 3,358 lacs.

2. DIVIDEND

The Board of Directors of your Company have not recommended any dividend for the Financial Year ended 31st March, 2016, considering the loss during the year and brought forward losses.

3. COTTON

India's cotton production in the current season 2015-2016 is likely to be 341 lac bales. Decline in domestic yarn production, an unlikely recovery in cotton exports will keep domestic cotton prices under pressure; however quality of output has declined.

4. EXPORT

Your Company's export performance in the year under review has decreased from the last year mainly on account of reduction in the denim fabric export due to cut throat competition. The FOB value of the exports during the Year under review was ₹ 1,956 lacs against ₹ 4,842 lacs in the previous year.

5. ANALYSIS AND REVIEW

Indian Textiles industry is one of the leading sectors of the Indian economy and contributes significantly to the country's industrial output as well as on employment generation and brings valuable foreign exchange by exporting Textile fabrics, yarns and Garments.

6. OPPORTUNITIES AND CHALLENGES

India's textile sector is aided by several key advantages, in terms of availability of adequate raw material, entrepreneurial skills, large domestic market, presence of supporting industries and supporting policy initiatives from the government. The Government has introduced the Amended Technology Upgradation Fund Scheme (ATUFS) to give a further boost for technology investment in the textile industry.

The major challenge that the textile industry is facing is rising production costs, arising out of rising wages, power and interest costs. Currently the Indian Denim Industry is going through sluggish phase due to exponential capacity expansion which has created a huge oversupply situation.

7. EXPANSION AND MODERNISATION

In view of financial constraint company did not go for modernization, though minor balancing equipments were installed costing ₹ 80 lacs.

8. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Audited Financial Statements prepared in accordance with the requirements under Accounting Standard AS-21 on "Consolidated Financial Statements" read with AS-23 on the "Accounting for Investment in Associates" read with the provisions of Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, are provided in the Annual Report.

9. CASH FLOW STATEMENT

The Cash Flow Statement for the year ended 31st March, 2016 prepared in accordance with the applicable Accounting Standard, is annexed to the financial statement and statement of profit and loss as required under Regulation 34 of the SEBI (LODR) Regulations, 2015.

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10. INSURANCE

Your Company has adequately insured its properties including its Buildings, Plant & Machinery and Stocks among others against fire, flood, earthquake, explosive and other such risks as considered necessary.

11. INTERNAL CONTROL

Your Company has in place adequate internal control systems covering all financial and operating functions commensurate with the size, nature and complexity of operations and are designed to provide reasonable assurance with regard to effectiveness and efficiency of operations, safeguard for assets, internal control over financial reporting and compliance with applicable statute, laws and regulations.

Internal Audits are conducted by the Internal auditors and they directly report to the Audit Committee of the Board, thus ensuring the independence of the process. The Audit Committee oversees the functions of internal auditors and provides necessary oversight and directions to the internal audit functions and periodically reviews the findings and ensures corrective measures are taken. Besides, the Audit Committee keeps a watch on the effectiveness of internal control system and looks into all aspect of internal control system and procedure to further strength the internal control system and procedure.

The Audit Committee comprises the majority of Independent Directors in terms of the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

12. FIXED DEPOSITS

Your Company has not accepted any fixed deposit during the year from public falling within the meaning of Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposit) Rules, 2014.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Rotation

Shri S. B. Bhat, Director retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment in accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company. The Board recommends his re-appointment.

The term of Shri A. K. Somany ("Shri Somany") as Managing Director is due to expire on 21st January, 2017; the Board is seeking re-appointment of Shri Somany as Managing Director not liable to retire by rotation for a further period of 3 years with effect from 22nd January, 2017.

None of the Directors are disqualified from being appointed or holding office as Directors as stipulated under Section 164(2) of the Companies Act, 2013.

14. DECLARATION OF INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Directors under section 149(7) of the Companies Act, 2013, confirming that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Listing Regulations, 2015.

15. CORPORATE SOCIAL RESPONSIBILITY

Your Company does not come within the purview of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibilities Policy) Rules, 2014. Thus, Corporate Social Responsibility initiatives as required under the said act are not applicable to the Company.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not, given loans, made investments or given guarantees under the provisions of Section 186 of the Companies Act, 2013 during the year under review.

17. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY

All contracts/arrangement/transactions entered by the Company with related parties during the financial year under review, were on arm's length basis and were in ordinary course of business and therefore the provisions of Section 188 of the Companies Act, 2013 do not attract. Further the Company has not entered in to any contract/arrangement/transactions with related parties which could be considered material in accordance with the Policy of the Company on Materiality of Related Party Transactions. In view thereof the disclosure of Related Party Transactions in Form AOC-2 as required under Section 134(3)(h) and Rule 8(2) of the Companies (Accounts) Rule, 2014, is not required,



The Policy on Materiality of Related Party Transactions and dealing with the related party transactions as approved by the Board has been uploaded on the Company's website at the web link: www.somatextiles.com/home.php/investors/policies and may be accessed on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

18. LISTING ON STOCK EXCHANGES

The Equity Shares of the Company are listed at the following Stock Exchanges:-

- (a) BSE Limited (BSE).

Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

- (b) National Stock Exchange of India Limited (NSE).

Address: Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051.

NOTE:

- (i) Listing fees have been paid to the Stock Exchanges for the year 2014-15.
- (ii) The Calcutta Stock Exchange Association Ltd. has vide its Letter No. CSEA/ID/223/2008 dated 16th April, 2008, confirmed the delisting of Company's Shares from the official List of their exchange. However Equity Shares have been allowed to be traded under the "Permitted Category" on the Exchange considering the interest of General Investors in the Company.

Stock Code

- (i) NSE - SOMATEX, (ii) BSE - 521034, (iii) CSE - 29067.

De-mat ISIN Number in NSDL & CDSL – ISIN – INE 314C01013.

19. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

The Auditors Report and Secretarial Auditors Report do not contain any reservation, qualification or adverse remark and therefore need no explanations or comments from the Board of Directors.

20. BOARD'S EVALUATION OF THE PERFORMANCE

In compliance with the Companies Act, 2013, and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, and that of its Committees and individual Directors. The manner in which the evaluation has been carried out has been given in the Corporate Governance Report.

21. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

Four (4) Meetings of the Board were held during the year under review, the details of which are given in the Report on Corporate Governance, forming part of this Report.

The intervening gap between the Two Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

22. AUDIT COMMITTEE

The Audit Committee comprises of total four (4) members, namely Shri B. K. Hurkat, as Chairman and Shri S. K. Somany, Shri M. H. Shah and Ms. N. Loyalka as Members, in conformity with the requirements of section 134(3) and section 177(8) of the Companies Act, 2013, read with the provisions of SEBI (LODR) Regulations, 2015. Majority of its members are Non-executive Independent Directors.

Four (4) Meetings of the Audit Committee were held during the year under review, the details of which are given in the Report on Corporate Governance, forming part of this Report. The Board of Directors accepted all recommendations of the Audit Committee in the reporting period.

23. ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

The Company has formulated a whistle Blower Policy to establish a Vigil Mechanism for Directors/ Employees and other Stakeholders of the Company to report concern about illegal or unethical behavior and practices, actual or suspected fraud or violation of the Company's Code of Conduct. The Mechanism provides for adequate safeguards

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against victimization of Directors, employees and others who use such mechanism and makes provisions for direct access to the Chairman of the Audit Committee. The details of the Whistle Blower Policy have been provided in the Corporate Governance Report forming part of this Report.

The Whistle Blower Policy is available on the website of the Company; www.somatextiles.com/home.php/investors/policies.

24. REMUNERATION POLICY

The Board has, on recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters as per section 178 and Clause 49(IV)(B) of Listing Agreement. The Nomination & Remuneration Policy is stated in the Corporate Governance Report. The Policy is also available on the website of the Company i.e. <http://www.somatextiles.com>.

25. CORPORATE GOVERNANCE

Your Company has complied with requirements under the Corporate Governance as stipulated in the revised Clause 49 of the Listing Agreement with the Stock Exchange(s).

A detailed reports on 'Corporate Governance' pursuant to revised Clause 49 of the Listing Agreement along with an Auditors' Certificate on Compliance with the conditions of Corporate Governance, is annexed and forms part of the Annual Report.

26. CORPORATE GOVERNANCE – VOLUNTARY GUIDELINES 2009

The Ministry of Corporate Affairs, Government of India, had issued a set of Voluntary Guidelines 2009 on Corporate Governance in December, 2009, for voluntary adoption of a set of good practices by the Corporate Sector. These guidelines are expected to serve as a bench mark for the Corporate Sector and also help them in achieving the highest Standard of Corporate Governance. Guidelines are reviewed by the Management from time to time to ensure the adherence of the same voluntarily commensurate with the requirements, best suited to your Company gradually in phases.

27. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report under review, as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is presented by virtue of an Annexure, forming part of the Directors' Report.

28. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company to the best of their knowledge and belief and on the basis of information and explanation obtained from the operating management, hereby states and confirms: –

- (a) that in the preparation of attached Annual Accounts for the Financial Year ended 31st March, 2016 the applicable Accounting Standards have been followed along with proper explanation relating to material departures, wherever, applicable;
- (b) that they have selected the Accounting Policies described in notes to accounts, which have been consistently applied, except where otherwise stated and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the loss of the Company for the year ended on that date;
- (c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) that they have prepared the attached Annual Accounts on a 'going concern' basis.
- (e) that they had laid down internal financial controls to be followed by the Company and that such internal controls are adequate and were operating effectively.
- (f) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**29. AUDITORS**

M/s Pipara & Company, Chartered Accountants, (ICAI Firm Registration No.107929W), Statutory Auditors of Company hold office till the conclusion of the ensuing Annual General Meeting and being eligible offer themselves re-appointment.

We have received a certificate from the Auditor confirming that they are eligible for re-appointment as Auditors of the Company under Sub-Section (1) of Section 139 of the Companies Act, 2013 and that they meet the criteria for appointment stipulated in section 141 of the said Act.

The Board recommends their re-appointment, as the Company's Statutory Auditors on the recommendation of Audit Committee from the conclusion of the ensuing Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration, as may be fixed by the Board of Directors of the Company.

30. SECRETARIAL AUDITOR

The Board of Directors of the Company have appointed M/s. Drolia & Company, Company Secretaries, Kolkata, having certificate of Practice No. 1362, as the Secretarial Auditor, to conduct Secretarial Audit for the year ended 31st March, 2016, in terms of the provisions of Section 204 of the Companies Act, 2013 and the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014.

31. MANAGERIAL REMUNERATION

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this Report.

32. SECRETARIAL AUDIT REPORT

The Report of the Secretarial Audit for the financial year ended 31st March, 2016, as given by the Secretarial Auditor in the prescribed form MR-3 is annexed as Annexure to this Report and forms an integral part of this Report.

The Report does not contain any qualification, reservation and adverse remark.

33. AUDITORS' REPORT

There are no qualifications, reservation or adverse remark of the Auditor in their Auditors' Report that may call for any clarifications/explanations.

The Notes on financial statement, referred to in the Auditors' Report are self-explanatory and do not require any elucidation and comments thereof.

34. INDUSTRIAL RELATIONS

Industrial relations in your Company, during the year under review continued to be cordial and harmonious.

35. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records & Audit) Amendment Rules, 2014, the cost records maintained by the Company in respect of its products are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed M/s. N. D. Birla & Co., Cost Accountants, as Cost Auditors of the Company to conduct the Audit of the Cost Accounts in respect of manufacturing of Textile for the Financial Year ending 31st March, 2016 on a remuneration fixed by the Board and has recommended their remuneration to the Shareholders for their ratification, in the forthcoming Annual General Meeting. Accordingly, a resolution seeking Members' ratification for payment of remuneration to M/s N. D. Birla & Co., Cost Accountants, is included in the Notice convening the Annual General Meeting.

36. DEPOSITORY SYSTEMS

The Company's Shares are currently traded in dematerialized form, as per the SEBI directives and the Company has entered in to agreements with the following Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for trading in dematerialized form.

Members are therefore advised to avail of the services either of the depositories, to dematerialize their physical shares, if any held by them, for trading in Company's shares smoothly and conveniently.

As on 31st March, 2016 32501013 Equity Shares are held in dematerialized form and represent 98.39% of the Company's total paid up Capital.

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37. SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has in place as Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No sexual harassment complaint was received during the year under review.

38. ACCOUNTS OF THE SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

The statement containing the silent features of the financial statement of the company's associate companies under the first proviso to sub-section (3) of section 129 of Companies Act, 2013 is enclosed as AOC-1 in the Annexure.

39. PARTICULARS OF EMPLOYEES

During the year under report, none of the employees of the Company was in receipt of remuneration for any part of the year, in excess of the amount of remuneration prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended upto date.

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration) Rules, 2014 is Annexed and forms a part of this Report.

40. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return in form no. MGT-9 are attached in accordance with Section 134(3)(a), read with Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 and form part of this Report.

41. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is primarily engaged in the business of manufacturing of Cotton Yarn, Denim Fabrics, Shirtings and Garments.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014, as amended is given in the Annexure and forms part of this Report.

42. RISK MANAGEMENT

The Company has in place mechanism to inform Board Members about the Risk Assessment and Risk Minimization procedure which is periodically reviewed to ensure that risks and uncertainties are systematically identified, prioritized and initiated on constant basis.

The risk management procedure is reviewed by the Audit Committee from time to time to ensure that the executive management controls the risks and uncertainties through a proper defined framework and major risks, are properly and systematically addressed through mitigation actions on continuing basis.

43. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.

44. ACKNOWLEDGEMENT

Your Directors thanks all the valued Customers, Suppliers, Shareholders, Business Associates, Financial Institutions, Bankers, Government Agencies and other Stakeholders, for their patronage and support and look forward to their continued support in future. We also thank the dedicated and committed team of employees of the Company for their contribution to the Company.

On behalf of the Board

Place : Ahmedabad
Date : 27th May, 2016

(S. K. SOMANY)
Chairman

**ANNEXURE TO THE DIRECTORS' REPORT**

Information as required under Section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014

(A) CONSERVATION OF ENERGY:

- (i) Steps taken or impact on conservation of energy:
- Installed Water level controllers in Tanks of 4 Nos. Humidification Plants of Reg. A/J Dept. and thereby reduced wastage due to overflow & thus achieved Savings in Water Consumption.
 - Installed VFD (Variable Frequency Drive) in Fan Motor of Multi Cyclone of Dryers of Garment Processing & thus able to achieve Saving of Power
 - Reused Water and saved in Water Treatment (ETP) 2.15 lac M3 water
 - Replaced old pump with new energy efficient pumps in ETP, saved one lac unit per year.
- (ii) The steps taken by the company for utilization of alternate sources of energy:
- Achieved Savings through Power Trading by managing @ 99.51 % Trading Volume of our consumption though variable load.
- (iii) The Capital Investment on energy conservation equipment:
- Variable frequency Drive and ETP Pump Rs. one lac.

(B) TECHNOLOGY ABSORPTION:

- (i) The efforts made towards technology absorption:
- Commissioned new sueding/peaching machine for consistent & better peach finish results.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
- We have developed tencel denim with variants and finer denim with 60s count.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NOT APPLICABLE
- (iv) The expenditure incurred on Research and Development:

	<u>2015-16</u>	<u>2014-15</u>
a) Capital	-	-
b) Recurring	178.54	189.35
c) Total	178.54	189.35
d) Total R&D Expenditure as percentage of Revenue from Operations	1.05	0.83

(C) FOREIGN EXCHANGE EARNING & OUTGO

Used ₹ 472 lacs (Previous Year ₹ 357 lacs), Earned ₹ 1,956 lacs (Previous Year ₹ 4,842 lacs)

On behalf of the Board

Place : Ahmedabad
Date : 27th May, 2016

(S. K. SOMANY)
Chairman

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ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

a) Ratio of the remuneration of each Director to the median employees Remuneration for the financial year is as under:

Name of Directors & Key Managerial Personnel	Designation	Directors' remuneration (In ₹)	Median Employees remuneration (In ₹)	Ratio
Mr. S. K. Somany	Non-executive Chairman	7500	2,61,394	0.03:1
Mr. A. K. Somany	Managing Director	38,47,200	2,61,394	14.72:1
Mr. S. B. Bhat	Whole-time Director	30,32,311	2,61,394	11.60:1
Mr. B. K. Hurkat	Non-executive Independent Director	7500	2,61,394	0.03:1
Mr. M. H. Shah	Non-executive Independent Director	10000	2,61,394	0.04:1
Ms. N. Loyalka	Non-executive Independent Director	10000	2,61,394	0.04:1

b) The percentage increase in remuneration of each Director, CFO,CEO,CS or Manager, if any, in financial year:

Name of Directors & Key Managerial Personnel	Designation	Total Remuneration 2015-16 (In ₹)	Total Remuneration 2014-15 (In ₹)	Percentage Increase
Mr. S. K. Somany	Non-executive Chairman	10,000	10,000	-
Mr. A. K. Somany	Managing Director	38,47,200	36,13,344	6.47%
Mr. S. B. Bhat	Whole-time Director	30,32,311	26,85,781	12.90%
Mr. B. K. Hurkat	Non-executive Independent Director	7,500	10,000	-
Mr. M. H. Shah	Non-executive Independent Director	10,000	2,500	-
Ms. N. Loyalka	Non-executive Independent Director	10,000	-	-
Mr. M. B. Parakh	Chief Financial Officer	925725	882590	4.89%
Mr. R. S. Sharma	Company Secretary	978282	864276	13.19%

Note : The remuneration of the non-executive directors includes sitting fees for attending Board or Committee Meetings.

- c) The number of permanent employees on the rolls of the Company as at the end of financial year is 464.
- d) Compared to the previous year 2014-15, the figures for the current year 2015-16 reflects that,
- The Net Loss for the year was ₹ 1,423 lacs against the previous year net loss of ₹ 3,358 lacs.
 - Median remuneration and average remuneration of all employees have increased by 12.70% and 11.53% respectively.
 - Average remuneration of employees excluding Key Managerial Personnel has increased by 10.96%.
- (iv) Remuneration of Key Managerial Personnel has increased by 9.17%.
- e) The remuneration of the Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company provided under the section 'Report on Corporate Governance' which forms part of the Report and Accounts. Performance of the Company is given in page 1 of the Directors' Report as well as in Management Discussion and Analysis. Individual change in remuneration is given as hereinabove.
- f) The market capitalization of the Company as on 31st March, 2016 increased by 78.93% when compared to that of 31st March, 2015. The Company has not made any public offer in the recent past and accordingly, comparison of Public Offer Price and the current market price of the Company's shares will not be relevant.
- g) The PE ratio as on 31st March, 2016 stood at -1.16 (31st March, 2015, -0.28).
- h) There are no employees in the Company who are drawing remuneration in excess of the highest paid director during the year.

It is hereby affirmed that the remuneration of Directors and KMP's are as per the Remuneration Policy of the Company.



ANNEXURE TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st Day of March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9
of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Soma Textiles & Industries Limited
2, Red Cross Place,
Kolkata – 700 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S **Soma Textiles & industries Limited (CIN: L51909WB1940PLC010070)** (hereinafter called "the Company"). The Audit was conducted in a manner that provided us areas on able basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by M/ s.**Soma Textiles & Industries Limited** ("the Company") and also the information provided by the Company, its officers, and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2016 according to the provisions of:

- I. Companies Act, 2013 (the Act) and the rules made thereunder;
- II. Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (upto 14th May, 2015)
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (effective from 15th May, 2015)
 - (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993;
 - (e) The SEBI (Listing Obligation and Disclosure Requirements <LODR>) Regulations, 2015.

[The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company for the financial year ended 31-03-2016:-

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee benefits) Regulations, 2014; (effective from 28th October, 2014);
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- VI. The following Industry Specific laws:
 - (a) Textiles Committee Act 1963.
 - (b) Textiles (Development & Regulation) Order 2001.
 - (c) Textiles (Consumer Protection) Regulations 1988.

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

- (i) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) upto 30th November, 2015 and thereafter SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made applicable w.e.f. 1st December, 2015.
- (ii) Secretarial Standards with respect to Board Meeting (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and made applicable w.e.f. 1st July, 2015.

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During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI (LODR) Regulations, 2015.
- Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- There are adequatesy stems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management. All decisions of the Board were unanimous and the same was captured and recoded as part of the Minutes.

We further report that during the audit period, the Company has not made any:

- (i) Public/Right/ Preferential issue of Shares/Debentures/Sweat Equity or any other Security.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger/Amalgamation/Reconstruction etc.
- (v) Foreign technical collaborations.

FOR DROLIA & COMPANY
(Company Secretaries)

Pravin Kumar Drolia
(Proprietor)

FCS: 2366, CP 1362

Place : Kolkata

Date : May 7, 2016

Note:

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

ANNEXURE-A

To,
The Members,
Soma Textiles & Industries Limited
2, Red Cross Place,
Kolkata – 700 001

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditors' Responsibility:

2. Our responsibility is to express as opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's Management is adequate and appropriate for us to provide a basis for our opinion.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR DROLIA & COMPANY
(Company Secretaries)

Pravin Kumar Drolia
(Proprietor)

Place : Kolkata

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2016***[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS**

i)	CIN	L51909WB1940PLC010070
ii)	Registration Date	29 th March, 1940
iii)	Name of the Company	Soma Textiles & Industries Limited
iv)	Category/ Sub-category of the Company	Public Company limited by shares
v)	Address of the Registered office and contact details	2, Red Cross Place, Kolkata- 700 001 Phone No. :033-22487406/07 E-mail: rssharma@somatextiles.com Website: www.somatextiles.com
vi)	Whether Listed Company (Yes/No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Address: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Mumbai – 400 072

II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Cloth	17121	83.44%
2.	Garment	18101	11.16%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	Address	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Soma Textile F.Z.C., Sharjah, UAE Emirates	Harmiyah Free Zone, Sharjah, United Arab	Not Applicable	Associate Company	40%	2(6)

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	5272281	-	5272281	15.96	5272281	-	5272281	15.96	-
b) Central Govt State Govt (s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	11004960	-	11004960	33.32	11004960	-	11004960	33.32	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	16277241	-	16277241	49.28	16277241	-	16277241	49.28	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1) + (A) (2)	16277241	-	16277241	49.28	16277241	-	16277241	49.28	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	2344	2344	0.01	-	2344	2344	0.01	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	10000	-	10000	0.03	10000	-	10000	0.03	-
g) FIs	4986600	400	4987000	15.10	4986600	400	4987000	15.10	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	4996600	2744	4999344	15.13	4996600	2744	4999344	15.13	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	2186499	12400	2198899	6.66	2128394	12400	2140794	6.48	-0.18
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5552258	520607	6072865	18.38	5524091	516843	6040934	18.29	-0.09
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3340299	-	3340299	10.11	3435553	-	3435553	10.40	0.29



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others(specify)									
i) NRI Rept.	134930	-	134930	0.41	124480	-	124480	0.38	-0.03
ii) NRI Non Rept.	7117	-	7117	0.02	8857	-	8857	0.03	0.01
iii) Others (Clearing Members)	2305	-	2305	0.01	5797	-	5797	0.02	0.01
Sub-total (B) (2)	11223408	533007	11756415	35.59	11227172	529243	11756415	35.59	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	16220008	535751	16755759	50.72	16223772	531987	16755759	50.72	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	32497249	535751	33033000	100.00	32501013	531987	33033000	100.00	-

ii) Shareholding of Promoters:

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	KGPL Industries and Finvest Private Ltd.	6997716	21.18	-	6997716	21.18	-	-
2.	Sarvopari Investments Private Ltd.	4007244	12.13	66.66	4007244	12.13	66.66	-
3.	Surendra Kumar Somany	2965695	8.98	97.87	2965695	8.98	97.87	-
4.	Surendra Kumar Somany (HUF)	1402579	4.25	7.31	1402579	4.25	7.31	-
5.	Arvind Kumar Somany	728217	2.20	95.71	728217	2.20	95.71	-
6.	Arvind Kumar Somany (HUF)	126631	0.38	100.00	126631	0.38	100.00	-
7.	Anupama Agarwal	24239	0.07	-	24239	0.07	-	-
8.	Nandita Patodia	24920	0.08	-	24920	0.08	-	-
	Total	16277241	49.28	39.93	16277241	49.28	39.93	-

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iii) Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	16277241	49.28		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			16277241	49.28

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

Sl. No.	For each of the top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	APMS Investment Fund Ltd.				
	At the beginning of the year	4986600	15.10		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			4986600	15.10
2	Motilal Oswal Financial Services Ltd.				
	At the beginning of the year	406205	1.23		
	Increase/Decrease in Shareholding during the year:				
	31.07.2015 (Sale)	-500	0	405705	1.23
	21.08.2015 (Sale)	-11000	-0.03	394705	1.2
	06.11.2015 (Purchase)	500	0	395205	1.2
	08.01.2016 (Sale)	-500	0	394705	1.2
	15.01.2016 (Purchase)	500	0	395205	1.2
	22.01.2016 (Sale)	-500	0	394705	1.2
	12.02.2016 (Purchase)	500	0	395205	1.2
	19.02.2016 (Sale)	-500	0	394705	1.2
	At the end of the year			394705	1.20
3.	Globe Capital Market Ltd.				
	At the beginning of the year	231422	0.70		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			231422	0.70
4.	Ajit Singh Jagjit Singh Chawla				
	At the beginning of the year	227985	0.69		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			227985	0.69



Sl. No.	Particulars beginning of the year	Shareholding at the during the year		Cumulative Shareholding	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5.	Ashok Kumar Giriraj Bansal				
	At the beginning of the year	190000	0.58		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			190000	0.58
6.	Girdhar Fiscal Services Pvt. Ltd.				
	At the beginning of the year	158379	0.48		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			158379	0.48
7.	Risewell Credit Pvt. Ltd.				
	At the beginning of the year	152072	0.46		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			152072	0.46
8.	Bhikham Chand Pugalia				
	At the beginning of the year	150000	0.45		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			150000	0.45
9.	Harveer A Chawla				
	At the beginning of the year	125000	0.38		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			125000	0.38
10.	Rajiv Khanna				
	At the beginning of the year #	109454	0.33		
	Increase/Decrease in Shareholding during the year:				
	04.09.2015 (Sale)	(1550)	(0.00)	107904	0.33
	11.09.2015 (Sale)	(2011)	(0.01)	105893	0.32
	At the end of the year			105893	0.32
11	Daulat Securities Ltd.				
	At the beginning of the year	127525	0.39		
	Increase/Decrease in Shareholding during the year:				
	07.08.2015 (Sale) \$	-8467	-0.03	119058	0.36
	14.08.2015 (Sale)	-42316	-0.13	76742	0.23
	31.12.2015 (Sale)	-67000	-0.2	9742	0.03
	08.01.2016 (Sale)	-9742	-0.03	0	0
	At the end of the year			0	0

* Details as per weekly Benpo data received from RTA.

Benpo Date when the said party first appeared in the list of "Top 10 Shareholders".

\$ Benpo Date when the said party last appeared in the list of "Top 10 Shareholders".

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v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Surendra Kumar Somany				
	At the beginning of the year	2965695	8.98		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			2965695	8.98
2.	Surendra Kumar Somany (HUF)				
	At the beginning of the year	1402579	4.25		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			1402579	4.25
3.	Arvind Kumar Somany				
	At the beginning of the year	728217	2.20		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			728217	2.20
4.	Arvind Kumar Somany (HUF)				
	At the beginning of the year	126631	0.38		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			126631	0.38
3.	Brij Kishore Hurkat				
	At the beginning of the year	888	0.00		
	Increase/Decrease in Shareholding during the year:	888	0.00	0	0.00
	Sold during the year				
	At the end of the year	0	0.00	0	0.00
4.	Shrikant Bhairaveshwar Bhat				
	At the beginning of the year	0	0.00		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			0	0.00
5.	Malay Harshadbhai Shah				
	At the beginning of the year	0	0.00		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			0	0.00



Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6.	Nisha Loyalka				
	At the beginning of the year	0	0.00		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			0	0.00
7.	Radhey Shyam Sharma				
	At the beginning of the year	100	0.00		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			100	0.00
8.	Maghraj Parakh				
	At the beginning of the year	0	0.00		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			0	0.00

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16160.38	836.10	-	16996.48
ii) Interest due but not paid	1011.97	-	-	1011.97
iii) Interest accrued but not due	0.70	-	-	0.70
Total (i+ii+iii)	17173.05	836.10	-	18009.15
Change in Indebtedness during the financial year				
• Addition	1588.29	-	-	1588.29
• Reduction	-	69.96	-	69.96
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	15666.90	766.14	-	16433.04
ii) Interest due but not paid	3094.44	-	-	3094.44
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18761.34	766.14	-	19527.48

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in ₹)

Sl. No.	Particulars of Remuneration	Shri A. K. Somany (M.D.)	Shri S. B. Bhat [WTD, designated as (Executive Director)]	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,480,000	2,115,974	5,595,974
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	719,597	719,597
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- Others, specify	—	—	—
5.	Other, please specify	-	-	-
	Total (A)	3,480,000	2,835,571	6,315,571
	Ceiling as per the Act	60,00,000	42,00,000	10,200,000

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri S. K. Somany	Shri B. K. Hurkat	Shri M. H. Shah	Ms. N. Loyalka	
1.	Independent Directors					
	• Fees for attending board meetings and committee meetings	-	10,000	10,000	10,000	30,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	-	10,000	10,000	10,000	30,000
2.	Other Non-Executive Directors					
	• Fees for attending board meetings and committee meetings	7,500	-	-	-	7,500
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	7,500	-	-	-	7,500
	Total (B)= (1+2)	7,500	10,000	10,000	10,000	37,500
3.	Total Managerial Remuneration					
4.	Overall Ceiling as per the Act*					

* Presently Independent Directors are paid only sitting fees. All Non-executive/Independent Directors are entitled to reimbursement of expenses for attending Board/Committee Meetings. The remuneration is however well within the limits prescribed under the Companies Act, 2013.



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Shri R. S. Sharma (Company Secretary, designated as Key Managerial Personnel)	Shri M. B. Parakh (CFO, designated as Key Managerial Personnel)	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	844,494	821,661	1,666,155
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	57,432	31,800	89,232
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5.	Other, please specify	-	-	-
	Total	901,926	853,461	1,755,387

VII. PENALTIES/ PUNISHMENT/ COMPUNDING OF OFFENCES

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

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ANNEXURE TO THE DIRECTORS' REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries – NOT APPLICABLE

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures*

(Information in respect of each Associate to be presented with amounts in ₹)

Name of Associate	SOMA TEXTILE FZC
1. Latest audited Balance Sheet Date	31.03.2016
2. Shares of Associate held by the company on the year end	
No.	300 Equity Shares of AED 1000 each
Amount of Investment in Associates	₹ 34,21,479
Extend of Holding%	40%
3. Description of how there is significant influence	By virtue of Shareholding
4. Reason why the associate is not consolidated	NA
5. Net worth attributable to shareholding as per latest Audited Balance Sheet	₹ 3,421,479
6. Profit/Loss for the year	
i. Considered in Consolidation	0.82 Lakhs
ii. Not Considered in Consolidation	NA

* There is no Joint Venture with the Company.

Note:

1. Name of associates or joint ventures which are yet to commence operations - **None**
2. Name of associates or joint ventures which have been liquidated or sold during the year - **None**

Sd/-
S. K. Somany
Chairman

Sd/-
A. K. Somany
Managing Director

Sd/-
M. B. Parakh
Chief Financial Officer (CFO)

Sd/-
R. S. Sharma
Company Secretary



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE:

The textile industry has a capacity to produce a versatile spread of products appropriate for varied market segments, both domestic and the export markets. The textile industry plays a pivotal role through its contribution to industrial output and employment generation and the export earnings of the country.

It contributes to 10% of manufacturing production, 2% of In India's GDP and to 13% of the country's export earnings. With over 45 million people employed directly. Textile industry is one of the largest sources of employment generation in the country.

Opportunities

India's textile sector is aided by several key advantages, in terms of availability of adequate raw material, entrepreneurial skills, large domestic market, presence of supporting industries and supporting policy initiatives from the government.

The Government has introduced the Amended Technology Up gradation Fund Scheme (ATUFS) to give a further boost for technology investment in the textile industry.

Challenges

The major challenge that the textile industry is facing is rising production costs, arising out of rising wages, power and interest costs.

Currently the Indian Denim Industry is going through sluggish phase due to exponential capacity expansion which has created a time bound oversupply situation.

2. INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

The Company continued to have cordial and harmonious relations with its employees. It considers manpower as its assets and that people had been the driving force for growth and expansion of the Company.

3. INFORMATION TECHNOLOGY:

IT department has continued providing stable, faster & easier platform for the users to do their work with more productivity. It has implemented centralized backup of many users. Strengthening antivirus & security systems have made users' experience safe & secured. They can concentrate on their own work rather than concerned about security & availability of their data.

4. CAUTIONARY STATEMENT

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.

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REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2016.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company firmly believes in the principal of good Corporate Governance and is committed in adopting the best global practice of Corporate Governance. The Company's corporate governance brings direction and control to its affairs in a fashion that ensures optimum returns for all stakeholders. Corporate Governance is a broad framework which defines the way the Company functions and interacts with its environment. The Company fully realises the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance, to its shareholders. The implementation of STIL's Code for Prohibition of Insider Trading exemplifies this spirit of good ethics.

The Company continues to commit itself to maintain the standards of integrity, transparency, accountability and equity in all facets of its operations and all its interactions with its stakeholders including the shareholders, employees and government. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholders value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics. The Company also believes that its operations should ensure that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line".

The Company complies with the requirements of Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

(a) Board's Composition, Category and other relevant details of Directors:

As on 31st March, 2016 the Company's Board of Directors comprised of a judicious mix of Six (6) Directors consisting of Three (3) Non-Executive Independent Directors (including one woman director), One (1) Non-Executive Chairman who is a Promoter Director, and Two (2) Executive Directors of whom one is Managing Director and the other one is Whole-time Director, of this Three (3) Directors are Independent constituting half of the Boards total strength of Six (6), which is in conformity with the stipulation laid on the code of Corporate Governance recommended by Securities & Exchange Board of India (SEBI) through SEBI [Listing Obligations & Disclosure Requirements (LODR)] Regulations, 2015 in India, which stipulates for at least one-half of the Board of the Company should consist of independent directors, where the non-executive Chairman is a promoter or is related to promoters or persons occupying management positions at the board level or at one level below the board. The Company's Board is thus managed and guided by an appropriate mix of Executive and Non-Executive Directors, which ensures independent judgments in its deliberations and decisions. All the Non-Executive Independent Directors are eminent persons armed with professional expertise and experience and Shri S. K. Somany, who is Non-Executive Chairman & Promoter Director, is an Industrialist. The maximum gap between any two meetings of the Board was less than 120 days which is in conformity with the requirement of Regulation 17(2) of the SEBI (LODR) Regulations, 2015. The Composition of the Board of Directors is as follows:-

Name of Director	Designation	Category of Directorship	No. of other Directorship held other than STIL (*)	No. of Membership/ Chairmanship on other Board Committees other than STIL (**)
Shri S. K. Somany	Chairman Non-Executive Non Independent	Promoter	5	4 (including 3 as Chairman)
Shri A. K. Somany	Managing Director Non Independent	Promoter Executive	1	Nil
Shri S. Bhat	Executive Director Non Independent	Executive	1	Nil
Shri B .K. Hurkat	Director Independent	Non-Executive	Nil	Nil
Shri M. H. Shah	Director Independent	Non-Executive	Nil	Nil
Miss N. Loyalka	Director Independent	Non-Executive	3	Nil



(*) The number of Directorships excludes Directorships in Private Limited Companies, Foreign Companies and Companies licensed under Section 8 of the Companies Act, 2013, Memberships of Managing Committees of various Chambers/Bodies and Alternate Directorships.

(**) Only the two Committees viz. the Audit Committee and the Stakeholders' Relationship Committee have been considered for this purpose, in terms of Regulation 26 of the SEBI (LODR) Regulations, 2015.

As per the Regulation 26 of the SEBI (LODR) Regulations, 2015, the Company declares that none of the Directors of Company are member of more than ten board level committees nor are they Chairman of more than five board committees of which they are members across all Companies in which they are Directors as per the declarations received from them.

Review of legal compliance reports:

The Board periodically reviews the reports placed by the management with respect to compliance of various laws applicable to the Company. The Internal Auditors also review compliance status and reports the same to the Audit Committee.

Information provided to the Board:

The agenda is circulated in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to deliberate on relevant points and arrive at an informed decision. All material information was circulated to the Directors before the meeting or placed at the meeting including minimum information required to be made available to the Board under Part A Schedule II of the SEBI (LODR) Regulations, 2015.

Relationship between Directors inter-se:

No Director is related to any other Director on the Board in terms of provisions of Companies Act, 2013, except for Shri S. K. Somany, the Chairman and Shri A. K. Somany, the Managing Director of the Company who are related to each other. Shri S. K. Somany is the father of Shri A. K. Somany.

(b) Board Meetings and Annual General Meeting:

During the financial year 2015-16, Four (4) Board Meetings were held on 30th May, 2015, 13th August, 2015, 3rd November, 2015, and 2nd February, 2016. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015. The last, 77th Annual General Meeting held on 17th September, 2015. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows:

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Shri S. K. Somany	3	Yes
Shri A. K. Somany	4	No
Shri S. Bhat	4	No
Shri B. K. Hurkat	3	Yes
Shri M. H. Shah	4	No
Miss N. Loyalka	4	Yes

(c) Details of shares and convertible instruments held by Non-Executive Directors as on 31st March, 2016:

As on 31st March, 2016, Shri S. K. Somany and Shri B. K. Hurkat, Non-Executive Directors of the Company held shares of the Company as disclosed hereunder. The Company does not have any convertible instruments and Employees Stock Option under the Scheme as at 31st March, 2016.

Name of Non-Executive Director	No. of shares held	% of total share capital
Shri S. K. Somany	29,65,695	8.98

(d) Code of Conduct

The Board has adopted a Code of Conduct for its Board Members and Senior Management Personnel, including Code of Conduct for Independent Directors and has posted it on the Company's website www.somatextiles.com in terms of Regulation 17 of the SEBI (LODR) Regulations, 2015. The Company has obtained the confirmation of the compliance with the Code from all its Board Members and Senior Management Personnel for the year under review. The Managing Director in terms of Regulation 26(3) affirms the compliance with the Code of Conduct by the Board Members and Senior Management for the year under review. Independent Directors should be held

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liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with their consent or connivance or where they had not acted diligently with respect of the provisions contained in the SEBI (LODR) Regulations, 2015. The Code of Conduct is available on the Company's website www.somatextiles.com. A declaration to this effect signed by the Managing Director (CEO) forms part of this report.

(e) Information about Directors Seeking Appointment / Re-appointment at the ensuing Annual General Meeting as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015:-

- (i) **Shri S. B. Bhat** (Shri Bhat) (DIN: 00650380), Director of the Company retires by rotation at the ensuing 78th Annual General Meeting of the Company and is eligible for re-appointment.
- (ii) **Shri A. K. Somany's** (Shri Somany) (DIN:00024903), Managing Director of the Company, present term of appointment expires by efflux of time on 21st January, 2017. Therefore his re-appointment for further term of 3 years effective from 22nd January, 2017, was to be considered, well in advance to seek Shareholders approval at the ensuing 78th Annual General Meeting of the Company.

The brief profile of Shri Bhat & Shri Somany, and their other relevant particulars are furnished in the Notice convening the 78th Annual General Meeting of the Company to be held on Wednesday, the 7th September, 2016.

3. INDUCTION AND TRAINING OF BOARD MEMBERS

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company.

The Director is also explained in detail the compliances required from him / her under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other relevant regulations.

At various Board Meetings during the year, quarterly presentations are made on operations that include information on business performance, operations, projects, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances etc.

With a view to familiarise him / her with the Company's operations, the Managing Director has a personal discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as a Director of the Company.

During the year, the Company had made arrangements from time to time to familiarise the Directors about their roles, responsibilities and duties as Directors. The Directors were provided an overview of;

- Criteria of independence applicable to Independent Directors as per the applicable regulation(s) of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013;
- Roles, functions, duties, responsibilities and liabilities of Directors;
- Director's Responsibility Statement forming part of Boards' Report;
- Vigil Mechanism including policy formulation, disclosures, code for Independent Directors, obtaining Audit Committee approval, wherever required;
- Risk Management strategies;
- Board evaluation process and procedures;
- Dealing with Related Party Transactions under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015;
- Internal Financial Controls and
- Fraud Reporting

The details of familiarisation programmes have been posted on the website of the Company: www.somatextiles.com.

4. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and the various committees of the Board of Directors. The criteria for performance evaluation cover the areas relevant to their functioning as Chairman, Independent Directors or other Directors, Member of Board or Committees of the Board. A structured questionnaire, evolved through discussions within the Board, has been used for this purpose.



The purposes of evaluation of the Board and its Committees was to analyse how the Board and its Committees are functioning, the time spent by the Board while considering matters and whether the terms of reference of the Board Committees have been met, beside compliance of provisions of the Act and SEBI (LODR) Regulations, 2015.

The Directors expressed their satisfaction with the evaluation process. However, given the nascent nature of this process, the evaluation process will be strengthened through experience and also by identifying best practices used by other companies.

5. BOARD COMMITTEES

The Company has constituted Board level Committees to delegate particulars matters that require greater and more focused attention in the affairs of the Company. All the decisions pertaining to the constitution of Committees are taken by the Board of Directors of the Company.

As on 31st March, 2016, the Company has four (4) Board level Committees namely the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and, Share Transfer Committee.

A) AUDIT COMMITTEE

The Board had, at its meeting held on 25th January, 2001, constituted the Audit Committee in compliance with the requirement under Section 177 of the Companies Act, 2013, read with rules made thereunder (Corresponding to Section 292A of the erstwhile Companies Act, 1956) and Regulation 18 of the SEBI (LODR) Regulations, 2015 (Corresponding to Clause 49 of the erstwhile Listing Agreement).

The present terms of reference of the Audit Committee includes the powers as laid out in Regulation 18(2)(c) and role as stipulated in Regulation 18(3)(A) of the SEBI (LODR) Regulations, 2015.

The role, powers and terms of reference of this Committee also covers the areas as contemplated under Section 177 of the Companies Act, 2013 and the Committee also complies with the relevant provisions of the Companies Act, 2013.

a) Terms of reference

The terms of reference of this committee are wide enough to cover the matters specified for Audit Committee under Regulation 18 of the SEBI (LODR) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013.

The gist of the terms of reference as stipulated by the Board to the Audit Committee is given hereunder:-

To oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, to recommend to the Board, the appointment or re-appointment of Statutory Auditors and fixation of the audit fee and approval of payment for any other services, to review and discuss with the auditors about adequacy and effectiveness of internal audit functions and internal control systems, scope of audit including observations of the auditors, major accounting policies & practices, adopting accounting standards and complying various requirement concerning financial statements, to review with the management Company's quarterly and annual financial statements before submission to the Board, to review with the management performance of statutory and internal auditors, to discuss with internal auditors on any significant findings and follow up thereon including reviewing the findings of internal investigation, if any, to discuss with statutory auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and to review any other areas which may be specified as a role of audit committee under amendments, if any, from time to time to the SEBI (LODR) Regulations, 2015, Companies Act, and other Statutes.

The Company generally considers and reviews all items listed in the Regulation 18(3)(A) of the SEBI (LODR) Regulations, 2015. The Committee mandatorily reviews information as per the requirement of Regulation 18(3)(B) of the SEBI (LODR) Regulations, 2015 and such other matters as considered appropriate by it or referred to it by Board.

b) Composition

As on 31st March, 2016, the Audit Committee consisted of 4(Four) members, of this, 3 (Three) Non-Executive Independent Directors and 1 (One) Non-Executive Promoter Director were members of the Committee. Thus the composition of the Committee consisted of two-thirds or majority of Non-Executive Independent Directors is in conformity with requirements of the provisions of Section 177(2) of the Companies Act, 2013, read with rules made thereunder and also with requirements of the Regulation 18(1) of the SEBI (LODR) Regulations, 2015. The Committee was chaired by Shri B. K. Hurkat, the Non-Executive Independent Director, who is Chairman of the Committee. All the Members of the Audit Committee are financially literate including the Chairman of the Audit Committee who has financial management expertise. The Managing Director and Head of finance & accounts are permanent invitees of the Committee Meetings. The Statutory Auditors, Cost Auditors and Internal Auditors are also invited to the Committee Meetings. The Chairman of the Audit Committee was attended the 77th AGM held on 17th September, 2015 to answer shareholders queries. Shri R. S. Sharma, Company Secretary acts as Secretary to the Committee.

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c) Meetings

During the financial year 2015-16, four (4) Audit Committee meetings were held on 30th May, 2015, 13th August, 2015, 3rd November, 2015, and 2nd February, 2016. The maximum gap between any two meetings was less than 120 days. The Minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

The Composition of the Audit Committee and attendance of each director are given below:-

Name of the Member	Category of Directorship	Status	No. of Meetings attended
Shri S. K. Somany	Non-Executive Director – Promoter	Member	3
Shri B. K. Hurkat	Non-Executive Director – Independent	Chairman	3
Shri M. H. Shah	Non-Executive Director – Independent	Member	4
Miss N. Loyalka	Non-Executive Director – Independent	Member	4

B) NOMINATION AND REMUNERATION

The Board of Directors of the Company had, at its meeting held on 31st January, 2002, constituted the Remuneration Committee and had at its meeting held on 14th August, 2014, re-constituted and renamed this Committee as “Nomination and Remuneration Committee” in terms of requirement under the provisions of Section 178 of the Companies Act, 2013, read with rules made thereunder and in conformity with Regulation 19 of the SEBI (LODR) Regulations, 2015.

The present terms of reference of the Nomination and Remuneration Committee includes the role as stipulated in Regulation 19(4), read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

The role, powers and terms of reference of this Committee also covers the areas as contemplated under Section 178 of the Companies Act, 2013 and the Committee also complies with the relevant provisions of the Companies Act, 2013.

a) Terms of reference

The terms of reference of this committee are wide enough to cover the matters specified for Nomination and Remuneration Committee under Regulation 19 of the SEBI (LODR) Regulations, 2015 as well as in Section 178 of the Companies Act, 2013.

The Committee is empowered -

- (i) Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- (ii) Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnels.
- (iii) Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.
- (iv) Conduct Annual performance review of MD and CEO and Senior Management Employees;
- (v) Administration of Employee Stock Option Scheme (ESOS);
- (vi) Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.
- (vii) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Nomination and Remuneration Committee.

b) Composition

As on 31st March 2016, the Nomination and Remuneration Committee consisted of 4 (Four) Non-Executive Directors, three of whom, including the Chairman Shri B. K. Hurkat, Shri M. H. Shah and Miss N. Loyalka were Independent Non-Executive Directors and Shri S. K. Somany, was the Non-Executive Chairman & Promotor Director of the Company. Shri R. S. Sharma, Company Secretary acts as Secretary to the Nomination and Remuneration Committee. During the year under review one (1) Nomination and Remuneration Committee meeting was held on 30th May, 2015 to review and recommend annual increments to the Whole-time directors. All the members attended the said Meeting.



The Composition of Nomination and Remuneration Committee and attendance of each director are given below:-

Name of the Member	Category of Directorship	Status	No. of Meetings attended
Shri S. K. Somany	Non-Executive Director – Promoter	Member	1
Shri B. K. Hurkat	Non-Executive Director – Independent	Chairman	1
Shri M. H. Shah	Non-Executive Director – Independent	Member	1
Miss N. Loyalka	Non-Executive Director – Independent	Member	1

c) Nomination and Remuneration Policy:

Policy in relation to nomination of Directors, Key Managerial Persons and Senior Management:

- (i) The nomination procedure adopted by the Company for identifying and appointing Directors, Key Managerial Personnel and Senior Management, shall be driven by meritocracy and will focus on inducting individuals from diverse backgrounds, having appropriate skills, qualifications, knowledge, expertise or experience, in one or more fields such as engineering, finance, management, business administration, sales, marketing, law, accountancy, research, corporate governance, technical operations, education, community service or any other disciplines connected with the business of the Company.
- (ii) The Company seeks to have a management comprising of likeminded personnel, possessing skills which assist the Company in achieving its objectives and aiming for inclusive growth of the Company and the community.
- (iii) The Company specifically looks for persons with qualities such as: (i) Professional integrity and honesty; (ii) respect for and strong willingness to imbibe the Company's core values; (iii) ability to act impartially, exercise sound judgment and discharge the fiduciary duties owed by such individuals to the Company; (iv) strategic capability with business vision; (v) entrepreneurial spirit and track record of achievement; (vi) reasonable financial expertise; (vii) have contacts in the fields of business/corporate world/finance/ chambers of commerce and industry; and (viii) capability to effectively review and challenge the performance of the management
- (iv) With respect to Independent Directors, the management of the Company shall devise and update, as and when required, programs for familiarizing such directors with the Company, its business, their roles, rights and responsibilities in the Company etc.;
- (v) The Company seeks to have diversity on the Board by bringing in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment and mitigation strategy and human resource management in the Company. [The Company will be considerate of succession planning and Board diversity while making appointments of directors on the Board]

Eligibility Criteria:

For all Directors: An individual being considered for being appointed as a Director must fulfill the following eligibility criteria;

- (i) He must be of a sound mind;
- (ii) he should neither be an undischarged insolvent nor should he have preferred an application for being adjudicated as an insolvent, which application is pending before any court or authority;
- (iii) he must not have been convicted by a court of any offence that makes him incapable of being appointed as a Director under the Companies Act.
- (iv) No order disqualifying him from being appointed as a Director of any Company should have been passed by a court or tribunal, or in case such an order has been passed, it must not be in force or be effective as prescribed under the Companies Act;
- (v) He should have paid calls with respect of any shares held by him in the Company, whether alone or jointly and in case such calls have not been paid, a period of 6 months shall not have lapsed from the date such payment is due;
- (vi) He should not have been convicted of the offence of dealing with related party transactions under Section 188 of the Companies Act, at any time during the five years, immediately preceding his appointment with the Company and in case such an order has been passed it must not be in effective in accordance with the terms of the Companies Act;
- (vii) He must have been allotted a director identification number pursuant to the provision of the Companies Act;

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- (viii) He must not have been a Director of a company which (i) has not filed financial statements or annual returns for any continuous period of three financial years, or (ii) has failed to repay deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continuous for one year or more, provided that if he has been the Director of such a Company, he shall not be eligible to be re-appointed as a director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so.

For a Managing Director, Whole-time Director or Manager: In addition to the criteria specified in Clause as above, an individual being considered for the post of Managing Director, Whole-time Director or a Manager must fulfill the following eligibility requirements;

- (i) He must be a resident of India
- (ii) He must have attained the age of 21 years and must not have attained the age of 70 years. However, in case the individual proposed to be appointed has attained the age of 70 years, he may be appointed as the Managing Director, Whole-time Director or Manager if a special resolution is passed to this effect by the Shareholders of the Company.
- (iii) He must not have been adjudged as an insolvent at any point in time;
- (iv) He must not have suspended payment to or made a composition with his creditors at any point in time;
- (v) He must not have been;
 - (a) Convicted by a court of an offence and sentenced to imprisonment or fine exceeding one thousand rupees, such that it would disentitle him from being appointed as the Managing Director, Whole-time Director or a Manager in terms of the Companies Act, or;
 - (b) detained for any period under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974)
- (vi) During the tenure that he holds office as the Managing Director, Whole-time Director or a Manager of the Company, he must not hold office in any other Company except in a subsidiary of the Company. However, in case an individual is the Managing Director or Manager of any another Company (other than subsidiary Company), the Board may appoint such an individual as the Managing Director, if his appointment is made in accordance with Section 203 of the Companies Act and such an individual does not draw remuneration exceeding the limits specified in Part II of Schedule V to the Companies Act.

In case an individual does not meet the eligibility criteria mentioned as above, of this Policy [except sub-clause (vi) as above], such an individual may be appointed as the Managing Director, Whole-time Director or a Manager with the approval of the Central Government.

For independent Directors: Pursuant to Section 149 of the Companies Act, and the SEBI (LODR) Regulations, 2015, the Company is required to appoint specified number of independent directors. An individual, who is not an Executive Director or a Nominee Director, may be considered for being appointed as an independent director if he meets the following criteria;

- (i) Possesses appropriate skill, experience and knowledge in one or more fields of finance, law, management, sales, marketing administration, research, corporate governance, technical operations or other disciplines related to the Company's business;
- (ii) In the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (iii) Neither is nor was a promoter of the Company or its holding, subsidiary or associate Company; or
- (iv) Is not related to the promoters or Directors of the Company, its holding, subsidiary or associate company;
- (v) apart from receiving director's remuneration, he neither has, nor has had a pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two financial years immediately preceding the year of his appointment or during the current financial year, which would disqualify him from being an independent director under the Companies Act or the SEBI (LODR) Regulations, 2015).
- (vi) None of his relatives have or have had a pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent, or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed under the Companies Act, whichever is lower, during the two financial years immediately preceding the year of his appointment or during the current financial year;



- (vii) Neither himself nor any of his relatives –
 - (a) holds or has held the position of a Key Managerial Personnel in any of the three financial years immediately preceding the year in which he is proposed to be appointed;
 - (b) is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the year in which he is proposed to be appointed;
 - (c) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed of-
 - (A) A firm of auditors or Company Secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - (B) Any legal or consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% (ten per cent) or more of the gross turnover of such firm;
 - (d) holds together with his relatives 2% (two per cent) or more of the total voting power of the Company; or
 - (e) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent, or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent, or more of the total voting power of the Company; or
 - (f) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- (viii) Undertakes to abide by the code for independent directors as prescribed in the Companies Act; and
- (ix) Possess such other qualifications as may be prescribed under the Companies Act,

For Key Managerial Personnel and Senior Management: Individuals to be appointed as Key Managerial Personnel (other than Managing Director, Manager and Whole-time Director) and Senior Management shall have such qualification, experience and expertise as may be determined by the management in consultation with the Committee, provided that a Whole-time Key Managerial Personnel of the Company shall not hold office in any other company at the same time except (i) in its subsidiary; or (ii) as a Director of the other Company, with the permission of the Board.

Appointment, Term and Retirement/Removal:

Appointment:

- (a) All Directors shall be appointed by the Board, based on the recommendations made by the Committee, subject to the prior/post approval of the Shareholders of the Company and/or the Central Government, as may be required under the applicable laws.
- (b) The Company shall issue formal letters of appointment to the independent Directors in a manner provided in the Companies Act.
- (c) A whole-time Key Managerial Personnel of a Company shall be appointed only by a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, Rules and Regulations.

Retirement:

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Term of Office:

- (a) No individual shall be appointed as the Managing Director, Whole-time Director or Manager for a term exceeding 5 (Five) years at a time and no re-appointment shall be made earlier than one year before the expiry of his term.

- (b) An independent director shall hold office for a term up to 5 (five) consecutive years and may be re-appointed for another term of 5 (five) consecutive years, by a special resolution of the Members of the Company. An individual who has held office as an independent director for two consecutive terms, shall be eligible for appointment as an independent director of the Company only after expiry of 3 (three) years of him ceasing to hold office as an independent director of the Company, if he has not, during the said period of 3 (three) years been associated with the Company in any other capacity, either directly or indirectly.
- (c) It is clarified that unless otherwise provided in the Companies Act, the term completed by an independent director prior to April 1, 2014 shall not be considered for fulfilling the requirements specified in Clause (b) above.

Within the overall limits fixed by the Shareholders in General Meeting the Board decides the remuneration payable to Whole-time/Managing/Executive Directors. Remuneration of Whole-time/Managing/Executive Directors largely consists of base remuneration, perquisites, gratuity, bonus and other allowances. The remuneration packages are governed by industry pattern and guidelines. The Non-Executive Directors are entitled to sitting fee for attending the meetings of the Board and Commission in case of adequacy of profits under the provisions of the Companies Act, 2013.

Remuneration Policy for Directors, Key Managerial Personnel and Senior Management:-

This Policy of the Company aims to attract, retain and motivate professionals; in order to enable the Company to achieve its strategic objectives and develop a strong performance based culture and a competitive environment. This Policy and the compensation structure has been devised after taking into account all relevant factors and giving due regard to the interests of shareholders and the financial and commercial health of the Company.

The Board while determining the remuneration package of the Directors, Key Managerial Personnel and Senior Management may take into account, all or any of the following:

- (a) The requirement of the Company, specifically in terms of the skill sets required, the qualification of the persons being considered and the long term and short term goals of the Company;
- (b) Interests of the shareholders and the financial and commercial health of the Company;
- (c) Individual performance of the persons being considered;
- (d) Performance of the Company;
- (e) Remuneration packages offered by companies of comparable size in the same business as the Company;
- (f) Remuneration package offered at the same level by companies of comparable size in other businesses; and
- (g) Other relevant factors it deems necessary.

Maximum Threshold: Except as otherwise provided under the Companies Act or with the prior approval of the Central Government, the total managerial remuneration payable by the Company, to its Directors (including Managing Director and Whole-time Director) and its Manager in respect of a financial year shall not exceed 11% (eleven per cent) of the net profits of the Company in the relevant financial year, computed in the manner prescribed under the Companies Act. Further, except with the approval of the Company in general meeting:

- (a) The remuneration payable to any one Managing Director; or Whole-time Director or Manager shall not exceed 5% of the net profits of the Company and if there is more than one such Directors, remuneration shall not exceed ten per cent of the net profits to all such Directors and Manager taken together;
- (b) The remuneration payable to Directors who are not Managing Directors nor Whole-time Directors shall not exceed 1% (one per cent) of the net profits of the Company.

Manner of payment: Remuneration payable to Key Managerial Personnel and Senior Management may be mix of (i) fixed components such as salary, perquisites and allowances and (ii) variable components including commission, based on the individual performance and the performance of the Company, as determined by the Board, provided that the remuneration payable to the Directors shall be subject to the prior/post approval of the shareholders of the Company and/or the Central Government, as may be required under the applicable laws.

Perquisites/allowances: The Company may offer perquisites and allowances such as house rent allowance, leave travel concession, medical reimbursement, club membership, personal accident insurance and such other benefits, facilities and allowances, to Directors, Key Managerial Personnel and Senior Management as determined by the Board from time to time.



Stock Options: The Company may issue stock option to its Directors (other than Independent Directors), Key Managerial Personnel and Senior Management, as it may deem fit.

Sitting Fee: Non-executive Directors of the Company may be entitled to a sitting fee, as determined by the Board or the Company in accordance with the provisions of the Companies Act. No Executive Director shall be entitled to receive a sitting fee for attending Board meeting of the Company. Sitting fee will not be considered as a part of remuneration for determining the aggregate managerial remuneration being paid to Directors in accordance with this Policy.

Remuneration to Non-Executive Directors: Non-Executive Directors may receive remuneration by way of i) Sitting Fee, (ii) reimbursement of expenses for participation in the Board and other meetings; (iii) profit related commission as may be approved by the shareholders and (iv) in such other manner as may be permitted under applicable law. An Independent Director shall not be entitled to any stock option.

Fee for professional services: It is clarified that, the fee payable to a Director for any professional services rendered by him to the Company shall not be considered as a part of the relevant Director's remuneration. Further, payment of such professional fee shall not require approval of the shareholders, if the Committee is satisfied that the Director possess the relevant qualifications for practicing the profession. Provided however that in case approval of the shareholders is required pursuant to the related party transactions policy of the Company or under the Companies Act (by virtue of such a transaction being considered as a contract or arrangement for availing any services and/or for appointment of a related party to any office or place of profit in the Company), such approval shall be obtained, in accordance with the provisions of the Companies Act or the SEBI (LODR) Regulations, 2015.

Professional Indemnity: The Company may take such professional indemnity and liability insurance policy for its Directors. Key Managerial Persons and Senior Management, as the Board may deem fit and the premium paid on such insurance shall not to be treated as part of the remuneration payable to any such personnel, except as otherwise provided under the Companies Act.

Minimum Remuneration: if, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director in accordance with the provisions of Part II of Schedule V to the Companies Act, 2013 and if it is no able to comply with such provisions, with the prior approval of the Central Government.

Provisions for excess remuneration: if any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it, unless permitted by the Central Government.

EVALUATION:

The Committee shall review the performance of every Director as per the criteria laid down by the Committee as detailed below for evaluation of performance and submit its report to the Board.

Criteria for Evaluation of Independent Director and the Board:

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

1.) Executive Directors:

The Executive Directors shall be evaluated on the basis of Targets/ Criteria given to Executive Directors by the Board from time to time.

2.) Non-Executive Directors:

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e.

Whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence;
- (f) Inform the Board immediately when they lose their independence;

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- (g) Assist the Company in implementing the best corporate governance practices;
- (h) Strive to attend all meetings of the Board of Directors and the Committees;
- (i) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the Company;
- (k) Keep themselves well informed about the Company and the external environment in which it operates;
- (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- (n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

The details of Remuneration paid/payable during the year to Directors are as under:-

Name of Director	(Amount in ₹)				
	Basic Salary & Allowances	Perquisites	Contribution to PF	Sitting Fees	Total
Shri S. K. Somany	-	-	-	7,500	7,500
Shri A. K. Somany	30,60,000	4,20,000	3,67,200	-	38,47,200
Shri Shrikant Bhat	21,15,974	7,19,597	196,740	-	30,32,311
Shri B. K. Hurkat	-	-	-	7,500	7,500
Shri M. H. Shah	-	-	-	10,000	10,000
Miss N. Loyalka	-	-	-	10,000	10,000

Besides the above, no other pecuniary relationship or transactions vis-a-vis the Company exists with the Non-Executive Directors. Shri A. K. Somany, Managing Director and Shri Shrikant Bhat, Executive Director of the Company are not entitled to any sitting fees.

The appointment of Shri A. K. Somany, Managing Director is contractual for a period of 3(Three) years commencing from 22nd January, 2014. The service of Shri A. K. Somany may be terminated by giving 6(Six) months notice or alternatively 6(Six) months' salary in lieu of such notice period. No stock option was issued to Shri Somany.

The appointment of Shri Shrikant Bhat, Executive Director is contractual for a period of 3(Three) years commencing from 18th January, 2016. The service of Shri Shrikant Bhat may be terminated by giving 2(Two) months notice or alternatively 2(Two) months' salary in lieu of such notice period. No stock option was issued to Shri Bhat.

There is no separate provision for payment of Severance fee to the Managing and Executive Directors of the Company in their Service Agreement entered into by the Company with them. Except gratuity, earned leave at the end of tenure and notice period as stated above no other severance fee is paid/or payable to such Directors.

C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company had, at its meeting held on 28th June, 2001, constituted the Shareholders'/Investors' Grievance Committee, in terms of Regulation 20 of the SEBI (LODR) Regulations, 2015 and had at its meeting held on 14th August, 2014, re-constituted and renamed the Committee as "Stakeholders Relationship Committee", in place of Shareholders'/Investors' Grievance Committee, in terms of requirement under the provisions of Section 178 of the Companies Act, 2013, read with the rules made thereunder and in conformity with the Regulation 20 of the SEBI (LODR) Regulations, 2015.

The Company attaches highest importance to the Investor relations. The Board of Directors of the Company have re-constituted the Stakeholders' Relationship Committee to focus on the prompt and effective redressal of the shareholders complaints and grievances and strengthening of the Investor relations.

a) Terms of reference

The committee acts in accordance with the terms of reference specified by the Board from time to time as per the guidelines set out in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, which inter-alia include overseeing and reviewing all matters connected with Investors' complaints and redressal mechanism as per applicable statutory and regulatory provisions.



The gist of terms of reference is as under :-

- Redressing complaints and grievances of security holders pertaining to transfer of shares, non receipt of annual reports, non receipt of dividends declared, dematerialisation/rematerialisation of shares etc.
- Overseeing the performance of Registrar and Share Transfer Agents.
- Reviewing all matters connected with Servicing of Investors.
- Recommending measures for overall quality improvement for Investors Services.

b) Composition:

As on 31.03.2016, the Stakeholders' Relationship Committee comprised of Five (5) members, of this, Three (3) members are Non-Executive Independent Directors, 1 (One) is Non-Executive Non-Independent Promoter Director who is Chairman of the Committee and 1 (One) is Executive Non-Independent Promoter Director. The Committee met four times during the year on 30th June, 2015, 30th September, 2015, 31st December, 2015 and 31st March, 2016. The attendance of members was as follows:

Name of the Member	Category of Directorship	Status	No. of Meetings attended
Shri S. K. Somany	Non-Executive Non-Independent Promoter Director	Chairman	1
Shri A. K. Somany	Executive Non-Independent Promoter Director	Member	4
Shri B. K. Hurkat	Non-Executive Independent Director	Member	4
Shri M. H. Shah	Non-Executive Independent Director	Member	4
Miss N. Loyalka	Non-Executive Independent Director	Member	-

The Company has designated the E-mail ID: investors@somatextiles.com exclusively for the purpose of registering complaints by investors electronically in terms of the requirement of SEBI (LODR) Regulations, 2015. This E-mail ID is displayed on the Company's Website, i.e.: www.somatextiles.com

Shri R. S. Sharma, Company Secretary, is the Compliance Officer of the Company. During the year under review, the Company had not received any complaint from shareholders, which was resolved to the satisfaction of shareholders.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web based complaints redressed system. The salient features of this system are, Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaints and its current status.

D) SHARE TRANSFER COMMITTEE

Share Transfer Committee of Directors was constituted by the Board of Directors at the meeting of the Board held on 27th May, 1999. The Board has delegated the powers of share transfer, transmission and transposition to the Committee comprising of Executive and Non-executive Directors. The Committee attends the share transfer formalities once a month. The business transacted at the meeting is placed before the Board regularly.

a) Terms of reference

Terms of Reference of the Committee are as per the guidelines set out in the SEBI (LODR) Regulations, 2015 and pursuant to the provisions of the Articles of Association of the Company. The Committee has been delegated authority and power to administer share transfer activities, formalities and mechanism.

Gist of terms of reference

- To approve and effect transfer of shares.
- To approve transmission of shares.
- To approve transposition of names.
- To issue duplicate share certificates, as and when, required and also to issue certificates in respect thereof under the Common Seal of the Company.
- To confirm demat/remat requests.
- To do all such acts and deed as may be necessary and/or incidental to the above.
- To do all such acts and deed as may be necessary and/or incidental to the above.

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b) Composition:

As on 31st March, 2016 the Share Transfer Committee comprised of one (1) Non-Executive Non-Independent Promoter Director as Chairman, Three (3) Non-Executive Independent Directors and One (1) Executive Non-Independent Promoter Director as members of the Committee. During the year under review, the Committee had 12 (Twelve) Meetings for approval of transfer of shares lodged with the Company and the attendance of members was as under:-

Name of the Member	Category of Directorship	Status	No. of Meetings attended
Shri S. K. Somany	Non-Executive Non-Independent Promoter Director	Chairman	2
Shri A. K. Somany	Executive Non-Independent Promoter Director	Member	12
Shri B. K. Hurkat	Non-Executive Independent Director	Member	12
Shri M. H. Shah*	Non-Executive Independent Director	Member	12
Miss N. Loyalka**	Non-Executive Independent Director	Member	1

There were no valid share transfers pending for registration for more than 15 days as on 31.03.2016.

E) SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 1st February, 2016, inter alia, to discuss::

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

All the Independent Directors were present at the Meeting.

4. SUBSIDIARY COMPANY

The Company does not have any wholly owned subsidiary or subsidiary.

5. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. <https://www.somatextiles.com>.

6. GENERAL BODY MEETINGS

A. Annual General Meeting:

(i) Location and time of last three Annual General Meetings (AGM) are as under:

Financial Year	AGM	Date	Time	Location
2014-15	77 th	17.09.2015	2:30 P.M.	Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001.
2013-14	76 th	29.08.2014	3:00 P.M.	- same as above -
2012-13	75 th	09.09.2013	2-30 P.M.	Jhajharia Committee Room of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001.

**(ii) Special Resolution passed in the previous three AGMs:****In the AGM held on Subject matter of the resolution**

17 th September, 2015	Re-appointment of Shri S. B. Bhat, as whole-time Director for 3 (Three) years from 18 th January, 2016.
29 th August, 2014	None of the Special Resolution passed at the AGM.
9 th September, 2013	a) Amendment to Capital Clause in Articles of Association of the Company. b) Issue of Cumulative Redeemable Non-convertible Preference Shares to the Promoters' and/or Promoters Group Companies on Preferential/Private Placement Basis. c) Re-appointment of Shri A. K. Somany, as Managing Director for 3 (Three) years from 22 nd January, 2014. d) Commission to Directors of the Company in the event of profits (Other than the Managing and Whole-time Directors).

B. Extra-Ordinary General Meeting – NIL**C. Special Resolution(s) passed through Postal Ballot - NIL****7. GREEN INITIATIVES DRIVE BY THE MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA**

The Company, as a responsible corporate citizen welcomes and supports the green initiatives taken by the Ministry of Corporate Affairs, Government of India by as circular, enabling electronic delivery of documents to the shareholders. The Company has sent the communication to the shareholders by electronic mode at their e-mail addresses registered with the Depository/Registrar & Share Transfer Agent and all such communications were immediately uploaded on Company's website.

8. DISCLOSURES**(i) Related Party Transactions**

During the year there are no transactions of material nature with the directors or the management or their relatives which may have potential conflict with the interest of the Company at large. Transaction with related parties in normal course of business were placed before the Audit Committee. Details of related parties transactions have been disclosed in the Notes to the Accounts, in the Financial Statements of the Company as at 31st March, 2016.

(ii) Compliance

There were no instances of non-compliance on any matter related to the capital markets, during the last three years. No penalties, fines or strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

(iii) Whistle Blower Policy

The Board on 14th November, 2014 has formulated a Whistle Blower Policy for directors and employees of the Company. The Policy comprehensively provides an opportunity for an employee/ Director to report the instances of unethical behavior, actual or suspected fraud or any, violation of the Code of Conduct and/or laws applicable to the Company and seek redressal. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The policy has been communicated to the Directors/Employees and also posted on Company's intranet. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177 of the Companies Act, 2013. The details of establishment of Whistle Blower Policy/ Vigil Mechanism have been disclosed on website of the Company i.e. www.somatextiles.com. No personnel is being denied any access to the Audit Committee.

(iv) Compliance with Mandatory/Non-Mandatory requirements of the SEBI (LODR) Regulations, 2015

The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015. The Company has adopted following non-mandatory requirements of the SEBI (LODR) Regulations, 2015:-

Shareholders Rights: The quarterly, half-yearly and annual financial results of the Company are published in newspaper and are also posted on the Company's corporate website. The complete Annual Report is sent to every Shareholder of the Company.

Audit Qualification: It has always been the Company's endeavor to present unqualified financial statements. There are no audit qualifications for the year ended 31st March, 2016

(v) CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly

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certification on financial results while placing the financial results before the Board in terms of Regulation 17 of the SEBI (LODR) Regulations, 2015. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

(vi) Risk Management

The Company has laid down the Risk Management Policy for risk assessment and minimization procedures and it is reviewed by the Audit Committee periodically. Further the Company has adequate internal control system to identify the risk at appropriate time and to ensure that the executive management controls the risk through means of a properly defined framework.

(vii) Disclosure on Accounting Treatment

The financial statements have been prepared following the prescribed Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) in case where a treatment different from that prescribed in Accounting Standard is followed the same has been appropriately disclosed and explained.

8. MEANS OF COMMUNICATION

(i) Quarterly Results

Quarterly Results after being reviewed by the Audit Committee are considered and approved by the Board of Directors and submitted to the Stock Exchanges as per Listing Agreements.

(ii) Newspaper wherein results normally published

Business Standard (English), Kolkata and Kalantar (Bengali), Kolkata

(iii) Any Web Site, where displayed

The Company has its own website www.somatextiles.com where information about the Company is displayed and regularly updated. Shareholders/Investors can view the Company's Quarterly Un-audited and Annual Audited Financial Results on the Company's website.

(iv) Whether it also displays official News releases

No

(v) The representations made to Institutional Investors or to the Analysts

No

(vi) NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance filings, like the Shareholding pattern, Corporate Governance Report etc. are also filed electronically on NEAPS.

9. GENERAL SHAREHOLDERS' INFORMATION

(i) **Annual General Meeting:**

The 78th Annual General Meeting is proposed to be held on Wednesday, the 7th September, 2016 at 12:00 Noon at Somany Conference Hall, MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata-700 001.

(ii) **Financial year:**

2016-2017 (1st April to 31st March)

First Quarterly results

Within 45 days of end of June quarter 2016

Second Quarterly Results

Within 45 days of end of September quarter 2016

Third Quarterly Results

Within 45 days of end of December quarter 2016

Audited Financial Results for the year ended 31.03.2017

Within 60 days of end of Financial Year March, 2017

(iii) **Date of Book Closure:**

Monday, the 29th August, 2016 to Wednesday, the 7th September, 2016 (both days inclusive).

(iv) **Dividend Payment Date:**

No dividend has been declared by the Company for the financial year 2015-16.

(v) **Listing on Stock Exchanges:**

The Equity Shares of the Company are listed at the following Stock Exchanges:-

(a) BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

(b) National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

**NOTE:**

- (i) Listing fees have been paid to the Stock Exchanges for the year 2015-16.
(ii) The Calcutta Stock Exchange Association Ltd., has vide its Letter No. CSEA/ID/223/2008 dated 16th April, 2008, confirmed the delisting of Company's Shares from the official List of their exchange. However Equity Shares have been allowed to be traded under the "Permitted Category" on the Exchange considering the interest of General Investors in the Company.

(vi) Stock Code:

- (i) NSE - SOMATEX, (ii) BSE - 521034, (iii) CSE - 29067.
De-mat ISIN Number in NSDL & CDSL – ISIN – INE 314C01013.

(vii) Market Price Data for each calendar month during the last financial year:

Months	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	4.35	2.70	4.16	2.70
May 2015	4.00	3.05	4.70	3.10
June 2015	3.95	2.80	4.45	3.11
July 2015	4.95	3.80	4.88	3.80
August 2015	6.30	4.40	6.48	4.40
September 2015	4.85	3.95	4.85	3.78
October 2015	4.40	3.85	4.41	3.78
November 2015	4.80	3.50	4.60	3.50
December 2015	6.30	4.00	6.87	4.04
January 2016	9.35	6.60	9.52	6.52
February 2016	8.00	4.65	8.03	4.70
March 2016	5.85	4.45	5.80	4.51

(viii) Market Price Data in comparison to the BSE index:

Months	BSE		BSE Index	
	High (₹)	Low (₹)	High	Low
April 2015	4.16	2.70	29094.61	26897.54
May 2015	4.70	3.10	28071.16	26423.99
June 2015	4.45	3.11	27968.75	26307.07
July 2015	4.88	3.80	28578.33	27416.39
August 2015	6.48	4.40	28417.59	25298.42
September 2015	4.85	3.78	26471.82	24833.54
October 2015	4.41	3.78	27618.14	26168.71
November 2015	4.60	3.50	26824.30	25451.42
December 2015	6.87	4.04	26256.42	24867.73
January 2016	9.52	6.52	26197.27	23839.76
February 2016	8.03	4.70	25002.32	22494.61
March 2016	5.80	4.51	25479.62	23133.18

(ix) Registrar & Share Transfer Agent: (for Physical & Demat):

Link Intime India Private Limited
Unit: Soma Textiles & Industries Limited
Address: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078,
Phone No.: 022-25946970/25946960 E-mail: rnt.helpdesk@linkintime.co.in

and/ or**Branch office at :**

303, Shopper's Plaza-V, Opp. Municipal Market, Off. C. G. Road, Navrangpura, Ahmedabad-380009.
Phone & Fax No. : 079- 26465179 E-mail : ahmedabad@linkintime.co.in

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(x) Share Transfer System

The Company has appointed a Common Registrar for the physical transfer and dematerialisation of shares. Presently the shares transfers which are received in physical form are processed by the Registrar and Share Transfer Agent and approved by the Share Transfer Committee. Shares certificates are registered and returned within the stipulated time of 15 days from the date of receipt, subject to transfer instruments being valid and complete in all respects. Physical Shares recorded for dematerialisation are processed and completed within the stipulated time if the documents are complete in all respects.

The Company obtains from a Company Secretary in practice half yearly certificates of Compliance with the Share transfer facilities as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 and files a copy of certificate with the Stock Exchanges.

(xi) Secretarial Audit for Reconciliation of Share Capital

A qualified practicing Company Secretary carried out the Secretarial Audit pursuant to SEBI (Depositories and Participants) Regulations, 1996, on quarterly basis to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued/paid-up listed equity capital of the Company.

The Secretarial Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the dematerialisation form.

(xii) Permanent Account Number (PAN) for Transfer of Shares in Physical Form

SEBI vide its circular dated May 20, 2009, has stated that for securities market transactions and off market transactions involving transfer of shares in physical form of Listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company or Company's RTA for registration of such transfer of shares in physical form. Accordingly shareholders are requested to furnish copy of PAN Card to the Company or its RTA for registration of transfer of shares in their name.

(xiii) Distribution of shareholding:

The shareholding distribution of equity shares as at 31st March, 2016 is given below:

(a) Distribution of shareholding by number of shares held:

No. of Equity Shares		Shareholders		Shareholding	
From	To	Number	% of total	Number	% of total
1	500	8314	77.50%	1616549	4.90
501	1000	1079	10.06%	945565	2.86
1001	2000	539	5.02%	883288	2.67
2001	3000	240	2.24%	626358	1.90
3001	4000	85	0.79%	311061	0.94
4001	5000	123	1.15%	592505	1.79
5001	10000	176	1.64%	1356882	4.11
10001	Above	172	1.60%	26700792	80.83
Total		10728	100%	33033000	100.00

(b) Shareholding pattern as at 31st March, 2016

Category	No. of shares held	% shares holding
Promoters	16277241	49.28
Resident Individuals	9476487	28.69
Private Corporate Bodies	2140794	6.48
Financial Institution & Banks, Govt., Insurance Companies and Mutual Funds	12344	0.04
OCBs and NRIs	133337	0.40
Foreign Institutional Investors	4987000	15.09
Others (Clearing Members)	5797	0.02
Total	33,033,000	100.00



(xiv) Dematerialisation of Equity Shares

At present, 98.39% of total Paid-up Equity Share Capital is held in dematerialised form with NSDL and CDSL.

(xv) Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion date and any likely impact on the equity

As on 31st March, 2016, the Company had no outstanding GDRs/ADRs/warrants or any convertible instruments

(xvi) Plant Locations

(1) Rakhial Road, Ahmedabad – 380 023

(xvii) Address for Investors' correspondence

Soma Textiles & Industries Limited,
Rakhial Road, Ahmedabad – 380 023
Phone: 079-22743285 Fax: 079-22745653 E-Mail id: investors@somatextiles.com

DECLARATION OF CODE OF CONDUCT

To The Members of Soma Textiles & Industries Limited

Sub : Declaration by the Managing Director (CEO) under SEBI (LODR) Regulations, 2015

I, Arvind Kumar Somany, Managing Director of Soma Textiles & Industries Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2016.

Place : Ahmedabad
Date : 30th April, 2016

(Arvind Kumar Somany)
Managing Director (CEO)
(DIN: 00024903)

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SEBI (LODR) REGULATIONS, 2015

To the Members of,
Soma Textiles & Industries Ltd.

We have examined the compliance of conditions of corporate governance by M/s. Soma Textiles & Industries Ltd., for the year ended on 31st March 2016, as stipulated in SEBI (LODR) Regulations, 2015 of the Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the SEBI (LODR) Regulations, 2015.

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

For PIPARA & COMPANY
Chartered Accountants

Place : Ahmedabad
Date : 27th May, 2016

(Partner)
Membership No. : 034289
Firm Regn. No. : 107929W

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INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF
SOMA TEXTILES & INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SOMA TEXTILES & INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

Without qualifying our opinion, we draw attention to the following matters:

Gross Block as at 31-03-2016	Accumulated Depreciation up to 31-03-2016	Net Block as at 31-03-2016
1837.09	1575.81	261.28



- (a) With immediate effect on 14th May 2016, the Company closed down the spinning and winding unit/department at Ahmedabad because of its high operative cost and other adverse factors. Following are the details of the block of spinning unit assets, which have been re-classified as current assets (earlier classified as fixed assets) under the head 'Assets Held for Sale' at as 31st March, 2016.

The above events have occurred after the balance sheet date however the event being adjusting in nature, have been shown by the company as Held for Sale as per AS-10 as at 31st March, 2016. Quantification of fluctuation for difference of book value of such block & market value is not available and hence not made as at 31st March, 2016.

- (b) The Company has defaulted in repayment of dues to banks and financial institutions and credit accounts with The State Bank of India, Dena Bank, ICICI Bank, IDBI Bank and EXIM Bank banks have been classified as NPAs. Hence, under The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, The State Bank of India, Dena Bank and ICICI Bank and assigned their respective outstanding loans together with underlying securities thereto along with all rights towards such loan to Invent Assets Securitisation & Reconstruction Private Limited (Invent ARC) during the financial year 2015-16. Whereas IDBI Bank and EXIM Bank assigned their respective outstanding loans along with all rights towards such loan to Invent ARC on 29th April, 2016.
- (c) As per the provisions of Section 23 of SICA Act, 1985 the Accumulated Losses of the company as at 31st March 2016 have resulted in erosion of more than 50% of its peak net worth during the four financial years immediately preceding the financial year ended on 31st March 2016. Consequent upon the Company had become a "Potentially Sick Company" under the said provision since FY 2013-14.

Other Matters

- (a) We draw attention towards Note relating to accounts receivable of Soma Textiles FZC, an associate enterprise (currently registered in Umm Al Quwain Free Trade Zone) in the Director's Reports, relating to account receivables. Originally, the debtors had requested the Company for a cooling period of two years for clearing their dues, i.e. till March, 2016, however, their financial position has still not improved & they have once again requested for a period of five years effectively ending on 31-3-2021. Total outstanding that remains of all debtors after receiving part payments remains at AED 6,20,06,411. The Independent Auditor of Soma Textiles FZC has not commented on this matter.
- (b) The Company had advanced a loan to the tune of ₹10,444.46 Lakhs (previous year ₹ 9,852.39 Lakhs) to Soma Textiles FZC (UAE) out of GDR proceeds, classified as long term loan. This loan has been advanced by the Company as quasi-equity in addition to the capital contribution to Soma Textiles FZC. When the said loan was given, the said company was a wholly owned subsidiary, however with effect from 31-03-2010, the Company's holding in this company has diluted from 100% to 40%. In the financial statement of Soma Textiles FZC ended as at 31-03-2016 the accumulated loss reflects at AED 5,53,238 as against total capital of AED 9,00,000 (Including statutory reserve). Also, Soma Textiles FZC was registered in Hamriyah Free Trade Zone - Sharjah, which now has been transferred to Soma Textiles FZC – Umm Al Quwain Free Trade Zone, which is a different free trade zone. Our opinion is not qualified in this matter.

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 Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information & explanations given to us, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 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, 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

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- (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) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statement (Refer note 31 to the financial statement);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For PIPARA & COMPANY
Chartered Accountants
Firm Regn. No. : 107929W

GYAN PIPARA
(Partner)
Membership No.034289

Place : Ahmedabad
Date : 27th May, 2016



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of Soma Textiles & Industries Limited on the standalone financial statements for the year ended March 31, 2016.

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assts.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statements, are held in the name of the Company.
- II. As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- III. The Company has granted an unsecured interest free loan to its Associate, SOMA TEXTILE FZC. Such Associate is covered in the register maintained under section 189 of the Act. Total amount outstanding on 31st March 2016, was ₹ 10,444.46 Lakhs.
 - (a) There are no terms and conditions set out by the company as on date for the loan given to Soma Textile FZC, therefore we are unable to report on regularity of receipt of principal amount.
 - (b) As there is no stipulation of repayment of loan by the Associate, we are unable to report on regularity of repayment of principal.
 - (c) As there is no set terms and conditions for the repayment, there are no overdue amounts in respect of the loan granted to the Associate.

In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act in the current year (FY 2015-16). The Company has not advanced any loan or given guarantees or provided security or made investments covered under section 186 of the Act in the current year (FY 2015-16). When the loan was issued to SOMA TEXTILE FZC, the provision under the old Companies Act has been complied.

- V. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- VI. We have broadly reviewed the cost records maintained by the Company as specified 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.
- VII. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

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(b) Following amounts have not been deposited as on March 31, 2016 on account of dispute are given below:

Name of Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which it relates	Forum where dispute is pending
Central Excise Act, 1944	Recovery of CENVAT	1.59	2004-05	The Dy. Commissioner of C. Excise, Div-I, Ahmedabad.
Central Excise Act, 1944	Recovery of additional TTA duty of Yarn captively consumed	24.85	2002-03	The Dy. Commissioner of C. Excise, Div-III, Ahmedabad.
Central Excise Act, 1944	Refund claim for amount short received against refund claim of yarn duty after adjusting the old recovery	0.98	2005-06	Commissioner of Central Excise, (Appeals), Ahmedabad
Central Excise Act, 1944	Demand for old duty	0.50	2008-09	CESAT, West Zone, Ahmedabad
Central Excise Act, 1944	Recovery of transitional Cenvat	5.81	2012-13	CESAT, West Zone, Ahmedabad (Appeal)
The Income Tax Act-1961	Demand of Income Tax	9.77	A.Y. 2006-07	Asst. Commissioner of Income Tax, Cir.-8, Ahmedabad
Gujarat Sales Tax Act-1969	Additional Sales Tax	6.17	1997-98, 1998-99 & 2000-01	Gujarat Value Added Tax Tribunal
The Income Tax Act-1961	Demand of Sales Tax	21.66	2005-06	Gujarat Value Added Tax Tribunal

- VIII. Based on our audit procedures and on the basis of information and explanation given to us by the management and in view of the restructuring package sanctioned by the CDR cell since withdrawn, we understand that the Company has defaulted in repayment of dues to banks and financial institutions. Accordingly Action has been taken under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) by the lending banks. State Bank of India, Dena Bank and ICICI Bank and assigned their respective outstanding loans advanced together with underlying securities and all rights thereto to Invent Assets Securitisation & Reconstruction Private Limited (Invent ARC) during FY 2015-16. Whereas IDBI Bank and EXIM Bank have also assigned their respective outstanding loans together with all rights thereto on 29th April, 2016 to the Invent ARC.
- IX. To the best of our knowledge and belief and according to the information and explanations given to us, 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.
- X. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- XI. To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- XII. The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- XIII. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- XV. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of clause 3(XV) of the order are not applicable to the Company.
- XVI. According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly provisions of clause 3(XVI) of the order are not applicable to the Company.

For PIPARA & COMPANY
Chartered Accountants
Firm Regn. No. : 107929W

Place : Ahmedabad
Date : 27th May, 2016

GYAN PIPARA
(Partner)
Membership No.034289

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT
OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SOMA TEXTILES & INDUSTRIES LIMITED**

The Annexure referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements", in respect to the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"), for the year ended 31st March, 2016, we report that :

We have audited the internal financial controls over financial reporting of SOMA TEXTILES & INDUSTRIES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 (ICAI)". 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 Act.

Auditor's 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 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 financial statements of 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 dispositions of the assets of the company; (2) provide reasonable assurance that transactions recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Control 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 misstatement 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 PIPARA & COMPANY
Chartered Accountants
Firm Regn. No. : 107929W

GYAN PIPARA
(Partner)

Place : Ahmedabad
Date : 27th May, 2016

Membership No.034289

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BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in lakhs)

Particulars	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	4,297.75	4,297.75
(b) Reserves and surplus	2	(3,055.33)	(1,632.68)
Non-current liabilities			
(a) Long-term borrowings	3	15,080.12	2,514.70
(b) Other Long term liabilities	4	200.07	201.34
(c) Long-term provisions	5	482.82	480.35
Current liabilities			
(a) Short-term borrowings	6	-	10,174.55
(b) Trade payables		1,360.52	1,747.82
(c) Other current liabilities	7	4,529.18	5,390.53
(d) Short-term provisions	8	118.65	64.45
TOTAL		23,013.78	23,238.81
ASSETS			
Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3,938.53	4,795.10
(ii) Intangible assets		43.57	58.23
(iii) Capital work-in-progress		-	5.72
(b) Non-current investments	10	34.22	34.22
(c) Deferred tax assets (net)	11	2,026.08	1,657.08
(d) Long-term loans and advances	12	10,887.38	10,072.14
(e) Other non-current assets	13	-	1.50
Current assets			
(a) Inventories	14	1,770.95	3,295.18
(b) Trade receivables	15	1,767.32	1,933.94
(c) Cash and cash equivalents	16	1,128.93	115.46
(d) Short-term loans and advances	17	74.96	82.67
(e) Other current assets	18	1,341.82	1,187.57
TOTAL		23,013.78	23,238.81

Significant accounting policies and notes 1 to 35 form an integral part of the financial statements

As per our report of even date
For **PIPARA & COMPANY**
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107929W)

GYAN PIPARA
PARTNER
Membership No. : 034289
Place : Ahmedabad
Date : 27th May, 2016

For and on behalf of the Board

S. K. SOMANY Chairman
A. K. SOMANY Managing Director
M. B. PARAKH Chief Financial Officer
R. S. SHARMA Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

(₹ in lakhs)

Particulars	Note	2015-16	2014-15
I. Revenue from operations (Gross)	19	17,024.16	22,553.80
Less: Excise Duty		(0.48)	-
		17,023.68	22,553.80
II. Other income	20	156.52	274.81
III. Total Revenue (I + II)		17,180.20	22,828.61
IV. Expenses:			
Cost of materials consumed	21	7,137.28	11,846.33
Changes in inventories of finished goods and work-in-progress	22	1,236.87	2,946.13
Employee benefits expense	23	1,874.07	2,058.71
Finance costs	24	2,258.98	2,251.83
Depreciation	9	679.38	1,827.28
Other expenses	25	6,340.71	6,662.52
Total expenses		19,527.29	27,592.80
V. Profit/(Loss) before Exceptional Item and Tax		(2,347.08)	(4,764.19)
VI. Exceptional items	26	561.54	389.13
VII. Profit/(Loss) before extraordinary items and tax		(1,785.54)	(4,375.06)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax		(1,785.54)	(4,375.06)
X. Tax expense:			
Deferred tax		369.00	1,017.00
Tax in respect of earlier years		(6.12)	-
XI. Profit/(Loss) for the period		(1,422.66)	(3,358.06)
XII. Earnings per equity share:			
(1) Basic	27	(4.31)	(10.17)
(2) Diluted	27	(4.31)	(10.17)

Significant accounting policies and notes 1 to 35 form an integral part of the financial statements

As per our report of even date
For **PIPARA & COMPANY**
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107929W)

GYAN PIPARA
PARTNER
Membership No. : 034289
Place : Ahmedabad
Date : 27th May, 2016

For and on behalf of the Board

S. K. SOMANY Chairman
A. K. SOMANY Managing Director
M. B. PARAKH Chief Financial Officer
R. S. SHARMA Company Secretary

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lakhs)

	2016	2015
A Cash flow from operating activities		
Profit/(Loss) before prior period items/exceptional items & tax	(2,347.08)	(4,764.18)
Adjustment for:		
- Depreciation	679.38	1,827.28
- Profit on sale of fixed assets	(3.26)	(49.11)
- Interest (Net)	2,258.98	2,251.83
	<u>2,935.10</u>	<u>4,030.00</u>
Operating profit/(Loss) before working capital changes	588.02	(734.18)
Adjustment for :		
- Trade receivables	166.61	2,372.83
- Other receivables	(955.97)	(570.54)
- Inventories	1,524.22	3,582.42
- Trade payables	(316.46)	(6.58)
	<u>418.40</u>	<u>5,378.13</u>
Cash generated from operations	1,006.42	4,643.95
- Direct Taxes paid	(6.12)	-
	<u>(6.12)</u>	<u>-</u>
Cash flow before prior period items/exceptional items	1,000.30	4,643.95
- Exceptional items	561.54	389.13
Net Cash flow from operating activities	<u>1,561.84</u>	<u>5,033.07</u>
B Cash flow from investing activities :		
- Purchase of fixed assets	(74.70)	(45.52)
- Sale of fixed assets	275.53	251.23
- Sale of investments	-	0.20
- Interest received	25.32	41.33
Net cash from investing activities	<u>226.16</u>	<u>247.24</u>
C Cash flow from financing activities :		
- Total proceeds from borrowings (net of repayments)	(493.53)	(2,165.55)
- Interest paid	(211.01)	(1,350.03)
- Trade Payables- other than acceptances	-	(2,043.58)
- Unsecured loan from promoters	(70.00)	70.00
Net cash from financing activities	<u>(774.54)</u>	<u>(5,489.16)</u>
Net increase in cash and cash equivalents (A+B+C)	1,013.46	(208.85)
Cash and cash equivalent as on 01.04.2015 (opening balance)	115.46	324.31
Cash and cash equivalent as on 31.03.2016 (closing balance)	1,128.93	115.46

As per our report of even date
For **PIPARA & COMPANY**
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107929W)

GYAN PIPARA
PARTNER
Membership No. : 034289
Place : Ahmedabad
Date : 27th May, 2016

For and on behalf of the Board

S. K. SOMANY Chairman
A. K. SOMANY Managing Director
M. B. PARAKH Chief Financial Officer
R. S. SHARMA Company Secretary

**Significant accounting policies****1 Basis of preparation :**

The financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention, on the accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules 2014 and the provisions of the Act (to the extent notified).

The financial statements have been prepared and presented as per requirement of Schedule III as notified under Companies Act, 2013.

2 Revenue recognition :

- (a) Sales including export sales and trading sales are recognised when goods are dispatched from the factory and are recorded at net of shortages, claims settled, discounts, rate differences, rebate allowed to customers.
- (b) Export Sales are booked on the rate prevailing on the date of transaction and the resultant gain or loss on realisation is accounted as "Foreign Exchange Rate Fluctuation" and is dealt in the Statement of Profit and Loss.
- (c) Export incentives are accounted in the year of export.
- (d) Any fluctuation, on account of a capital asset/ liability are accounted in that relevant accounting head.

3 A) Fixed assets :

- (a) During the year ended 31st March, 2016, the company has provided depreciation on fixed assets considering useful lives specified in Schedule II of the Companies Act, 2013 or re-assessed by the Company. Fixed Assets are stated at cost, net of accumulated depreciation and impairment loss, if any. All costs including financing costs till the commencement of commercial production related to the acquisition and installation of the respective assets have been capitalized. This year Fixed Assets value has been recalculated to re-align the depreciation and in turn the carrying value as per Schedule II of Companies Act, 2013.
- (b) Cost of leasehold land is not amortised over the period of lease, as the same is not applicable as per Accounting Standards 19.
- (c) Amount incurred towards capital work-in-progress will be suitably apportioned to the respective Fixed Assets on commissioning of assets.
- (d) Assets, identified and evaluated technically as obsolete and held for disposal have been written off in relevant year and adjusted from profit on sale of Fixed Assets.
- (e) Capital Subsidy under TUFS from Ministry of Textiles on specified processing machinery has been deducted from the respective Fixed Assets and is represented at their Net off values.
- (f) The Company post for 31st March 2016 decided to discontinue its operation of the spinning unit business and held the asset for sale. The asset holds a gross block value of ₹1837.09 Lakhs and have a W.D.V. of ₹261.28, which are held for sale. Current market valuation is not available and hence has not been disclosed. This decision was taken before the annual general meeting was held as per letter submitted to SEBI on 14th May, 2016 and the unit was a substantial operation for the company and hence is been disclosed by this note.

B) Depreciation :

Depreciation on fixed assets is charged on Straight Line Method (SLM) on prorata basis, except on the fixed assets purchased during the period 1st April, 1988 to 31st March, 2005 on which depreciation has been charged on Written Down Value Method on prorata basis. Depreciation on addition to Fixed Assets is provided on prorata basis from the date of acquisition or installation and depreciation on assets sold/discarded/ demolished/scrapped is provided upto the date on which the said asset is sold/discarded/ demolished/scrapped.

4 Inventories :

Inventories of Raw Materials, Goods in Process, Stores & Spares and Finished Goods are stated at cost or net realisable value whichever is lower except saleable waste which is valued at contracted selling price. Goods in Transit are stated at cost. Cost comprises of cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost formulae used is 'First-in-First-out' (FIFO) or 'Weighted Average Cost', as applicable.

5 Investments :

Investments are classified as Long Term Investments and Current Investments. Long term investments are stated at Cost. Provision is made for diminution in the value of Long term Investments to recognise a decline, if any other than temporary in nature.

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6 Foreign exchange transaction :

- (a) Foreign currency transactions are recorded at the exchange rates at the date of transaction.
- (b) Gains and losses resulting from the settlement of such transactions and from the translation of money receivable and money payable denominated in foreign currencies, are recognised in the Statement of Profit and Loss.
- (c) Premium in respect of forward contracts is accounted over the period of the contract.
- (d) Forward Exchange contracts entered for trading purposes are valued and marked to its current market value and the resultant gain or loss is dealt with in Statement of Profit and Loss, as per AS-11.
- (e) All foreign currency loans outstanding at the close of the balance period are expressed in Indian currency at the exchange rate prevailing on the date of Balance Sheet.
- (f) Foreign exchange rate variations relating to acquisition of Fixed Assets are transferred to Statement of Profit and Loss as per the revised Accounting Standard 11 "The Effects Of Changes In Foreign Exchange Rates".
- (g) Current assets & current liabilities in foreign currency, other than those covered by forward exchange contracts, outstanding at the close of the balance sheet date are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted as " Foreign Exchange Rate Fluctuation", during the year.

7 Use of estimates :

The preparation of financial statement in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities on the date of. The recognition, measurement, classification or disclosure of the information in the financial statement has been made relying on these estimates. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which these results are known/ materialised.

8 Impairment of assets :

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amounts of the Company's Assets. If any indication exists, an Asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an assets exceeds its recoverable amount or when there is permanent diminution in its value or functionality. The recoverable amount is the greater of the net selling price and value in use.

9 Employee benefits :

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 – Employee benefits.

- (a) Short term employee benefits are recognized as an expense at undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- (b) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain / loss in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

10 Research and development expenses :

Research and development expenditure of revenue nature is recognised as an expense in the year in which it is incurred and the expenditure of capital nature are depreciated over the useful lives of the assets.

11 Treatment of contingent liabilities :

Contingent Liabilities not provided for are disclosed by way of Notes on Accounts.

12 Taxation :

Tax expense comprises current and deferred tax. Current tax is measured at the amount estimated/calculated to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred tax reflects the tax effect of the timing differences between accounting income and taxable income originating and reversing during the year. Deferred tax is measured based on the tax rate and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
1. SHARE CAPITAL		
Authorised		
40,000,000 (Previous year 40,000,000) Equity Shares of ₹ 10 each	4,000.00	4,000.00
1,000,000 0.01% Cumulative Redeemable Non -convertible Preference Shares of ₹ 100 each	1,000.00	1,000.00
Issued		
33,418,300 (Previous year 33,418,300) Equity Shares of ₹10 each	3341.83	3341.83
975,000 (Previous year 975,000) 0.01% Cumulative Redeemable Non -convertible Preference Shares of ₹ 100 each	975.00	975.00
Subscribed & Paid up		
33,033,000 (Previous year 33,033,000) Equity Shares of ₹10 each	3,303.30	3,303.30
975,000 (Previous year 975,000) 0.01% Cumulative Redeemable Non -convertible Preference Shares of ₹ 100 each *	975.00	975.00
Add:		
Subscribed and not paid up		
385,300 (previous year 385,300) equity shares of ₹ 10 each partly paid up ₹ 5 each forfeited in the year 1996-97	19.45	19.45
Total	4,297.75	4,297.75

1.1 Reconciliation of the number of shares outstanding as at the beginning and at the end of the year is set out below:-

a) Equity Shares	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Shares at the beginning of the Year	33,033,000	33,033,000
Add: Shares issued during the year	-	-
Less: Shares bought back during the year	-	-
Shares at the end of the Year	33,033,000	33,033,000
b) 0.01% Cumulative Redeemable Non -convertible Preference Shares		
	As at 31st March, 2016	As at 31st March, 2015
Shares at the beginning of the Year	975,000	975,000
Add: Shares issued during the year	-	-
Less: Shares Redeemed during the year	-	-
Preference Shares at the end of the Year	975,000	975,000

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1.2 The Detail of Shareholders holding more than 5% Shares:

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
a) Equity Shares				
Krishnaa Glass Private Limited	6,997,716	21.18	6,997,716	21.18
Sarvopari Investment Private Limited	4,007,244	12.13	4,007,244	12.13
APMS Investment Fund Limited (Formerly Mavi Investment Fund Limited)	4,986,600	15.10	4,986,600	15.10
Surendra Kumar Somany	4,368,274	13.22	4,368,274	13.22
b) Preference Shares				
Krishnaa Glass Private Limited	345,000	35.38	345,000	35.38
Sarvopari Investment Private Limited	580,000	59.49	580,000	59.49
Surendra Kumar Somany	50,000	5.13	50,000	5.13

2 Reserves and surplus

(₹ in lakhs)

	As at 31st March, 2016	As at 31st March, 2015
a. Capital Reserves		
As per last Balance Sheet	0.57	0.57
b. Securities Premium Account		
As per last Balance Sheet	8,713.65	8,713.65
c. Debenture Redemption Reserve		
As per last Balance Sheet	77.00	77.00
d. General Reserve		
As per last Balance Sheet	18.58	18.58
e. Surplus		
As per last Balance Sheet	(10,442.48)	(6,884.71)
Adjustment as per Companies Act, 2013 for the reassessment of useful life of the Fixed Assets	-	(199.71)
Profit/(Loss) for the period	(1,422.66)	(3,358.06)
Closing Balance	(11,865.13)	(10,442.48)
Total	(3,055.33)	(1,632.68)

**3 Long term borrowings**

(₹ in lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Non Current	Current	Non Current	Current
Secured				
(a) Debentures	-	-	6.44	67.59
308,000 (Previous Year 308,000)				
15% Secured Redeemable Non				
Convertible Debentures of				
₹100/- each				
- Refer Note:3.1 & 3.2				
(b) Term loan from Banks				
Rupee Term Loan	11836.56	1152.86	1237.79	3966.15
Refer Note: 3.1 & 3.2				
Pending Loans after assignment	2677.48	0.00	75.92	272.55
Refer Note: 3.1 & 3.2				
FITL:				
- on Debentures	-	-	6.84	16.74
Refer Note: 3.1 & 3.2				
- on Term Loans	-	-	0.00	55.54
Refer Note: 3.1 & 3.2				
- on Working Capital	-	-	253.38	237.64
Refer Note: 3.1 & 3.2				
- on Derivative Loans	-	-	32.65	32.65
Refer Note: 3.1 & 3.2				
Interest on FITL:				
- on Debentures	-	-	6.74	5.41
Refer Note: 3.1 & 3.2				
- on Term Loans	-	-	0.00	28.01
Refer Note: 3.1 & 3.2				
- on working capital	-	-	254.70	-
Refer Note: 3.1 & 3.2				
- on Derivative Loans	-	-	4.21	-
Refer Note: 3.1 & 3.2				
(c) Term loan from others	-	-	0.00	11.50
Refer Note: 3.1 & 3.2				
Other loans and advances (Unsecured)				
Leasehold Liability	4.08	-	4.04	-
Unsecured Loans from Promoters	562.00	-	632.00	-
Total	15080.12	1152.86	2514.70	4693.77

3.1 Repayment:

State bank of India, ICICI Bank , Dena Bank , IDBI Bank and EXIM Bank have absolutely assigned their loan together with underline securities theirto and all rights of State bank of India, ICICI Bank , Dena Bank , IDBI Bank and EXIM Bank , title and interest in all agreements, deeds and documents in relation to or in connection with the loan to Invent Assets Securitisation & Reconstruction Pvt Ltd. a company incorporated under companies act,1956 and registered as Secuitisation and asset reconstruction company under section 3 of SARFAESI ACT,2002.

The loans of Axis Bank are stated CDR package duly approved by Axis.

Takeover of outstanding bank dues by asset reconstruction company with reference to default in repayment dues to financial institutions and bank as per note: 3, the total outstanding term loans was Rs.3672.01, Debenture was Rs.111.64 ,FITL was Rs.1291.59 and C.C. A/C was Rs.9495.98 totaling to Rs.14571.21 such outstanding amount was taken over by Invent) and as per the new repayment schedule a total amount of Rs.11893.73 is now payable to invent against the total outstanding amount. The difference of Rs.2677.48 towards reduced liability of repayment would only be crystallized if no default is made by the company in its repayment to Invent Assets Securitisation & Reconstruction Pvt Ltd. , and hence has been carried forward by the company recognizing as a long term liability, under the classification of “Long Term Liabilities” under the head “Pending loan after assignment”.

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3.2 Security

- Non convertible debentures(NCDs), Term Loan, Funded Interest on NCDs, Funded Interest on Term Loans and Funded Interest on Working Capital are secured by way of first mortgage / charge over the immovable properties and first charge by way of hypothecation over the movable (save and except current assets / book debts and certain items of Plant & Machinery purchased and/or to be purchased under the equipment finance/credit scheme) both present and future, and second charge on the current assets i.e. stock of raw materials, finished and finished goods, consumable stores, book debts, receivables and as such other movables subject to prior charges created and/or to be created in favour of company's bankers on stocks of raw materials, finished and semi-finished goods, consumable stores,book debts and other receivables for securing working capital facilities.
- Term Loan shall rank pari-passu interse without any preference or priority of one or the other.
- All Term Loans and Funded Interest Term Loans are additionally secured by personal guarantees of Shri S. K. Somany-Chairman and Shri A. K. Somany-Managing Director of the Company.
- Derivative Rupee Term Loan along with Funded Interest on Derivative Term Loan under CDR Scheme are secured by way of pari passu third charge on the fixed assets and immovable properties of the company ranking third and subservient in point of priority to the charges created or to be created in favour of the existing lenders. The said loan is additionally secured by personal guarantee of Shri A K Somany - Managing Director of the Company. Repayment of this Term Loan is subjected to availability of cash flow on subservient basis as per stipulation given under Corporate Debt Restructuring (CDR) scheme.

3.3 The Company has defaulted in repayment of loans and interest in respect of the following: **(₹ in lakhs)**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Duration	Amount	Duration	Amount
Debentures				
Principal	Upto 30 days		Upto 30 days	2.89
	From 31 to 90 days		From 31 to 90 days	47.38
	From 91 to 180 days		From 91 to 180 days	2.89
	181 days & above	74.02	181 days & above	2.89
Interest	Upto 30 days		Upto 30 days	0.30
	From 31 to 90 days		From 31 to 90 days	2.88
	From 91 to 180 days		From 91 to 180 days	0.90
	181 days & above	6.00	181 days & above	0.90
Term loans from banks				
Principal	Upto 30 days		Upto 30 days	245.78
	From 31 to 90 days		From 31 to 90 days	2439.95
	From 91 to 180 days		From 91 to 180 days	151.53
	181 days & above	3685.46	181 days & above	195.56
Interest	Upto 30 days	79.79	Upto 30 days	34.51
	From 31 to 90 days	114.26	From 31 to 90 days	240.87
	From 91 to 180 days	174.77	From 91 to 180 days	45.65
	181 days & above	682.04	181 days & above	32.45
Derivative Rupee Term Loan				
Principal	Upto 30 days		Upto 30 days	34.07
	From 31 to 90 days		From 31 to 90 days	0.00
	From 91 to 180 days		From 91 to 180 days	34.07
	181 days & above	348.65	181 days & above	68.14
Interest	Upto 30 days	8.08	Upto 30 days	4.11
	From 31 to 90 days	15.14	From 31 to 90 days	40.58
	From 91 to 180 days	20.30	From 91 to 180 days	9.55
	181 days & above	60.24	181 days & above	7.32
FITL				
Principal	Upto 30 days		Upto 30 days	15.95
	From 31 to 90 days		From 31 to 90 days	65.86
	From 91 to 180 days		From 91 to 180 days	15.95
	181 days & above	507.44	181 days & above	15.75
Interest	181 days & above	263.07		
TOTAL				
Principal		4615.57		3338.65
Interest		1423.70		420.01

**4 Other long term liabilities**

(₹ in lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Earnest money against Land Development	200.07	200.07
Other Liability	-	1.27
Total	200.07	201.34

5 Long term provisions

(₹ in lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits		
Gratuity	443.54	443.09
Leave Benefits	39.28	37.26
Total	482.82	480.35

6 Short term borrowings

(₹ in lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Secured		
Loans repayable on demand		
From Banks (Working Capital)	-	10,174.55
Total	-	10,174.55

6.1 Takeover of outstanding bank dues by asset reconstruction company with reference to default in repayment dues to financial institutions and bank as per note: 3, the total outstanding C.C. A/C ₹9495.98 outstanding amount was taken over by Invent and has been regrouped under Long Term Borrowing for the year 2015-16.

7 Other current liabilities

(₹ in lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Current maturities of long-term debt	1152.86	4693.77
Interest accrued but not due on borrowings	-	0.70
Interest accrued and due on borrowings	3,094.44	425.42
Outstanding Liabilities	28.02	30.91
Advances received for sale of Commercial Units	77.39	77.39
Other payables*	176.47	162.34
Total	4,529.18	5,390.53

*Includes Statutory dues, security deposit and advance from customers.

8 Short term provision

(₹ in lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits		
Bonus	19.93	10.65
Leave with wages	7.93	4.69
Gratuity Provision	90.79	49.11
Total	118.65	64.45

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9 Fixed assets										(₹ in lakhs)	
Particulars	Gross Block			Accumulated Depreciation				Net Block			
	Balance as at 1st April, 2015	Additions	Deletions / Adjustments	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Charge for the Year	Deletions / Adjustments	Balance as at 31st March, 2016	As at 31st March 2016	As at 31st March 2015	
(i) Tangible assets											
Freehold land	0.38	-	0.00	0.38	-	-	-	-	0.38	0.38	
Leasehold land	1.08	-	0.00	1.08	-	-	-	-	1.08	1.08	
Freehold buildings	2245.32	0.00	0.00	2245.32	648.96	61.70	0.00	710.66	1534.65	1596.36	
Leasehold buildings	9.31	-	-	9.31	1.25	0.15	-	1.39	7.92	8.06	
Plant and equipment	13827.97	73.52	1942.02	11959.48	10824.65	573.10	1675.34	9722.40	2237.08	3003.32	
Furniture and fixtures	66.95	1.42	0.00	68.36	45.69	5.53	0.00	51.21	17.15	21.26	
Vehicles	179.50	0.00	8.15	171.35	68.34	18.17	2.56	83.95	87.40	111.15	
Office equipment	203.10	5.47	0.00	208.58	149.61	6.09	0.00	155.70	52.88	53.49	
Others (specify nature)											
Total tangible assets	16533.60	80.42	1,950.17	14,663.85	11738.50	664.72	1677.90	10,725.32	3938.53	4795.10	
(ii) Intangible assets											
Computer software	153.90	-	-	153.90	95.67	14.66	-	110.33	43.57	58.23	
Total Intangible assets	153.90	-	-	153.90	95.67	14.66	-	110.33	43.57	58.23	
(iii) Capital work in progress											
	5.72	0.00	5.72	0.00	-	-	-	-	-	5.72	
Total	16,693.22	80.42	1,955.89	14,817.75	11,834.17	679.38	1,677.90	10,835.65	3,982.11	4859.05	

10 Non-current investment (Unquoted)			(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015		
Other Investments				
Investment in Equity instruments				
300 Equity Share of AED 1000 each of Soma Textile FZC.	34.21	34.21		
Other non-current investments (5 Shares of ₹ 100/- each in Poonam Apt. Association)	0.01	0.01		
Total	34.22	34.22		

11 Deferred tax assets (net)			(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015		
Deferred Tax Assets				
Unabsorbed Business losses and depreciation	2,156.91	1,905.66		
Deferred Tax Liabilities				
Related to Fixed Assets	130.83	158.58		
Related to Fixed assets for reassessment of useful life	-	90.00		
Deferred Tax Assets (net)	2,026.08	1,657.08		

**12 Long term loans and advances (unsecured, considered good)**

	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Security Deposits	319.74	130.02
Capital Advances	-	4.20
Income Tax Advance	105.08	67.43
MAT credit Entitlement	18.10	18.10
Soma Textiles FZC Loan Account (Refer Note 12.1 and 12.2)	10,444.46	9,852.39
Total	10,072.14	9,630.70

12.1 The Company out of the GDR issue proceeds had made an investment of USD 15 million, which as on 31st March, 2016 is equivalent to INR ₹ 10444.46 lakhs(Previous Year INR ₹ 9,852.39 lakhs) , by way of long term loan and also invested in the Equity Share capital i.e 300 equity shares equivalent to INR ₹ 34.21 lakhs (Previous Year INR ₹ 34.21 lakhs) of Soma Textile FZC,Umm Al Quwain Free Trade Zone, Umm Al Quwain, U.A.E.(Shifted during the year from Sharjah, U.A.E.) . an associate(Formerly Soma Textile FZE, Sharjah, U.A.E.,a wholly owned subsidiary).

During the financial year, the said associate has earned Profit of AED 11,452 (Previous Year Profit of AED 20,850).The accumulated loss incurred as on 31st March, 2016 is AED 5,53,238 (Previous Year AED 5,64,690) as per audited accounts, as certified by SKM International-Chartered Accountant, Independent Auditors.

12.2 The auditor of the Company M/S. SKM International, Chartered Accountant, Independent Auditors has reported that according to the management all the accounts receivables are good. Major debtors had requested the Company for cooling period of 2 years i.e. till March, 2016. However, their financial position still not improved, they have once again requested for a cooling period of five years from 01/04/2016 after making some part payments. After several rounds of deliberations company has accepted their offer and approved for the cooling period of five years.

13 Other non-current assets (unsecured, considered good)

	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Other Non Current	-	1.50
Total	-	1.50

14 Inventories

	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Raw Materials	166.74	264.03
Work-in-progress	433.69	931.42
Finished goods	759.56	1,491.37
Stores and spares	407.51	597.57
Waste	3.46	10.79
Total	1,770.95	3,295.18

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15 Trade receivables

	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Outstanding for a period exceeding six months from the due date:		
Unsecured	57.41	14.71
Other Debts:		
Secured	700.88	728.99
Unsecured	1,009.03	1,190.23
Total	1,767.32	1,933.94

16 Cash and cash equivalents

	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
Balances with Banks	650.51	7.26
Cash on hand	2.28	1.66
	652.79	8.92
Other Bank Balances		
Margin money	-	91.12
Bank Deposits	476.14	15.43
Total	1,128.93	115.46

17 Short-term loans and advances (unsecured, considered good)

	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Advances recoverable in cash or in kind or for value to be received	37.49	45.18
Balance with Central Excise in Current Account	37.47	37.50
Total	74.96	82.67

18 Other current assets

	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Export Incentive Receivable	616.76	725.72
Duties, Claims & Other Receivables	312.25	348.06
Interest Receivable under TUF Scheme	127.34	103.08
Assets held for sale(Net Block)	266.28	-
Interest Accrued	19.18	10.72
Total	1,341.82	1,187.57

**19 Revenue from operations (Gross)**

	(₹ in lakhs)	
	2015-16	2014-15
a) Sale of products	16,712.75	21,991.75
b) Other operating revenues		
(i) Export Incentive	140.30	364.13
(ii) Waste and Scrap Sale	170.63	197.92
	310.93	562.05
Total	17,023.68	22,553.80

Detail of sales of Products:

	(₹ in lakhs)	
	2015-16	2014-15
Cloth	14,323.32	19,759.37
Yarn	489.09	74.43
Garment	1,900.34	2,157.95
Total	16,712.75	21,991.75

20 Other income

	(₹ in lakhs)	
	2015-16	2014-15
Rent	0.17	0.69
Insurance & Other claims	37.73	3.44
Interest Incentive under TUF Scheme	52.41	123.76
Profit on Sale of Investment	0.00	2.20
Profit on Sale of Fixed Assets	3.26	49.11
Miscellaneous Receipts	30.31	2.16
Foreign Exchange Rate Difference	32.64	93.45
Total	156.52	274.81

21 Cost of Materials consumed

	(₹ in lakhs)	
	2015-16	2014-15
Opening Stock	264.03	910.48
Add: Purchases	7,039.99	11,199.88
	7,304.02	12,110.36
Less : Sales	-	-
Closing Stock	166.74	264.03
Consumption	7,137.28	11,846.33
Imported and Indigeneous Raw materials consumed		
	2015-16	2014-15
Indigenous	7,137.28	11,846.33
Total	7,137.28	11,846.33

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Detail of Raw Material consumed

	2015-16	2014-15
Cotton	1,691.58	3,045.17
Cotton Yarn	1,991.26	4,277.42
Man Made Fibre	0.35	-
Polyester Yarn	410.79	572.79
Cloth Purchases	2,824.55	3,694.67
Garment material	218.75	256.28
Total	7,137.28	11,846.33

22 Changes in Inventories of Finished Goods and Work-In-Progress

	(₹ in lakhs)	
	2015-16	2014-15
Opening Stock:		
Finished Goods	1,502.15	1,988.01
Work-in-progress	931.42	3,391.69
	2,433.57	5,379.70
Closing Stock:		
Finished Goods	763.01	1,502.15
Work-in-progress	433.69	931.42
	1,196.71	2,433.58
Total	1236.87	2946.13

23 Employee Benefits Expenses

	(₹ in lakhs)	
	2015-16	2014-15
Salaries and Wages	1,691.52	1,848.87
Contribution to Provident and Other Funds	126.59	125.90
Staff Welfare Expenses	55.96	83.94
Total	1,874.07	2,058.71

23.1 As per Accounting Standard 15 "Employee Benefits" the disclosure of employee benefits as defined in the Accounting Standard are given below :

Ahmedabad Unit

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under: (₹ in lakhs)

	2015-16	2014-15
Contribution to Employees' Provident Fund.	56.85	64.36
Contribution to Pension Fund	48.02	45.16
Contribution to Labour Welfare Fund	14.87	7.63
EDLI Charges	0.14	0.06
Administration Charges of Provident Fund	6.72	8.69
Total	126.59	125.90

Defined Benefit Plans:

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

**Reconciliation of opening and closing balance of Defined Benefit obligation : (₹ in lakhs)**

Gratuity	2015-16	2014-15
Present value of Defined Benefit Obligation as at 31st March, 2015	492.20	440.77
Interest Cost	36.48	37.11
Current Service Cost	26.80	26.12
Benefit paid	(37.80)	(56.25)
Net Actuarial Gain / (Loss)	16.66	44.45
Present value of Defined Value Obligation as on 31st March, 2016	534.33	492.20

Reconciliation of fair value of Plan Assets.

Fair value of Plan Assets as at 31st March, 2015	NIL	NIL
Expected return on Plan Asset	NIL	NIL
Net Actuarial (Gain) / Loss	NIL	NIL
Employer Contribution	NIL	NIL
Benefit paid	NIL	NIL
Fair value of Plan Assets as at 31st March, 2016	NIL	NIL

Actuarial Assumptions

Discount rate as on 31st March, 2016	7.85%	7.80%
Annual Increase in salary cost.	5.00%	5.00%

The estimates of future salary increase, considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(₹ in lakhs)

Leave encashment	2015-16	2014-15
Defined Benefit Obligation as on 31st March, 2016	47.21	41.95
The above information is certified by an Actuary.		

24 Finance cost**(₹ in lakhs)**

	2015-16	2014-15
Interest expense	2,241.07	2,141.36
Other borrowing costs	17.91	110.47
Total	2,258.98	2,251.83

25 Other expenses**(₹ in lakhs)**

	2015-16	2014-15
Consumption of stores and spares	2,863.79	2,896.01
Power and Fuel	2,182.33	2,530.06
Rent	2.95	3.07
Repairs to Building	15.59	12.21
Repairs to Machinery	230.60	222.69
Repairs to Others	6.17	6.93
Job Work Charge	159.32	214.47
Insurance	46.07	41.91
Rates and Taxes	25.51	33.97
Payments to Auditors	13.30	10.34
Miscellaneous expenses	795.08	690.85
Total	6,340.71	6,662.51

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25.1 Imported and Indigenous Stores and Spares Parts Consumed:

	(₹ in lakhs)	
	2015-16	2014-15
Imported	583.39	493.45
Indigenous	2,280.40	2,402.56
Total	2,863.79	2,896.01

25.2 Payments to the auditors

	(₹ in lakhs)	
	2015-16	2014-15
- As Auditor	5.89	5.17
- For Taxation Matters	4.77	2.98
- For Other services	1.74	1.40
- For Reimbursement of expenses	0.90	0.79
Total	13.30	10.34

26 Exceptional items represent:

	(₹ in lakhs)	
	2015-16	2014-15
Foreign Exchange fluctuation on loan - Soma Textile FZC	593.47	408.22
Retrenchment Compensation	(31.92)	(19.10)
Total	561.54	389.13

27 Earning per Share (EPS):

	(₹ in lakhs)	
	2015-16	2014-15
Basic :	(4.31)	(10.17)
Numerator : Net profit/(Loss) after taxation as disclosed in Profit & Loss Account (After Extra Ordinary Items) (₹ in lakhs)	(1,422.66)	(3,358.06)
Denominator :Weighted Average No. of Equity Shares outstanding during the year	33,033,000	33,033,000
Diluted :	(4.31)	(10.17)
Numerator : Net Profit/(Loss) for Diluted EPS (₹ in lakhs) (After Extra Ordinary Items)	(1,422.66)	(3,358.06)
Denominator :Weighted Average No. of Equity Shares	33,033,000	33,033,000
The nominal value per Equity Shares is ₹10/-		

28 State bank of India, ICICI Bank , Dena Bank , IDBI Bank and EXIM Bank have absolutely assigned their loan together with underline securities theirto and all rights of State bank of India, ICICI Bank , Dena Bank , IDBI Bank and EXIM Bank , title and interest in all agreements, deeds and documents in relation to or in connection with the loan to Invent Assets Securitisation & Reconstruction Pvt Ltd. a company incorporated under companies act,1956 and registered as Secuitisation and asset reconstruction company under section 3 of SARFAESI ACT,2002.

29 Related party transaction

1.1 Holding Company	Not Applicable
1.2 Associate Company	SOMA TEXTILE F.Z.C., Umm Al Quwain, U.A.E.
1.3 Fellow Subsidiary	Not Applicable
1.4 Other related parties where control exists.	Somany Evergreen Knits Ltd. Kechak Credit & Finvest Ltd.



- 1.5 Key management personnel and their relatives** Shri S. K. Somany, Chairman
(Shri A. K. Somany, Managing Director is son of Shri S. K. Somany)
Shri A. K. Somany, Managing Director
(Shri S. K. Somany, Chairman is father of Shri A. K. Somany)
Ms Anuja Somany, VP (Garment Division)
(Shri Arvind Somany is father of Ms Anuja Somany)
Shri Shrikant Bhat, Executive Director
Shri Shrikant Bhat, Director, Soma Textile FZC.

- 1.6** The following transactions were carried out with related parties in the ordinary course of business :

Particulars	(₹ In lakhs)					
	Associate		Key Management personnel and their relatives		Other parties which significantly influence / are influenced by the Company (either individually or otherwise)	
	2016	2015	2016	2015	2016	2015
Rent Paid	-	-	-	-	1.80	1.74
Water & Electricity Charges	-	-	-	-	1.23	1.68
Sales	-	-	-	-	-	-
Testing Charges	-	-	-	-	-	-
Packing Materials	-	-	-	-	-	-
Repair & Maintance	-	-	-	-	0.56	-
Rates & Taxes	-	-	-	-	0.85	-
Loan Given	-	-	-	-	-	-
Investment made	-	-	-	-	-	-
Remuneration	-	-	76.62	70.21	-	-
Sitting Fee	-	-	0.08	0.10	-	-
Balance outstanding at date of Balance sheet	-	-	-	-	-	-
- payable	-	-	-	-	-	-
- advance received	44.33	-	-	-	-	-
- receivable	10,444.46	9,852.39	-	-	-	-

30 Contingent liabilities and commitments (to the extent not provided for) (₹ in lakhs)

	As at 31st March, 2016	As at 31st March, 2015
(i) Contingent Liabilities		
a) Bank Guarantee		
Unredeemed Bank Guarantees (margin in form of FDR Nil (Previous year ₹ 22.91 lakhs) provided against Bank Guarantees	-	207.15
Total (a)	-	207.15
b) Litigation		
Sales Tax Payment disputed by the Company	27.83	6.17
Excise Duty demand disputed by the Company	33.73	33.73
Claims against the Company not Acknowledged as debts	41.13	42.83
Notice of Income Tax demand for A.Y. 2007-08	9.77	-
Total (b)	112.45	82.72
	112.45	289.87
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	43.05

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- 32** As the Company's business activity falls within a single primary and geographical segment viz. 'Textile', the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", issued under Companies (Accounting Standards) Rules, 2006 is not applicable.

32.1 VALUE OF IMPORTS (C.I.F.) ACCOUNTED FOR DURING THE YEAR

	(₹ in lakhs)	
	2015-16	2014-15
Stores (including dyes and spares)	454.21	350.24

32.2 EXPENDITURE IN FOREIGN CURRENCY

	(₹ in lakhs)	
	2015-16	2014-15
Traveling Expenses	17.38	6.66

32.3 EARNING IN FOREIGN CURRENCY DURING THE YEAR

	(₹ in lakhs)	
	2015-16	2014-15
F.O.B. Value of Exports	1956.10	4841.75

- 33** Company has entered into a Registered Development Agreement on 20th November, 2012, with Shayona Land Corporation for development of Part Leasehold Land owned by Company, by putting up construction of commercial units on the said land situated at Rakhial (sim), Taluka City, in the Registration District, Ahmedabad and Sub District, Ahmedabad No. 7 (Odhav), bearing final Plot No.80, admeasuring about 10648 square yards equivalent to 8903 square meters of town planning scheme No.10 (Rakhial).

- 34** Company has disclosed under Regulation 30 of the SEBI (LODR) vide letter dated 14th May, 2016 that company has closed down the spinning and winding department.

- 35** Previous year figures have been reclassified to conform to this year's classification

As per our report of even date
For **PIPARA & COMPANY**
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107929W)

GYAN PIPARA
PARTNER
Membership No. : 034289
Place : Ahmedabad
Date : 27th May, 2016

For and on behalf of the Board

S. K. SOMANY	Chairman
A. K. SOMANY	Managing Director
M. B. PARAKH	Chief Financial Officer
R. S. SHARMA	Company Secretary



INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF
SOMA TEXTILES & INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **SOMA TEXTILES & INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its associate company (the Holding Company and its associate together referred to as "the Group"); comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.(hereinafter referred to as " the Consolidated Financial Statements")

Management's Responsibility for the Consolidated Financial Statements

The Board of Directors of the Holding Company is responsible for the preparation of these Consolidated Financial statements in terms of the requirements of the Companies Act,2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

We believe that the audit evidence obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and Associate as at 31st March, 2016, and their consolidated loss and the Consolidated Cash Flows for the year ended on that date.

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Emphasis of Matters

1. We did not Audit the financial statements of the Associate 'Soma Textiles FZC' for which separate local UAE based auditors were appointed. We draw attention to Note in the Director's Reports of SOMA TEXTILE FZC relating to account receivables, an Associates Enterprise of the Company, whereby the debtors have requested the Company for a cooling period of two years i.e. till March, 2016. However, their financial position still not improved, they have once again requested for a period of five years ending on 31-3-2021. Total outstanding of all debtors which are after making some part payments from the specific debtors is AED 6,20,06,411. After several rounds of deliberations SOMA TEXTILES FZC has accepted their offer and approved for a cooling period of five years. The Independent Auditor of SOMA TEXTILES FZC does not comment on this matter.
2. The Company had advanced a loan to the tune of ₹10,444.46 Lakhs (previous year ₹ 9,852.39 Lakhs) to Soma Textiles FZC (UAE) out of GDR proceeds, classified as long term loan. This loan has been advanced by the Company as quasi-equity in addition to the capital contribution to Soma Textiles FZC. When the said loan was given, the said company was a wholly owned subsidiary, however with effect from 31-03-2010, the Company's holding in this company has diluted from 100% to 40%. In the financial statement of Soma Textiles FZC ended as at 31-03-2016 the accumulated loss reflects at AED 5,53,238 as against total capital of AED 9,00,000 (Including statutory reserve). Also, Soma Textiles FZC was registered in Hamriyah Free Trade Zone - Sharjah, which now has been transferred to Soma Textiles FZC – Umm Al Quwain Free Trade Zone, which is a different free trade zone. Our opinion is not qualified in this matter.

Other Matter

- (a) SOMA TEXTILES FZC was previously operated in the Hamriyah Free Zone, Sharjah – U.A.E. under Licence no. 3146 issued on November 7, 2007. Since January 2016, the Company has been moved to the Umm Al Quwain Free Trade Zone with the same management and trade name with a new licence no. 00921. Further, the management has transferred all the business operation from Hamriyah Free Zone, Sharjah – U.A.E. to the newly formed entity "SOMA TEXTILES FZC" based in Umm Al Quwain Free Trade Zone, Umm Al Quwain U.A.E. and passed above resolution on January 25, 2016. Hence the Company has maintained the books of account considering the entity as a continuation of the old entity with the same business. The main reason for the shift from Hamriyah Free Zone, Sharjah – U.A.E. to Umm Al Quwain Free Trade Zone, Umm Al Quwain U.A.E. was to save operating costs of running the business.
- (b) Capital adequacy has not been maintained during the current year as opined by the independent auditor SKM INTERNATIONAL CHARTERED ACCOUNTANT of SOMA TEXTILES FZC situated at Umm Al Quwain Free Trade Zone, Umm Al Quwain U.A.E.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016, taken on record by the Board of Directors of the Holding Company none of the directors of the Holding company in India is disqualified from being appointed as a director in terms of Section 164 (2) of the Act. Associate entity is incorporated outside India so provision of Section 164(2) of companies Act, 2013 is not applicable as on 31st March, 2016.



- (f) With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of consolidated financial statement required to report under section 143(3)(i) of the 2013 act would apply for the respective components only if it is a company incorporated in India under the 2013 Act.

The respective Board of Directors of the parent company are not responsible for establishing and maintaining internal financial control based on criteria established by the company considering the essential components of internal control stated in guidance notes on audits of internal financial control of financial reporting issued by The Institute of Chartered Accountants of India for its associate Soma Textile FZC (U.A.E.) incorporate outside India.

For internal financial control over financial reporting of Soma Textiles & Industries Limited refer Annexure-'B' of standalone independent auditors report.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Consolidated Financial Statements disclose the impact of pending litigation on the Consolidated financial position of the Group – Refer Note 30 to the Standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Associate Company.

For PIPARA & COMPANY
Chartered Accountants
Firm Regn. No. : 107929W

Place : Ahmedabad
Date : 27th May, 2016

GYAN PIPARA
(Partner)
Membership No.034289

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in lakhs)

Particulars	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	4,297.75	4,297.75
(b) Reserves and surplus	2	(3,046.81)	(1,624.97)
Non-current liabilities			
(a) Long-term borrowings	3	15,080.12	2,514.70
(b) Other Long term liabilities	4	200.07	201.34
(c) Long-term provisions	5	482.82	480.35
Current liabilities			
(a) Short-term borrowings	6	-	10,174.55
(b) Trade payables		1,360.52	1,747.82
(c) Other current liabilities	7	4,529.18	5,390.53
(d) Short-term provisions	8	118.65	64.45
TOTAL		23,022.30	23,246.52
ASSETS			
Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3,938.53	4,795.10
(ii) Intangible assets		43.57	58.23
(iii) Capital work-in-progress		-	5.72
(b) Non-current investments	10	42.74	41.93
(c) Deferred tax assets (net)	11	2,026.08	1,657.08
(d) Long-term loans and advances	12	10,887.38	10,072.14
(e) Other non-current assets	13	-	1.50
Current assets			
(a) Inventories	14	1,770.95	3,295.18
(b) Trade receivables	15	1,767.32	1,933.94
(c) Cash and cash equivalents	16	1,128.93	115.46
(d) Short-term loans and advances	17	74.96	82.67
(e) Other current assets	18	1,341.82	1,187.57
TOTAL		23,022.30	23,246.52

Significant accounting policies and notes 1 to 35 form an integral part of the consolidated financial statements

As per our report of even date
For **PIPARA & COMPANY**
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107929W)

GYAN PIPARA
PARTNER
Membership No. : 034289
Place : Ahmedabad
Date : 27th May, 2016

For and on behalf of the Board

S. K. SOMANY Chairman
A. K. SOMANY Managing Director
M. B. PARAKH Chief Financial Officer
R. S. SHARMA Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2016**

(₹ in lakhs)

Particulars	Note	2015-16	2014-15
I. Revenue from operations (Gross)	19	17,024.16	22,553.80
Less: Excise Duty		(0.48)	-
		17,023.68	22,553.80
II. Other income	20	156.52	274.81
III. Total Revenue (I + II)		17,180.20	22,828.61
IV. Expenses:			
Cost of materials consumed	21	7,137.28	11,846.33
Changes in inventories of finished goods and work-in-progress	22	1,236.87	2,946.13
Employee benefits expense	23	1,874.07	2,058.71
Finance costs	24	2,258.98	2,251.83
Depreciation	9	679.38	1,827.28
Other expenses	25	6,340.71	6,662.52
Total expenses		19,527.29	27,592.80
V. Profit/(Loss) before Exceptional Item and Tax		(2,347.08)	(4,764.19)
VI. Exceptional items	27	561.54	389.13
VII. Profit/(Loss) before extraordinary items and tax		(1,785.54)	(4,375.06)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax		(1,785.54)	(4,375.06)
X. Tax expense:			
Deferred tax		369.00	1,017.00
Tax in respect of earlier years		(6.12)	-
XI. Profit/(Loss) after tax before share in profit of associates		(1,422.66)	(3,358.06)
Add: Share in profit of Associates		0.82	1.40
XII. Profit/(Loss) for the year		(1,421.84)	(3,356.66)
XII. Earnings per equity share:			
(1) Basic	28	(4.30)	(10.17)
(2) Diluted	28	(4.30)	(10.17)

Significant accounting policies and notes 1 to 35 form an integral part of the consolidated financial statements

As per our report of even date
For **PIPARA & COMPANY**
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107929W)**GYAN PIPARA**
PARTNER
Membership No. : 034289
Place : Ahmedabad
Date : 27th May, 2016**For and on behalf of the Board****S. K. SOMANY** Chairman
A. K. SOMANY Managing Director
M. B. PARAKH Chief Financial Officer
R. S. SHARMA Company Secretary

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lakhs)

	2016	2015
A Cash flow from operating activities		
Profit/(Loss) before prior period items/exceptional items & tax	(2,347.08)	(4,764.18)
Adjustment for:		
- Depreciation	679.38	1,827.28
- Profit on sale of fixed assets	(3.26)	(49.11)
- Interest (Net)	2,258.98	2,251.83
	<u>2,935.10</u>	<u>4,030.00</u>
Operating profit/(Loss) before working capital changes	588.02	(734.18)
Adjustment for :		
- Trade receivables	166.61	2,372.83
- Other receivables	(955.97)	(570.54)
- Inventories	1,524.22	3,582.42
- Trade payables	(316.46)	(6.58)
	<u>418.40</u>	<u>5,378.13</u>
Cash generated from operations	1,006.42	4,643.95
- Direct Taxes paid	(6.12)	-
	<u>(6.12)</u>	<u>-</u>
Cash flow before prior period items/exceptional items	1,000.30	4,643.95
- Exceptional items	561.54	389.13
Net Cash flow from operating activities	<u>1,561.84</u>	<u>5,033.07</u>
B Cash flow from investing activities :		
- Purchase of fixed assets	(74.70)	(45.52)
- Sale of fixed assets	275.53	251.23
- Increase/decrease in investments	(0.81)	(1.20)
- Share of profit from Associates	0.82	1.40
- Interest received	25.32	41.33
Net cash from investing activities	<u>226.17</u>	<u>247.24</u>
C Cash flow from financing activities :		
- Total proceeds from borrowings (net of repayments)	(493.53)	(2,165.55)
- Interest paid	(211.01)	(1,350.03)
- Trade Payables- other than acceptances	-	(2,043.58)
- Unsecured loan from promoters	(70.00)	70.00
Net cash from financing activities	<u>(774.54)</u>	<u>(5,489.16)</u>
Net increase in cash and cash equivalents (A+B+C)	1,013.47	(208.85)
Cash and cash equivalent as on 01.04.2015 (opening balance)	115.46	324.31
Cash and cash equivalent as on 31.03.2016 (closing balance)	1,128.93	115.46

As per our report of even date
For **PIPARA & COMPANY**
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107929W)

GYAN PIPARA
PARTNER
Membership No. : 034289
Place : Ahmedabad
Date : 27th May, 2016

For and on behalf of the Board

S. K. SOMANY Chairman
A. K. SOMANY Managing Director
M. B. PARAKH Chief Financial Officer
R. S. SHARMA Company Secretary

**Summary of significant accounting policies followed by the company**

The consolidated financial statements includes results of the associates of Soma Textile & Industries Limited, consolidated in accordance with Accounting Standards 23 'Accounting for Investment in Associates in Consolidated Financial Statements'.

Name of the company	Country of Incorporation	% shareholding of Soma Textile & Industries Limited	Consolidated as
Soma Textile FZC	Outside India	40%	Associate

For the purpose of Section 2(6) of the Companies Act,2013,"associate company", in relation to another company, means a company in which that the other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. Explanation- For the purpose of this clause , "significant influence" means control of at least twenty per cent of total share capital and/or the ability to significantly influence the operational and financial policies of the company but not control them. The holding of Soma Textiles & Industries Limited in Soma Textile FZC is 40%. The Soma Textile FZC is consolidated as an associates by virtue of formers ability to influence the operational and financial policies whereby the share of the parent in the associate's net worth and profit has been picked up and accounted for under an independent line item in the "General Reserve","investment"and"Statement of profit and loss". The excess of cost of investment in the associate and the share of net worthof the associate on the day of investing is reflected as a "Goodwill".

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention, on the accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules 2014 and the provisions of the Act (to the extent notified). The consolidated financial statements has been prepared and presented as per requirement of Schedule III as notified under Companies Act, 2013.

Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the companies. Recognising this purpose, the Ministry of Corporate Affairs vide its General Circular No. 39/2014 dated 14th October 2014 has clarified that only those note which are relevent to understanding the Consolidated Financial Statements should be disclosed and not merely repeating the notes diusclosed in the standalone financial statements to which these consolidated financial statements are attached to.

Accordingly:

- 1] The company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.
- 2] The accounting policies of the parent also broadly represent the accounting policies of the consolidated entity and hence are best viewed in its independent financial statements.
- 3] Note Nos. 1,3,4,5,6,7,8,9,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35 represent the numbers and required disclosures of the parent and accordingly are best viewed in independent financial statements.

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Notes on Consolidated Financial Statement for the Year Ended 31st March, 2016

2 Reserves and surplus	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
a. Capital Reserves		
As per last Balance Sheet	0.57	0.57
b. Securities Premium Account		
As per last Balance Sheet	8,713.65	8,713.65
c. Debenture Redemption Reserve		
As per last Balance Sheet	77.00	77.00
d. General Reserve		
As per last Balance Sheet	18.58	18.58
e. Surplus		
As per last Balance Sheet	(10,434.77)	(6,878.40)
Adjustment as per Companies Act, 2013 for the reassessment of useful life of the Fixed Assets	-	(199.71)
Profit/(Loss) for the period	(1,421.84)	(3,356.66)
Closing Balance	(11,856.61)	(10,434.77)
Total	(3,046.81)	(1,624.97)

10 Non-current investment (Unquoted)	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
Other Investments		
Investment in Equity instruments		
300 Equity Share of AED 1000 each of Soma Textile FZC.	16.07	15.25
Goodwill Recognized at the time of investment	26.67	26.67
Other non-current investments (5 Shares of ₹ 100/- each in Poonam Apt. Association)	0.01	0.01
Total	42.74	41.93

Additional notes to the Consolidated Financial Statement:

Particulars	SOMA TEXTILE FZC (Audited) Associates
No. of Equity Share	300
Cost of Investment(₹)	34.21
Percentage Holding	40.00%
Our share of Net Assets(₹)	25.02
Our share of profit/(Loss) for the year(₹)	0.82

Operation of Foreign Associate has been considered as non integral and the same has been converted as per AS-11.



SOMA TEXTILES & INDUSTRIES LIMITED

CIN: L51909WB1940PLC010070

Regd. Office: 2, Red Cross Place, Kolkata – 700 001

Email: investors@somatextiles.com, Website: www.somatextiles.com

Phone No.: 033-22487406/07, Fax: 033 22487045

Form-MGT-11

PROXY FORM

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

78th Annual General Meeting – 7th September, 2016

Name of the Member(s) : _____

Registered Address : _____

Email : _____

DP ID : _____

Folio No. / Client ID No. : _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1) Name : _____ Address : _____

_____ E-mail Id : _____

Signature: _____ Or falling him/her

2) Name : _____ Address : _____

_____ E-mail Id : _____

Signature: _____ Or falling him/her

3) Name : _____ Address : _____

_____ E-mail Id : _____

Signature: _____ Or falling him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 78th Annual General Meeting of the Company, to be held on Wednesday, 7th September, 2016 at 12-00 NOON (IST), at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

----- ✂ ----- TEAR HERE ----- ✂ -----

SOMA TEXTILES & INDUSTRIES LIMITED

CIN: L51909WB1940PLC010070

Regd. Office: 2, Red Cross Place, Kolkata – 700 001

Email: investors@somatextiles.com, Website: www.somatextiles.com

Phone No.: 033-22487406/07, Fax: 033 22487045

ATTENDANCE SLIP

78TH ANNUAL GENERAL MEETING

Sr. No. : _____

Registered Folio No./DP ID No./Client ID No. : _____

Name of sole/first named Member : _____

Address : _____

Dear Shareholders,

Subject: Instruction for e-voting

I/We hereby record my/our presence at the 78th Annual General Meeting of the Company at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata – 700 001 on Wednesday, 7th September, 2016 at 12-00 NOON (IST).

Member's Folio/DP ID/Client ID No.

Member's/Proxy's name in Block Letters

Member's/Proxy's signature

ANNUAL REPORT 2015-2016

Resolution Number	Resolution	Vote (Optional see Note) (Please mention number of shares)		
		For	Against	Abstain
	Ordinary Business			
1	To receive, consider and adopt the financial statements (including audited consolidated financial statements) of the Company for the financial year ended 31 st March, 2016 and the Reports of the Directors and Auditors thereon.			
2	To appoint a Director in place of Shri S. B. Bhat (DIN: 00650380), who retires by rotation and being eligible, offers himself for re-appointment.			
3	To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.			
	Special Business			
4	Re-appointment of Shri A. K. Somany (DIN:00024903), as Managing Director, being a Key Managerial Personnel.			
5	Remuneration to the Cost Auditors for the Financial Year ending 31 st March, 2017.			

Signed this _____ day of _____ 2016

Signature of Member _____

Signature of Proxy holder(s) _____

Affix Re 1 Revenue Stamp

Note:

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. A proxy need not be a member of the Company.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the For or Against or Abstain column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. For the Resolutions, Explanatory Statements and Notes, please refer Notice of the 78th Annual General Meeting.
7. Please complete all details of Member(s) in above box, before submission.



----- TEAR HERE -----



Note:

1. Please complete this Attendance slip and hand it over at the Attendance Verification Counter at the meeting hall. Members are requested to bring their copy of the Annual Report for reference at the meeting.
2. Electronic copy of the Annual Report for 2015-16 and Notice of the 78th Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any Member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical Copy of the Annual Report for 2015-16 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(S) to all members whose email is not registered or have requested for a hard copy.

