



SOMA TEXTILES & INDUSTRIES LIMITED



Consistent
Quality That
Inspires Faith
Globally

80th
ANNUAL REPORT
2017-18



**80th Annual Report
2017-2018****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
Mrs. N. Singh - Non-Executive Independent Director

COMPANY SECRETARY

Shri A. K. Mishra

AUDITORS

A. K. Ostwal & Co.
Chartered Accountants
C-408, International Trade Center,
Majura Gate, Ring Road,
Surat-395002.

BANKERS

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-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai-400083
Ph. No. : 022-49186270
E-mail : rnthelpdesk@linkintime.co.in

BRANCH OFFICE AT :

506-508, Amarnath Business Centre 1 (ABC-1)
Besides Gala Business Center,
Near XT Xavier's College Corner,
Off C G Road, Ahmedabad-380 006
Phone No. : 079 -26465179- 86- 87
E-mail : ahmedabad@linkintime.co.in

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NOTICE OF THE 80th ANNUAL GENERAL MEETING

TO THE SHAREHOLDERS

NOTICE is hereby given that the Eightieth (80th) 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 Thursday, the 13th day of September, 2018 at 3-00 P.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 (both Standalone and Consolidated basis), together with the Reports of the Auditors and the Board of Directors 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.

SPECIAL BUSINESS:

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

3. Re-appointment of Shri Shrikant Bhat as Whole-time Director, designated as Executive 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 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 Shrikant Bhat, the consent of the Company be and is hereby accorded to the re-appointment of Shri Shrikant Bhat (Shri Bhat), as Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, of the Company, who shall 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 18th January, 2019 to 17th January, 2022, on such remuneration by way of salary, bonus/ex-gratia in lieu of bonus, perquisites, allowances and/or benefit(s), 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 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 Bhat of the OTHER PART, and duly specified in the Statement, annexed to the Notice of 80th 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 initialed 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 Bhat, a Whole-time Director, designated as Executive 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 Whole-time Director, designated as Executive 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, bonus/ex-gratia in lieu of bonus, perquisites and allowances) payable to Shri Bhat 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 Bhat 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 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 Bhat 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 Bhat, the Company has no profits or its profits are inadequate, the Company do pay to Shri Bhat, 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, bonus/ex-gratia in lieu of bonus, 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 Bhat, as set out in ‘Draft Agreement’ and also in the Statement annexed to the Notice of 80th 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 Bhat.”

“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.”

4. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019

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, 2019, be paid the remuneration by way of Cost Audit Fee of Rs. 48,000/- (Rupees Forty-Eight Thousands Only) plus Goods and Service Tax (GST), 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.”

5. Payment of Remuneration by way of Commission to Non-executive Directors of the Company in the event of profits (other than the Managing and Whole-time Directors)

As a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, as applicable, (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to all other approvals, permissions or sanctions, as may be required, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to decide and pay the remuneration by way of commission (over and above the payment of Sitting fees for attending Board Meetings or Committee Meetings), to its Non-Executive Directors (including Independent Directors) of the Company (other than the Managing and Whole-time Director(s) of the Company), at a rate not exceeding 1% (one percent) per annum of the net profits of the Company in each year, computed in the manner referred to in Section 198 of the Act and the Rules made thereunder, for a period of five (5) years from the financial year commencing on and from April, 2018 and ending on 31st March, 2023, without any monetary limit, but subject to such ceiling if any, per annum, as the Board or its Committee may from time to time fix in that behalf for each financial year and the same to be divided amongst them in such manner as the Board or its Committee may, from time to time, determine and in default of such determination equally.

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FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (including any Committee constituted or to be constituted by the Board) be and is hereby authorised to take all actions and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

Registered Office:

2, Red Cross Place,
Kolkata – 700 001

By order of the Board

A. K. Mishra

(Company Secretary & Compliance Officer)

Dated, the 29th May, 2018

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.

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. 3, 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 Tuesday, the 4th September, 2018 to Thursday, the 13th September, 2018 (both days inclusive) for the purpose of 80th Annual General Meeting of the Company.
7. Members, holding Shares in dematerialized mode (electronic form) are requested to intimate or notify all changes pertaining to their bank details/NECS/mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depositories Participants ('DP') with whom they are maintaining their demat accounts and not to the Company's RTA. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the members.

In case of Members, holding Shares in physical form, such information is required to be provided 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. **SEBI HAS MANDATED SUBMISSION OF PERMANENT ACCOUNT NUMBER (PAN) BY EVERY PARTICIPANT IN THE SECURITIES MARKET. MEMBERS HOLDING SHARES IN ELECTRONIC FORM ARE, THEREFORE, REQUESTED TO SUBMIT THEIR PAN DETAILS TO THEIR DEPOSITORY PARTICIPANTS. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO SUBMIT THEIR PAN DETAILS TO THE COMPANY'S RTA.**
11. **AS PER THE NOTIFICATION NO. LIST/COMP/15/2018-19 DATED 5TH JULY, 2018, ISSUED BY THE SEBI, SECURITIES OF LISTED COMPANIES WOULD BE TRANSFERRED IN DEMATERIALIZED FORM ONLY, WITH EFFECT FROM 5TH DECEMBER, 2018. IN VIEW OF THE SAME MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONSIDER CONVERTING THEIR HOLDINGS TO DEMATERIALIZED FORM TO ELIMINATE ALL RISKS ASSOCIATED WITH PHYSICAL SHARES AND FOR EASE OF PORTFOLIO MANAGEMENT. MEMBERS CAN CONTACT THE COMPANY'S RTA FOR ASSISTANCE IN THIS REGARD.**

12. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and IEPF Rules, the dividend which remains unclaimed/unpaid for a period of Seven (7) Years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to the IEPF of the Central Government.

Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013, 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, 2018. However, members may please note that no claim shall lie against the Company 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.

Further, as per Section 124(6) of the Act read with IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven (7) years has to be transferred under sub-section 5 of the Act, to the demat account of IEPF Authority with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

The Statement containing details of Name, Address, Folio No., Demat Account No. and No. of shares, if any, due for transfer to IEPF Authority is made available on the Company's website www.somatextiles.com.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

13. 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).
14. Electronic copy of the Annual Report for 2017-18 comprising the Notice of the 80th 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 2017-18 comprising the Notice of the 80th 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.

15. 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.
16. Members may also note that the Notice of the 80th Annual General Meeting and the Annual Report for 2017-18 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.
17. 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.
18. 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.

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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 to 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 Monday, the 10th September, 2018 (9:00 A.M. IST) and ends on Wednesday, the 12th September, 2018 (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 7th September, 2018, 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) – 180803019 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).
- (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) - 180803019 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. 7th September, 2018, 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. 7th September, 2018. 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).

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- 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 droliapraavin@yahoo.co.in with a copy marked to helpdesk.evoting@cdslindia.com 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.

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 31st March, 2018 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 5th Floor, 506 to 508, Amarnath Business Centre – I (ABC - I), Besides Gala Business Center, Near St. Xavier's College Corner, Off. C. G. Road, Navarangpura, Ahmedabad, Gujarat – 380009, 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 at the 80th 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 53 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 28 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 retires from the Board by rotation at this meeting and being eligible, offers himself for re-appointment as Director of the Company.

Shri Shrikant Bhat's present term of appointment expires by efflux of time on 17th January, 2019. Therefore his re-appointment for further term of 3 years effective from 18th January, 2019, 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

By order of the Board

A. K. Mishra
(Company Secretary & Compliance Officer)

Dated, the 29th May, 2018

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

At the 77th Annual General Meeting (AGM) of the Company held on 17th September, 2015, the Members had approved of the appointment and terms of remuneration of Shri Shrikant Bhat ('Shri Bhat') as Whole-time Director designated as Executive Director of the Company for a period of Three (3) years from 18th January, 2016 to 17th January, 2019, as specified in the statement annexed to the Notice of the 77th AGM.

The present tenure of Shri Shrikant Bhat ("Shri Bhat") as rotational Whole-time Director designated as Executive Director of the Company liable to retire by rotation, will expire by an efflux of time on 17th January, 2019.

The Board of Directors of the Company ('the Board') at its meeting held on 29th May, 2018, have re-appointed Shri Bhat as Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, for a period of 3 (Three) years, effective from 18th January, 2019.

Shri Bhat, aged about 53 years, is a Commerce Graduate and a qualified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) and has over 28 years of working experience with Corporates including about 16 years with our Company. He has rich experience of managing Corporate Finance, Financial planning and analysis, taxation and Financial Restructuring. He is functioning in a professional capacity and is neither a shareholder nor related to any Director or any other Key Managerial Personnel or Promoter of the Company, at any time during the last two years before or after the date of appointment. The remuneration offered to him is in line with the Company's Nomination and Remuneration Policy as well as present corporate trends taking due account of his expertise as well as the considerable acumen that he brings to the Company.

At its meeting held on 29th May, 2018, the Board, has, subject to approval of the Shareholders in the ensuing 80th Annual General Meeting (AGM) at the recommendation of Nomination and Remuneration Committee, approved the remuneration payable to Shri Bhat, upon his re-appointment as Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, within and up to the ceiling or maximum limit for the remuneration of the whole-time Director, as have been determined, fixed subject to overall ceiling contained in Section 197, read with Schedule V to the Companies Act, 2013 ('the Act') and other applicable provisions, if any of the Act and herein proposed by the Board with absolute authority to the Board to decide, fix and thereafter revise the remuneration of Shri Bhat, from time to time for a given year/

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period within and upto the maximum limit for remuneration of whole-time Director as herein proposed and contained in the Draft Agreement to be entered into between the Company and Shri Bhat, subject to overall permissible limit laid down under Sections 197 and all other applicable provisions of the Companies Act, 2013 or any amendments thereto as may be made from time to time or under the Companies Act, as may be re-codified.

An abstract of the main terms and conditions as laid down in Draft Agreement relating to re-appointment of Shri Bhat as the Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, of the Company together with the Memorandum of Interest is set out below:-

- 1) **Period of Appointment:** Three (3) years, effective from 18th January, 2019.
- 2) **Nature of Duties:** Subject to the superintendence, control and direction of the Board, Shri Bhat 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 Executive Director of the Company.

3) **Remuneration (including maximum limit):**

Shri Bhat, Executive Director, shall be entitled to the following remuneration with effect from 18th January, 2019 for the period of his office from 18th January, 2019 to 17th January, 2022 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 Rs. 1,87,140/- per month, with such increments and/or accelerated increments as may be decided by the Board of Directors of the Company, first increment from 1st April, 2019 and thereafter from 1st April each year, upon due recommendation of the Nomination and Remuneration Committee, at its absolute discretion from time to time and with proportionate increase in all perquisites or allowances related to and depending upon the quantum of salary, within and up to a maximum of Rs. 7,00,000/- (Rupees Seven Lacs) per month.

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 upto a maximum Salary of Rs. 7.00 Lacs per month or Rs. 84 Lacs per annum.

Provided that the above remuneration would be doubled, if the Special Resolution as proposed to the shareholders, is passed at the ensuing AGM.

- B) Bonus/Ex-gratia, in lieu of Bonus :** In addition to Salary, Shri Bhat shall also be entitled to bonus/ex-gratia in lieu of bonus, subject to ceiling of one month's salary for each financial year or as may be fixed and determined by the Board of Directors of the Company from time to time at its absolute discretion, within and up to such amount or percentage of Bonus/Ex-gratia, as may be decided by the Board/Nomination and Remuneration Committee of the Company at its discretion from time to time, subject however up to and within an overall ceiling prescribed in Section 197, read with Schedule V to the Companies Act, 2013. (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).
- C) Perquisites Allowances & Benefits :** In addition to Salary & Bonus/Ex-gratia, in lieu of Bonus, Shri Bhat shall also be entitled to all the following perquisites, allowances & benefits, subject however to a ceiling restricted to 100% of his annual Salary.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:

CATEGORY – A

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees on clubs, personal accident insurance and such other benefits, facilities and allowances as may be available and allowed to Shri Bhat, 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 Shri Bhat will be subject to the ceiling 60 (Sixty) percent of the Salary, over and above 10 (Ten) percent payable by Shri Bhat.
- ii) In case the accommodation is owned by the Company, 10 (Ten) percent of the salary of Shri Bhat shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, Shri Bhat shall be entitled to House Rent Allowance subject to the ceiling laid down under Clause (i) above.

**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) percent of the salary of Shri Bhat.

Medical Reimbursement

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

Leave Travel Concession

For Shri Bhat 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 shall be paid as per Rules of the Company.

Other benefits and Allowances

Any other benefits, facilities and allowances as may be available and allowed to Shri Bhat, as per rules of the Company or as the Board of Directors, may from time to time decide.

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 Shri Bhat.

NOTE:

All the perquisites/ allowances/ benefits will be inter-changeable i.e., any excess in a particular perquisites may be permissible by corresponding reduction in or more of the perquisites/ allowances/ benefits.

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 perquisites as specified in 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.

For the purpose of Provident Fund, Gratuity and Leave benefit, the service of Shri Bhat, Executive Director, will be considered as continuous service from the date of his joining the Company without considering any break in the service.

CATEGORY – C

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

Provided the aggregate of remuneration payable by way of salary, bonus/ex-gratia in lieu of bonus and perquisites, allowances and benefits to Shri Bhat, as contemplated under Clauses (A), (B) and (C) of 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 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 Section 197 of the Act).

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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 Section 197 and other applicable provisions of the Companies Act, 2013 for each financial year, 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 Shri Bhat, the Company shall pay him in respect of such financial year(s) remuneration by way of consolidated salary, Bonus or Ex-gratia in lieu of Bonus, perquisites and allowances as minimum remuneration as he may be then 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 Companies Act, 2013, 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, 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

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

Other Terms

Shri Bhat 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 or secrets processes of the Company and shall during the continuance of his employment hereunder use his best endeavours to prevent any other person from doing so.

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

Nothing herein contained shall entrust or be deemed to entrust Shri Bhat with substantial powers of management of the affairs of the Company.

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

Retirement by Rotation

Shri Bhat shall be liable to retire by rotation in accordance with the provision of Section 152 of the Companies Act, 2013. If at any time Shri Bhat ceases to be a Director of the Company for any cause whatsoever he shall cease to be a Whole-time Director of the Company hitherto designated as Executive Director.

Termination

Notwithstanding anything contained in this Agreement, either party, shall be entitled to determine this Agreement by giving two 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 Shri Bhat two month's salary as specified in Clause (A) of the Remuneration Clause 3 above and/or the Agreement entered/to be entered in to by the Company with Shri Bhat in lieu of two 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 the case of Shri Bhat 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.

With the approval of the Members to the proposed Resolution, the Board will have the discretion and delegated authority of the Members of the Company to fix and revise the salary within overall ceiling (I) as specified under the relevant provisions of Companies Act, 2013 and (II) as approved by the Members hereunder this Resolution, whichever is lower.



The limits specified in the Statement attached to this Notice of 80th AGM in regard to Resolution set out at item No. 3 are only the maximum limits and the Board may in exercise of the delegated authority pay Shri Bhat, a lower remuneration and may revise the same from time to time within the maximum limits stipulated in the Statement attached to the notice forming part of the Resolution.

However, in the absence, or inadequacy of profits in any financial year, during the tenure of Shri Bhat, Executive Director of the Company, the minimum remuneration payable by the Company to him by way of salary, bonus/ex-gratia in lieu of bonus and perquisites shall not exceed the maximum limit of Rs. 84 Lacs per annum plus 0.01% of the effective capital in excess of Rs. 250 Crores, as prescribed under Section II(A) of Part II of Schedule V of the Act, unless otherwise approved by the Central Government, as envisaged under the said Schedule V of the Act.

Therefore, any payment of remuneration to Shri Bhat in excess of Rs. 84 Lacs per annum plus 0.01% of the effective capital in excess of Rs. 250 Crores, which is the maximum permissible under Section II(A) of Part II of Schedule V to the Act, would require the approval of the Central Government, as prescribed under the Act.

Pursuant to Section II(A) of Part II of Schedule V of the Act, a Statement in the prescribed format is required to be sent to all shareholders, containing the information specified therein along with the Notice calling the Annual General Meeting of the Company.

Accordingly this Resolution at item no. 3 is intended for seeking Members' approval to this Resolution which fixes the ceiling or the maximum limit for remuneration payable to Shri Bhat, Whole-time Director, designated as Executive Director, being a Key Managerial Personnel, and delegates authority to the Board to decide on the specifics of changes in Remuneration for Shri Bhat, under the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013, and modification(s) thereto, and also for the purpose of seeking approval to the appointment of and Remuneration payable to Shri Bhat, within the overall limits as specified and laid down by the Company.

The Board therefore recommends passing of this Resolution by Members of the Company.

MEMORANDUM OF INTEREST

Save and except Shri Bhat, none of the Directors of the Company is in any way concerned or interested or deemed to be concerned or interested in passing of the said Resolution relating to appointment and payment of remuneration.

INSPECTION OF DOCUMENTS

The copy of the Service Agreement entered into between the Company and Shri Bhat in connection with his appointment as Whole-time Director is available for inspection of the Members at the Registered Office of the Company on any working day between 12-00 Noon and 2-00 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 Bhat as Whole-time 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) The proposed remuneration has been approved by a Resolution of the Nomination and Remuneration Committee as well as the Board;
- ii) The Company has not made any default in repayment its debt (including public deposits) or debentures or interest payable for a continuous period of thirty days in the preceding financial year;
- iii) A Special Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding three years;
- iv) A statement containing further specified information is set out hereunder:
 - I. General Information:-
 - (1) Nature of Industry : Manufacturer of Textile and Cotton Yarn.
 - (2) Date or expected date of commencement of commercial production : 1969.

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- (3) Financial performance on given indicators : (Rs. in Lacs)

Year ending 31 st March	Sales	Operating Profit/(Loss)	Profit/(Loss) before Tax	Net Profit/(Loss) after Tax
2014	27,293	234	(1,769)	(1,334)
2015	22,554	(960)	(4,375)	(3,358)
2016	17024	435	(1786)	(1423)
2017	12732	791	(904)	(1114)
2018	8226	458	(343)	(823)

- (4) Export performance and net foreign exchange earnings : Due to stiff competition, the Company was able to export for Rs. 170 lacs as against the export of Rs. 991 lacs achieved in the previous year.

Foreign exchange earned and used during the financial year 2017-18 and 2016-17 :-

(Rs. in lacs)

	2017-18	2016-17
Foreign Exchange earned	170	991
Foreign Exchange used	258	433

- (5) Foreign Investments or Collaborators, if any : Holdings of FIIs/NRIs and other non-residents is 0.29% in the Company as at 31st March, 2018.

The Company has no foreign Collaborator.

II. Information about the appointee:-

- (1) Background details : **Shri Shrikant Bhat**

Shri Shrikant Bhat (Shri Bhat), aged about 53 years, is a Graduate in Commerce and Chartered Accountant by qualification and presently the Whole-time Director designated as Executive Director, being a Key Managerial Personnel of the Company. His long standing experience and knowledge is useful to the Company. Shri Bhat has contributed significantly towards improvement and growth of the Company. He has over 28 years of experience in Corporate Finance and Taxation. Shri Bhat does not hold any shares in Soma Textiles & Industries Limited as on 31st March, 2018.

- (2) Past remuneration : 2013-2014 : Rs. 24,01,269/-
2014-2015 : Rs. 26,85,781/-
2015-2016 : Rs. 30,32,311/-
2016-2017 : Rs. 30,22,487/-
2017-2018 : Rs. 35,03,555/-

- (3) Job profile and his suitability : Shri Shrikant Bhat the Whole-time Director of the Company, 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 may be assigned to him by the Board subject to the superintendence, control and directions of the Board in connection with and in the best interest of the Company and the business of its associated and/or subsidiary Company(ies), as the case may be.

The Board is of the opinion that Shri Bhat has the requisite qualifications, expertise and experience for the job, he is presently holding.

- (4) Remuneration proposed : (a) Salary (Basic + DA) at Rs. 1,87,140/- per month within and up to a maximum of Rs. 7,00,000/- 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 recommendation of the Remuneration Committee;



- (b) Bonus/Ex-gratia in lieu of Bonus, subject to a ceiling of one month's salary (BASIC + D.A.) for each financial year or as may be determined by the Board from time to time and;
 - (c) Perquisites, allowances and benefits, as spelt out in the Statement annexed to the Notice convening the 80th 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, bonus/ex-gratia in lieu of bonus, perquisites, allowances and 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 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).
- (5) Comparative remuneration : After taking into the size of the Company, the profile of Shri Shrikant Bhat profile with respect to industry, size of the Company, profile of the position and person the responsibilities shouldered by him and the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar level counterparts in other similar Companies.
- (6) Pecuniary relationship directly : Besides the remuneration proposed to be paid the Whole-time Director or indirectly with the Company does not have any other pecuniary relationship directly or indirectly with the Company or relationship with any of the managerial personnel of the Company.

III. Other Information:-

- (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.
- (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.
- (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.

IV. Disclosures :

- (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. 3 of the Notice relating to re-appointment and remuneration payable to Shri Shrikant Bhat, the Whole-time Director duly annexed to the Notice convening the 80th 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.
- (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 2017-2018.

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- (3) Details of fixed components :
and performance linked
incentives along with
performance criteria
- (4) Service contracts, notice : Service Agreement is for Three (3) years from 18th January, 2019 to 17th
period, severance fees etc January, 2022.
Notice period is 2 (Two) months.
No severance fee is payable on termination.
- (5) Stock option details, if any : The Company has not issued any stock options to any of its Directors or
and whether the same has Managerial Personnel.
been insured at a discount
as well as the period over
which accrued and over
which exercisable

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. 3 of the Notice.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

Item No. 4

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, 2019.

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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 4 of the Notice.

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

Item No. 5

At the 75th Annual General Meeting held on Monday, the 9th day of September 2013, the Members had approved the payments of commission to Directors of the Company (other than the Managing and Whole-time Directors of the Company), at a rate not exceeding 1% (One percent) of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 1956, referred to in Sub-section (5) of the Companies Act, 1956, for each of the Financial year for a period of Five (5) years commencing from the 1st day of April 2013 and ending on the 31st day of March 2018 in conformity with the requirement under Section 309(7) of the Companies Act, 1956.

Accordingly it is proposed that in terms of the provision of Section 197 of the Companies Act, 2013 ("the Act"), the Non-Executive Directors (including Independent Directors) be paid remuneration by way of commission not exceeding in aggregate 1% (One percent) of the net profits of the Company, computed in the manner laid down in Section 198 of the Act, for each of the five (5) financial years with effect from 1st April, 2018 for a further period of five (5) consecutive years.

The Resolution set out in Item No.5 of the convening Notice is an enabling resolution to seek fresh approval of the Members for the purpose of continuity of payment of such remuneration as commission for each Financial Year in pursuance of Section 197 and 198 of the Companies Act, 2013 for a further period of Five (5) years i.e. from 1st April, 2018 to 31st March, 2023, Directors accordingly recommend the same for approval by the Shareholders.

The said remuneration to the Non-Executive Directors shall be in addition to the sitting fees payable to them for attending meetings of the Board and Committees thereof and reimbursement of expenses for participation in the Board or the Committee Meetings.

Non-Executive Directors (including Independent Director) may be deemed to be concerned or interested in the Resolution to the extent of remuneration as commission that may be received by them. Save and except, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item no.5 of the Notice.

Registered Office:

2, Red Cross Place,
Kolkata – 700 001

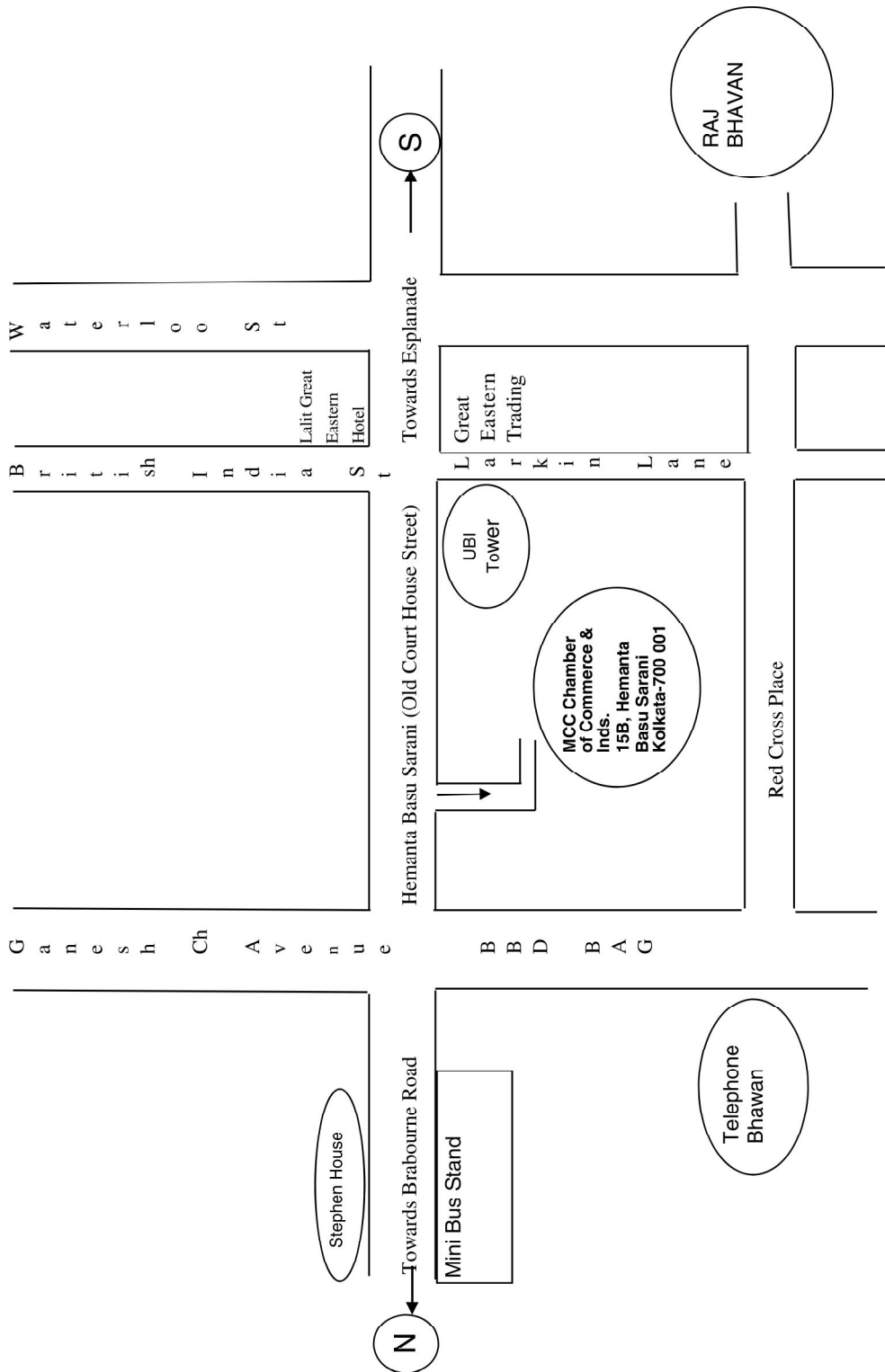
Dated, the 29th May, 2018

By order of the Board

A. K. Mishra
(Company Secretary & Compliance Officer)



ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their Eightieth (80th) Annual Report of the Company, together with the audited financial statements for the financial year ended 31st March, 2018.

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 2017-18 was Rs. 8,226 lacs as compared to Rs 12,733 lacs in previous year, a decline of 35.40 %.

The loss before Prior period, Exceptional item and Tax was Rs. 609 lacs against the previous year loss of Rs 1119 lacs.

The net loss for the year was Rs. 818 lacs against the previous year net loss of Rs.826 lacs.

2. DIVIDEND

The Board of Directors of your Company have not recommended any dividend for the Financial Year ended 31st March, 2018, considering the loss during the year and brought forward losses.

3. COTTON

India's cotton production in the current season 2017-2018 is likely to be 360 lac bales. The exports are estimated to be 65 lakh bales.

4. EXPORT

The FOB value of the exports during the Year under review was Rs.170 lacs against Rs 991 lacs in the previous year.

5. ANALYSIS AND REVIEW

Indian Textiles industry is one of the oldest industry and leading sectors of the Indian economy, 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. It is one of the largest contributors to India's exports with approximately 11% of total exports worth USD 41.4 billion. Currently, the industry accounts for approximately 5% of India's GDP and 14% of overall Index of Industrial Production (IIP), thereby emerging as the 2nd largest employer in the country.

6. OPPORTUNITIES AND CHALLENGES

However, in order to leverage the vast potential of this vibrant industry, it is critical for the Government and Industry to work towards addressing key challenges including obsolete machinery and technology, threats to handloom sector, power shortage, illicit markets, labor related concerns, excise duty on manmade fibers, raw materials shortage and lack of quality infrastructure in non-metropolitan cities.

7. EXPANSION AND MODERNISATION

In view of financial constraint company did not go for modernization.

8. INDIAN ACCOUNTING STANDARDS (IND AS):

The Ministry of Corporate Affairs (MCA) notified its phase-wise roadmap for the adoption of the Indian Accounting Standards ("Ind AS"), converged with the International Financial Reporting Standards (IFRS) vide its notification dated February 16, 2015, announcing the Companies (Indian Accounting Standards) Rules, 2015, for the application of Ind AS.

Accordingly, your Company has adopted Ind AS with effect from the financial year 2017-18 (along with comparative for the financial year 2016-17), since it is covered under phase-II based on net worth criteria. Your Company believes in highest standards of corporate governance and recognizes that financial statements are an important source of information to the shareholders and other stakeholders.

The financial statements for the year ended March 31, 2018 are the first financial statements with comparatives prepared under Ind AS.

9. CONSOLIDATED FINANCIAL STATEMENT

As required by Regulation 33 of the SEBI (LODR) Regulations, 2015, the Consolidated Audited Financial Statements have been 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, are provided, forming part of the Annual Report.

**10. CASH FLOW STATEMENT**

In compliance with the requirement of Section 34 of the SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ended 31st March, 2018 prepared in accordance with the applicable Accounting Standard, is annexed to the financial statement, which forms part of the Annual Report.

11. INSURANCE

The Company's properties including its Building, Plant & Machinery and Stocks among others continue to be adequately insured against fire, flood, earthquake, explosive and other such risks, as considered to be prudent and necessary.

12. INTERNAL FINANCIAL CONTROL

The Company has in place internal financial control systems commensurate with the size, nature and complexity of its operations ensuring proper recording of financials and monitoring of operational effectiveness and efficient conduct of its business including adherence to the Company's Policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and compliance of various applicable regulatory and statutory requirements.

The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Control System. Based on their report, corrective actions are undertaken by the concerned departments and thereby strengthen the Controls. Significant audit observations corrective measures and actions thereon are presented to the Audit Committee of the Board.

During the year such controls were tested and no reportable material weaknesses were observed.

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.

13. FIXED DEPOSITS

Your Company has not accepted any deposit from the Public/Members under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposit) Rules, 2014 during the year under review and there are no deposits pending with the Company as on the Balance Sheet closure date.

14. SHARE CAPITAL

There has been no change in the Company's Issued, Subscribed and Paid-up Equity and Preference Share Capital in between the end of financial year 31st March, 2017 and 31st March, 2018. On 31st March, 2018, the Equity Share Capital stood at Rs. 3303.30 Lacs, divided in to 33033000 Equity Shares of Rs. 10 each and Preference Share Capital stood at Rs. 975 Lacs, divided in to 975000, 0.01% Cumulative Redeemable Non-convertible Preference Shares of Rs. 100 each.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the forthcoming 80th Annual General Meeting (AGM) of the Company, Shri S. B. Bhat (DIN: 00650380) retires by rotation and being eligible offers himself for re-appointment in accordance with the provisions of the Companies Act, 2013 ("the Act") and Articles of Association of the Company. The Board recommends his re-appointment.

Shri S. B. Bhat (Shri Bhat), who is also a whole-time Director, designated as Executive Director of the Company. The term of Office of Shri Bhat (DIN: 00650380), as a Whole-time Director, designated as Executive Director of the Company, will end owing to efflux of time from the close of business on 17th January, 2019.

Pursuant to Section 196 and 197, read with Schedule V and other relevant provisions of the Act and based on recommendation of the Nomination and Remuneration Committee, the Board of Directors has considered and recommends the re-appointment of Shri S. B. Bhat, as Whole-time Director, for further term of three years effective from "18th January, 2019, well in advance to seek Shareholders approval at the forthcoming AGM of the Company. An appropriate resolution, to this effect is being proposed to the Members of the Company at the forth-coming 80th AGM.

Brief resume, nature of expertise and details of directorship held in other companies of Shri S. B. Bhat, proposed to be appointed is given in the Notice of the Ensuing General Meeting (AGM), as stated under Secretarial Standard 2 and Regulation 36 of the SEBI (LODR) Regulations, 2015.

Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation.

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.

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16. DECLARATION OF INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Directors, under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015.

17. CORPORATE SOCIAL RESPONSIBILITY

The Company does not fall within the ambit of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibilities Policy) Rules, 2014. Therefore the Annual Report on Corporate Social Responsibility initiatives as required under the said act is not applicable to the Company. In view thereof, the Annual Report on CSR activities is not annexed.

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

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of any Body Corporate pursuant to Section 186 of the Companies Act, 2013, during the financial year ended 31st March, 2018.

19. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY

Your Company has formulated a Policy on 'Related Party Transactions' dealing with the review and approval of related party transactions, which is also available on Company's website at the web link: www.somatextiles.com/home.php/investors/policies.

All contracts/ arrangements/ transactions entered into by the Company, during the financial year, with related parties, as defined under Section 188 of the Companies Act, 2013 and the relevant rules made thereunder, were in ordinary course of business and on arm's length.

Further no material contract/ arrangement/ transaction, with related parties were entered during the financial year under review, in accordance with policy of the Company on materiality of related party transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to your Company. However, members may refer to the notes to the financial statements, which sets out disclosure on related parties and transactions entered into with them pursuant to Accounting Standards.

20. 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 2018-19.
- (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.

21. 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. So far emphasis matters are concerned explanations or comments from the Board of Directors are as under:

- a) Erosion of net Worth:

RECTIFIED/MODIFIED PART:

We refer to the stand alone audit report for the year ended 31-03-2018 of the statutory auditors 'emphasis of matter' about the erosion of net worth of the company. We would like to state that the net worth erosion is



temporary which is the resultant of demonetization and introduction of GST which had glaring effect on order flow to the company i.e. demand for the company product greatly reduced and thereby the company had to cut down its production which had resulted in loss. The ability of the Company to continue as a going concern is substantially dependent on its ability to fund its operating expenditure. The management is confident of mobilizing the necessary resources for continuing and the improvements in the operations of the Company in the current year and also for coming years.

b) Capital adequacy- Soma Textile FZC (Associate):

Capital adequacy has not been maintained during the current year as opined by the independent auditor SKM INTERNATIONAL CHARTERED ACCOUNTANT OF SOMA TEXTILE FZC situated at Umm Al Quwain Free Trade Zone, Umm Al Quawain U.A.E.

There is no regulation defined under which capital adequacy is required to maintain by the associate company except in the case of banking company, our associate is not a banking company.

22. 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. Feedback was sought by way of a structured questionnaire covering various aspect of Board's functioning, such as adequacy of the Composition of the Board and its Committee, Board culture, execution and performance of specific duties obligations and governance. The manner in which the evaluation has been carried out has been provided in the Corporate Governance Report, forming part of Board's Report.

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

During the year Five (5) Board Meetings were held, the details of which are given in the Report on Corporate Governance, that forms part of the Board's Report.

The maximum interval between the two meetings did not exceeded 120 days, as prescribed in the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

24. AUDIT COMMITTEE

The Audit Committee comprises of four (4) members, Majority of them are Independent Directors namely; Shri B. K. Hurkat Chairman, Shri M. H. Shah and Mrs. N. Singh and Shri S. K. Somany a Non-Independent & Promoter Director, as other member of the Committee. Thus the composition is 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.

Five (5) 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.

25. ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

The Company has in place a Whistle Blower Policy, as a part of Vigil Mechanism to provide appropriate avenues to the Directors, employees and other Stakeholders of the Company to bring to the attention of the Management any issue which is perceived to be in violation of or in conflict with the Code of conduct, values, principles and beliefs of the Company. The established Vigil Mechanism helps to report concerns about any unethical conduct, financial malpractices or any unhealthy practice prevalent in the Company.

The said Vigil Mechanism provides for adequate safeguards against victimization of persons who use such mechanism and also provides for direct excess to the Chairman of the Audit Committee.

The details of this Policy is explained in the Corporate Governance Report forming part of Board's Report and are also available on the Company's website; www.somatextiles.com/home.php/investors/policies.

26. 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>.

27. CORPORATE GOVERNANCE

Your Company upholds the Standards of Governance and is compliant with the provisions of Corporate Governance, as Stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (listing Regulations).

A Report on 'Corporate Governance' as well as the certificate from Company's Statutory Auditors, confirming compliance with the requirements of SEBI Listing Regulations, forms part of the Annual Report.

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28. 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.

29. LISTING AGREEMENT

Your Company entered in to new Listing Agreements with BSE Limited and National Stock Exchange of India Ltd., in compliance with Regulation 109 of the SEBI (LODR) Regulations, 2015.

30. 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.

31. 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, 2018 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, 2018 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.

32. AUDITORS

In compliance with the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/ re-enactment(s)/ amendment(s) thereof, for the time being in force), the Members at the Seventy Ninth (79th) Annual General Meeting held on 25th August 2017, had appointed M/s. A. K. Ostwal & Co., Chartered Accountants (ICAI Registration No. 107200W), as the Statutory Auditors of the Company, to hold office for a term of five (5) consecutive years from the conclusion of the 79th Annual General Meeting until the conclusion of the 84th Annual General Meeting, subject to the ratification at the Annual General Meeting in each of the subsequent years during the aforementioned term of their appointment.

However, with the Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs ('MCA'), the first proviso to section 139(1) of the Companies Act, 2013, pertaining to the requirement of annual ratification of appointment of Auditors by Members is omitted.

Accordingly, as per the Companies (Amendment) Act, 2017, ratification of the appointment of Statutory Auditors during their period of appointment will not be considered.

33. SECRETARIAL AUDITOR

The Board has appointed M/s. Drolia & Company, Company Secretaries, Kolkata, in practice having Certificate of Practice No. 1362, as the Secretarial Auditor, to carry out Secretarial Audit for the year ended 31st March, 2018, pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the corresponding rules framed thereunder.

**34. 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.

35. SECRETARIAL AUDIT REPORT

A Secretarial Audit Report given by the Secretarial Auditors for the financial year ended 31st March, 2018, in the prescribed form MR-3 is annexed herewith as Annexure to this Report and forms an integral part of this Report.

There are no qualifications, reservations and adverse remarks made by the Secretarial Auditors in their Report.

36. INDUSTRIAL RELATIONS

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

37. COST AUDITORS

As per the provisions of 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.

Pursuant to provisions of Section 141, read with Section 148 and rules made thereunder, 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 March 31, 2019 on a remuneration fixed by the Board and has recommended their remuneration to the Shareholders for their ratification, at the ensuing Annual General Meeting (AGM). Accordingly, requisite resolution seeking Members' ratification for payment of remuneration to M/s N. D. Birla & Co., Cost Accountants, is included in the Notice of the ensuing AGM.

38. 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 March 31, 2018, 32,506,774 Equity Shares are held in dematerialized form and represent 98.41% of the Company's total paid up Capital.

39. SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 to ensure harassment free workplace for employees. Sexual harassment cases are dealt as per the Company's Policy on 'Prevention of Sexual Harassment'. 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.

40. 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.

41. PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration for the year or part of the year under review, 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.

42. EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Extract of Annual Return in form no. MGT-9 for the financial year ended 31st March, 2018, made under the provisions of Section 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is attached which forms parts of the Board's Report.

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43. 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, Shirlings 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.

44. RISK MANAGEMENT

The Company has in place mechanism to inform Board Members about the Risk Assessment and Risk Minimization procedures which are 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.

45. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by them from an environmental, social and governance perspective is not applicable to the Company, for the financial year 2017-18 as per the SEBI Notification dated 22nd December, 2015 and Frequently Asked Questions issued by SEBI on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 29th January, 2016.

46. 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.

47. OTHER DISCLOSURES/REPORTING:

Your Directors state that no disclosure and/or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

48. ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks and appreciation for the continuing support and assistance received from the financial institutions, banks, government as well as non-government authorities, customers, vendors, stock exchange and members during the period under review.

Your Company takes pride in all of its dedicated officers, employees and workers, who have been wholeheartedly supporting and sincerely contributing their best for the success and growth of your Company as well as maintaining harmonious relations throughout the Company.

On behalf of the Board

Place : Ahmedabad
Date : 29th May, 2018

(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:
 - a) Installed LED T/L on machines as well as installed LED street lights
 - b) Installed Variable Frequency Drives
 - c) Replaced inefficient motors by IE3 efficient motors
- (ii) The steps taken by the company for utilization of alternate sources of energy:
 - NIL
- (iii) The Capital Investment on energy conservation equipment:
 - NIL

(B) TECHNOLOGY ABSORPTION:

- (i) The efforts made towards technology absorption:
 - Developed some new fabric with new finishes
 - We are developing new color combination to reduce cost
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
 - Some of the developed products/finishes introduced in the market.
- (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:

	(Rs. in lacs)	
	2017-18	2016-17
a) Capital	-	-
b) Recurring	38.15	63.53
c) Total	38.15	63.53
d) Total R&D Expenditure as percentage of Revenue from Operations	0.46	0.51

(C) FOREIGN EXCHANGE EARNING & OUTGO

Used Rs. 258 lacs (Previous Year Rs. 433 lacs), Earned Rs 170 lacs (Previous Year Rs. 991 lacs)

On behalf of the Board

Place : Ahmedabad
Date : 29th May, 2018

(S. K. SOMANY)
Chairman

ANNUAL REPORT 2017-18

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 ended 31st March, 2018, is as under:

Name of Directors & Key Managerial Personnel	Designation	Directors' remuneration (In Rs.)	Median Employees remuneration (In Rs.)	Ratio
Mr. S. K. Somany	Non-executive Chairman	7500	2,49,883	0.03:1
Mr. A. K. Somany	Managing Director	59,06,880	2,49,883	23.64:1
Mr. S. B. Bhat	Whole-time Director	35,03,555	2,49,883	14.02:1
Mr. B. K. Hurkat	Non-executive Independent Director	12,500	2,49,883	0.05:1
Mr. M. H. Shah	Non-executive Independent Director	10,000	2,49,883	0.04:1
Mrs. N. Singh	Non-executive Independent Director	5,000	2,49,883	0.01:1

- b) The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in financial year ended 31st March, 2018:

Name of Directors & Key Managerial Personnel	Designation	Total Remuneration 2017-18 (In Rs.)	Total Remuneration 2016-17 (In Rs.)	Percentage Increase
Mr. S. K. Somany	Non-executive Chairman	7,500	10,000	-
Mr. A. K. Somany	Managing Director	59,06,880	51,91,200	13.79%
Mr. S. B. Bhat	Whole-time Director	35,03,555	30,22,487	15.92%
Mr. B. K. Hurkat	Non-executive Independent Director	12,500	10,000	-
Mr. M. H. Shah	Non-executive Independent Director	10,000	10,000	-
Mrs. N. Singh	Non-executive Independent Director	5000	5000	-
Mr. M. B. Parakh	Chief Financial Officer	11,24,717	10,61,529	5.95%
Mr. A. K. Mishra*	Company Secretary	4,22,666	1,20,006	76.11%

*Appointed w.e.f. 1st October, 2016

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 217.
- d) Compared to the previous year 2016-17, the figures for the current year 2017-18 reflects that,
- The Net Loss for the year was Rs. 818 lacs against the previous year net loss of Rs. 826 lacs.
 - Median remuneration and average remuneration of all employees have increased by 5.61% and 8.49% respectively. **
 - Average remuneration of employees excluding Key Managerial Personnel has increased by 5.70%.
 - Remuneration of Key Managerial Personnel has increased by 9.09%
- e) It is hereby affirmed that the remuneration of Directors and KMP's are as per the Remuneration Policy of the Company.

** Remuneration payable for the relevant year for comparable employees is taken into consideration for all above calculations. Effects of any arrears or deferred payments for earlier periods have been ignored for the calculations.



ANNEXURE TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st Day of March, 2018

[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 Soma Textiles & industries Limited (CIN: L51909WB1940PLC010070) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers 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, 2018 ('Audit Period') 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 here in 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, 2018 according to the provisions of:

- I. The Companies Act, 2013(the Act) and the rules made there under;
- II. The Securities Contracts(Regulation) Act,1956 and the rules made there under;
- III. The Depositories Act,1996 and the Regulations and Bye-laws framed there under;
- 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) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client;
 - (d) The SEBI Listing (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 31-03-2018:-

- (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;
- (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.
 - (d) Factories Act, 1948.
 - (e) Industrial Disputes Act, 1947.
 - (f) The Payment of Wages Act, 1936.
 - (g) The Minimum Wages Act, 1948.
 - (h) Employee State Insurance Act, 1948.
 - (i) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
 - (j) The contract labour (regulations and Abolition) Act, 1970.

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- (k) The Maternity Benefit Act, 1961.
- (l) Environment protection Act and rules.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board Meeting (SS-1) and General Meeting (SS-2).
- (ii) The Uniform Listing Agreement entered into by the Company on 3rd December, 2015 and LODR of SEBI 2015 with the BSE Limited and the National Stock Exchange of India Limited.

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 (Listing Obligations and Disclosure Requirements) 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.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management. All decisions of the Board were unanimous and the same was captured and recorded 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, C.P. No.: 1362

Place: Kolkata

Date : May 29, 2018

ANNEXURE - A

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

Our report of even date is to be read along with this letter.

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

FOR DROLIA & COMPANY
(Company Secretaries)

Pravin Kumar Drolia
(Proprietor)

FCS: 2366, C.P. No.: 1362

Place: Kolkata

Date : May 29, 2018

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2018***[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	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 5 th Floor, 506 to 508, Amarnath Business Centre - I (ABC - I), Besides Gala Business Center, Near St. Xavier's College Corner, Off. C. G. Road, Navarangpura, Ahmedabad, Gujarat - 380009. Phone No.: 079-2646 5179, E-mail: ahmedabad@linkintime.co.in

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	13131	96.98%

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., Umm Al Quwain, U.A.E.	Umm Al Quwain Free Trade Zone, Umm Al Quwain, U.A.E.	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	5247361	-	5247361	15.89	5223122	-	5223122	15.81	(0.08)
b) Central Govt State Govt (s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	15806895	-	15806895	47.85	15806895	-	15806895	47.85	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	21054256	-	21054256	63.74	21030017	-	21030017	63.66	(0.08)
(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)	21054256	-	21054256	63.74	21030017	-	21030017	63.66	(0.08)
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	2344	2344	0.01	-	2344	2344	0.01	-
b) Banks/FI	10000	-	10000	0.03	10000	-	10000	0.03	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	400	400	0.00	-	400	400	0.00	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	10000	2744	12744	0.04	10000	2744	12744	0.04	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	1138887	-	1138887	3.45	1523139	-	1523139	4.61	(1.16)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5297310	526910	5824220	17.63	5731660	523482	6255142	18.94	1.31
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4094334	-	4094334	12.40	3372955	-	3372955	10.21	-2.19
c) Others(specify):									
i) Trusts	2000	-	2000	0.01	2000	-	2000	0.01	0.01
ii) Hindu Undivided Family	376471	-	376471	1.14	415956	-	415956	1.26	0.12
iii) NRI Rept.	46274	-	46274	0.14	85690	-	85690	0.26	0.12
iv) NRI Non Rept.	9630	-	9630	0.03	10880	-	10880	0.03	-
v) Clearing Members	474184	-	474184	1.44	324477	-	324477	0.98	(0.46)
Sub-total (B) (2)	11439090	526910	11966000	36.22	11466757	523482	11990239	36.30	0.08
Total Public Shareholding (B)=(B)(1) + (B)(2)	11449090	529654	11978744	36.26	11476757	526226	12002983	36.34	0.08
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	32503346	529654	33033000	100.00	32506774	526226	33033000	100.00	-


ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	KGPL Industries and Finvest Private Ltd.	11799651	35.72	-	11799651	35.72	-	-
2.	Sarvopari Investments Private Ltd.	4007244	12.13	-	4007244	12.13	-	-
3.	Surendra Kumar Somany	2965695	8.98	7.57	2965695	8.98	7.57	-
4.	Surendra Kumar Somany (HUF)	1402579	4.25	-	1402579	4.25	-	-
5.	Arvind Kumar Somany	728217	2.20	-	728217	2.20	-	-
6.	Arvind Kumar Somany (HUF)	126631	0.38	-	126631	0.38	-	-
7.	Anupama Agarwal	24239	0.07	-	-	-	-	(0.07)
Total		21054256	63.74	7.57	21030017	63.66	7.57	(0.07)

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

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
1	Anupama Agarwal				
	At the beginning of the year	24239	0.07		
	Increase/ Decrease in Shareholding during the year: 11.04.2017 (Sold)	(24239)	(0.07)		
	At the end of the year			0	0.00

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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	ASE CAPITAL MARKETS LTD.				
	At the beginning of the year	0	0.0000		
	Increase/ Decrease in Shareholding during the year:				
	07.04.2017 (Buy)	1500	0.0045	1500	0.0045
	14.04.2017 (Sell)	(950)	(0.0028)	550	0.0017
	21.04.2017 (Buy)	23450	0.0710	24000	0.0727
	28.04.2017 (Sell)	(22596)	(0.0684)	1404	0.0043
	05.05.2017 (Sell)	(1404)	(0.0043)	0	0.0000
	12.05.2017 (Buy)	2500	0.0076	2500	0.0076
	19.05.2017 (Sell)	(2300)	(0.0070)	200	0.0006
	26.05.2017 (Buy)	2137	0.0065	2337	0.0071
	02.06.2017 (Buy)	5124	0.0155	7461	0.0226
	09.06.2017 (Buy)	3450	0.0104	10911	0.0330
	16.06.2017 (Buy)	1189	0.0036	12100	0.0366
	23.06.2017 (Buy)	2300	0.0070	14400	0.0436
	30.06.2017 (Sale)	(2500)	(0.0076)	11900	0.0360
	07.07.2017 (Buy)	70150	0.2124	82050	2484.0000
	14.07.2017 (Sell)	(60080)	(0.1819)	21970	0.0665
	21.07.2017 (Sell)	(4720)	(0.0143)	17250	0.0522
	28.07.2017 (Sell)	(10350)	(0.0313)	6900	0.0209
	11.08.2017 (Buy)	2500	0.0076	9400	0.0285
	18.08.2017 (Sell)	(5000)	(0.0152)	4400	0.0133
	25.08.2017 (Buy)	5640	0.0171	10040	0.0304
	01.09.2017 (Buy)	1400	0.0042	11440	0.0346
	08.09.2017 (Sell)	(7040)	(0.0213)	4400	0.0133
	15.09.2017 (Buy)	20600	0.0624	25000	0.0757
	29.09.2017 (Buy)	3500	0.0106	28500	0.0863
	09.10.2017 (Sell)	(18200)	(0.0551)	10300	0.0312
	13.10.2017 (Buy)	2700	0.0082	13000	0.0394
	20.10.2017 (Sell)	(2200)	(0.0067)	10800	0.0327
	27.10.2017 (Buy)	33880	0.1026	44680	0.1353
	03.11.2017 (Buy)	51320	0.1553	96000	0.2906
	10.11.2017 (Sell)	(69800)	(0.2113)	26200	0.0793
	17.11.2017 (Buy)	7500	0.0227	33700	0.1020
	24.11.2017 (Sell)	(14500)	(0.0439)	19200	0.0581
	01.12.2017 (Sell)	(6600)	(0.0200)	12600	0.0381
	08.12.2017 (Sell)	(12600)	(0.0381)	0	0.0000
	15.12.2017 (Buy)	90	0.0003	90	0.0003
	22.12.2017 (Buy)	1500	0.0045	1590	0.0048
	29.12.2017 (Buy)	200	0.0006	1790	0.0054
	26.01.2018 (Sell)	(1685)	(0.0051)	105	0.0003
	02.02.2018 (Buy)	87259	0.2642	87364	0.2645
	09.02.2018 (Buy)#	226109	0.6845	313473	0.9490



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
	16.02.2018 (Buy)	60200	0.1822	373673	1.1312
	23.02.2018 (Sell)	(366543)	(1.1096)	7130	0.0216
	02.03.2018 (Buy)	41565	0.1258	48695	0.1474
	09.03.2018 (Sell)	(48595)	(0.1471)	100	0.0003
	16.03.2018 (Buy)	18145	0.0549	18245	0.0552
	23.03.2018 (Buy)	573463	1.7360	591708	1.7913
	31.03.2018 (Buy)	38692	0.1171	630400	1.9084
	At the end of the year			630400	1.9084
2	AKSHAT KEJRIWAL				
	At the beginning of the year	245191	0.7423		
	Increase/Decrease in Shareholding during the year:				
	21.04.2017 (Sell)	(2191)	(0.0066)	243000	0.7356
	28.04.2017 (Buy)	4092	0.0124	247092	0.7480
	05.05.2017 (Buy)	14004	0.0424	261096	0.7904
	12.05.2017 (Buy)	4403	0.0133	265499	0.8037
	19.05.2017 (Buy)	4180	0.0127	269679	0.8164
	02.06.2017 (Sell)	(6234)	(0.0189)	263445	0.7975
	16.06.2017 (Buy)	13625	0.0413	277070	0.8388
	23.06.2017 (Sell)	(10000)	(0.0303)	267070	0.8085
	07.07.2017 (Sell)	(30000)	(0.0908)	237070	0.7177
	14.07.2017 (Sell)	(10000)	(0.0303)	227070	0.6874
	04.08.2017 (Buy)	21369	0.0647	248439	0.7521
	18.08.2017 (Buy)	11061	0.0335	259500	0.7856
	03.11.2017 (Sell)	(15000)	(0.0454)	244500	0.7402
	24.11.2017 (Sell)	(16000)	(0.0484)	228500	0.6917
	01.12.2017 (Sell)	(12000)	(0.0363)	216500	0.6554
	22.12.2017 (Buy)	15000	0.0454	231500	0.7008
	30.12.2017 (Sell)	(2764)	(0.0084)	228736	0.6924
	19.01.2018 (Buy)	20768	0.0629	249504	0.7553
	26.01.2018 (Buy)	26705	0.0808	276209	0.8362
	02.02.2018 (Buy)	400	0.0012	276609	0.8374
	At the end of the year			276609	0.8374
3	AJIT SINGH JAGJIT SINGH CHAWLA				
	At the beginning of the year	251538	0.7615		
	Increase/ Decrease in Shareholding during the year:				
	14.07.2017 (Sell)	(1750)	(0.0053)	249788	0.7562
	17.11.2017 (Sell)	(999)	(0.0030)	248789	0.7532
	24.11.2017 (Sell)	(6000)	(0.0182)	242789	0.7350
	01.12.2017 (Sell)	(11851)	(0.0359)	230938	0.6991
	08.12.2017 (Sell)	(16090)	(0.0487)	214848	0.6504
	15.12.2017 (Buy)	3500	0.0106	218348	0.6610
	At the end of the year			218348	0.6610
4	GLOBE CAPITAL MARKET LTD.				
	At the beginning of the year	210200	0.6363		
	Increase/Decrease in Shareholding during the year:				
	14.04.2017 (Sell)	(10000)	(0.0302)	200200	0.6061
	21.04.2017 (Sell)	(200)	(0.0006)	200000	0.6055

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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
	28.04.2017 (Buy)	2000	0.0060	202000	0.6115
	12.05.2017 (Sell)	(2000)	(0.0060)	200000	0.6055
	02.06.2017 (Buy)	150	0.0004	200150	0.6059
	09.06.2017 (Sell)	(150)	(0.0004)	200000	0.6055
	23.06.2017 (Buy)	200	0.0006	200200	0.6061
	30.06.2017 (Buy)	500	0.0015	200700	0.6076
	04.08.2017 (Buy)	300	0.0009	201000	0.6085
	18.08.2017 (Sell)	(500)	(0.0015)	200500	0.6070
	15.09.2017 (Buy)	1250	0.0004	201750	0.6108
	22.09.2017 (Sell)	(500)	(0.0015)	201250	0.6092
	29.09.2017 (Sell)	(250)	(0.0007)	201000	0.6085
	06.10.2017 (Buy)	1900	0.0057	202900	0.6142
	13.10.2017 (Sell)	(2000)	(0.0060)	200900	0.6082
	27.10.2017 (Sell)	(300)	(0.0009)	200600	0.6073
	03.11.2017 (Sell)	(13645)	(0.0413)	186955	0.5660
	24.11.2017 (Sell)	(5250)	(0.0159)	181705	0.5501
	01.12.2017 (Sell)	(18186)	(0.0551)	163519	0.4950
	08.12.2017 (Buy)	100	0.0003	163619	0.4953
	15.12.2017 (Sell)	(200)	(0.0006)	163419	0.4947
	22.12.2017 (Buy)	106	0.0003	163525	0.4950
	29.12.2017 (Buy)	144	0.0004	163669	0.4955
	05.01.2018 (Buy)	20	0.0000	163689	0.4955
	At the end of the year			163689	0.4955
5	KALPESH BHUPENDRA VORA				
	At the beginning of the year	158925	0.4811		
	Increase/Decrease in Shareholding during the year:	No change during the year			
	At the end of the year			158925	0.4811
6	ASHOKKUMAR GIRIRAJ BANSAL				
	At the beginning of the year	175000	0.5298		
	Increase/Decrease in Shareholding during the year:				
	21.04.2017 (Sell)	(40000)	(0.1211)	135000	0.4087
	05.05.2017 (Buy)	10000	0.0303	145000	0.4390
	12.05.2017 (Buy)	20000	0.0605	165000	0.4995
	26.05.2017 (Buy)	10000	0.0303	175000	0.5298
	14.07.2017 (Sell)	(30000)	(0.0908)	145000	0.4390
	21.07.2017 (Buy)	500	0.0015	145500	0.4405
	15.09.2017 (Sell)	(10000)	(0.0303)	135500	0.4102
	24.11.2017 (Sell)	(50000)	(0.1514)	85500	0.2588
	01.12.2017 (Sell)	(30500)	(0.0923)	55000	0.1665
	08.12.2017 (Buy)	14398	0.0436	69398	0.2101
	15.12.2017 (Buy)	25602	0.0775	95000	0.2876
	30.12.2017 (Sell)	(10000)	(0.0303)	85000	0.2573
	05.01.2018 (Buy)	10900	0.0330	95900	0.2903
	09.02.2018 (Buy)	17457	0.0529	113357	0.3432
	At the end of the year			113357	0.3432



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
7	SANTOSH GUPTA				
	At the beginning of the year	0	0.0000		
	Increase/Decrease in Shareholding during the year:				
	26.01.2018 (Buy)#	100000	0.3027	100000	0.3027
	At the end of the year			100000	0.3027
8	FENIL GIRISH BHEDA				
	At the beginning of the year	0	0.0000		
	Increase/Decrease in Shareholding during the year:				
	14.07.2017 (Buy)	87860	0.2660	87860	0.2660
	11.08.2017 (Buy)#	11249	0.0340	99109	0.3000
	At the end of the year			99109	0.3000
9	DEEPAK MITTAL				
	At the beginning of the year	125623	0.3803		
	Increase/Decrease in Shareholding during the year:				
	24.11.2017 (Sell)	(25623)	(0.0776)	100000	0.3027
	12.01.2018 (Sell)	(7500)	(0.0227)	92500	0.2800
	At the end of the year			92500	0.2800
10	SATYA NARAYAN G. KEJRIWAL				
	At the beginning of the year	50903	0.1541		
	Increase/Decrease in Shareholding during the year:				
	21.04.2017 (Sell)	(2000)	(0.0060)	48903	0.1480
	28.04.2017 (Buy)	11480	0.0348	60383	0.1828
	05.05.2017 (Buy)	10603	0.0321	70986	0.2149
	12.05.2017 (Sell)	(3429)	(0.0104)	67557	0.2045
	19.05.2017 (Buy)	5929	0.0179	73486	0.2225
	09.06.2017 (Buy)	835	0.0025	74321	0.2250
	16.06.2017 (Buy)	3150	0.0095	77471	0.2345
	23.06.2017 (Sell)	(910)	(0.0028)	76561	0.2318
	30.06.2017 (Sell)	(865)	(0.0026)	75696	0.2292
	21.07.2017 (Buy)	2304	0.0069	78000	0.2361
	11.08.2017 (Buy)	2840	0.0086	80840	0.2447
	18.08.2018 (Buy)	3838	0.0116	84678	0.2563
	15.09.2017 (Sell)	(3000)	(0.0090)	81678	0.2473
	22.09.2017 (Buy)	4221	0.0127	85899	0.2600
	20.10.2017 (Buy)	2000	0.0060	87899	0.2661
	27.10.2017 (Buy)	1195	0.0036	89094	0.2697
	03.11.2017 (Sell)	(7000)	(0.0212)	82094	0.2485
	24.11.2017 (Sell)	(27000)	(0.0817)	55094	0.1668
	01.12.2017 (Sell)	(8000)	(0.0242)	47094	0.1426
	08.12.2017 (Buy)	5000	0.0151	52094	0.1577
	15.12.2017 (Buy)	5000	0.0151	57094	0.1728
	22.12.2017 (Buy)	5006	0.0152	62100	0.1880
	29.12.2017 (Sell)	(2000)	(0.0060)	60100	0.1819
	05.01.2018 (Buy)	10024	0.0303	70124	0.2123
	12.01.2018 (Buy)	896	0.0027	71020	0.2150

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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
	19.01.2018 (Buy)	10080	0.0305	81100	0.2455
	02.02.2018 (Buy)	200	0.0006	81300	0.2461
	09.03.2018 (Buy)	1000	0.0030	82300	0.2491
	23.03.2018 (Buy)#	2300	0.0070	84600	0.2561
	31.03.2018 (Buy)	25	0.0001	84625	0.2562
	At the end of the year			84625	0.2526
11	ARCADIA SHARE & STOCK BROKERS PVT. LTD.				
	At the beginning of the year	191297	0.5791		
	Increase/Decrease in Shareholding during the year:				
	07.04.2017 (Sell)	(3550)	(0.0107)	187747	0.5684
	14.04.2017 (Sell)	(8284)	(0.0251)	179463	0.5433
	21.04.2017 (Buy)	3698	0.0112	183161	0.5545
	28.04.2017 (Buy)	19700	0.0596	202861	0.6141
	05.05.2017 (Sell)	(3063)	(0.0093)	199798	0.6048
	12.05.2017 (Sell)	(3118)	(0.0094)	196680	0.5954
	19.05.2017 (Sell)	(10194)	(0.0309)	186486	0.5645
	26.05.2017 (Sell)	(100)	(0.0003)	186386	0.5642
	02.06.2017 (Sell)	(3000)	(0.0090)	183386	0.5552
	09.06.2017 (Sell)	(4500)	(0.0137)	178886	0.5415
	16.06.2017 (Sell)	(802)	(0.0024)	178084	0.5491
	23.06.2017 (Sell)	(721)	(0.0022)	177363	0.5369
	30.06.2017 (Sell)	(1451)	(0.0044)	175912	0.5325
	07.07.2017 (Buy)	100	0.0003	176012	0.5328
	28.07.2017 (Sell)	(19900)	(0.0602)	156112	0.4726
	04.08.2017 (Sell)	(100)	(0.0003)	156012	0.4723
	11.08.2017 (Buy)	4900	0.0148	160912	0.4871
	18.08.2017 (Sell)	(5000)	(0.0151)	155912	0.4720
	01.09.2017 (Buy)	3517	0.0106	159429	0.4826
	08.09.2017 (Sell)	(32643)	(0.0988)	126786	0.3838
	15.09.2017 (Sell)	(100)	(0.0003)	126686	0.3835
	22.09.2017 (Sell)	(600)	(0.0018)	126086	0.3817
	06.10.2017 (Buy)	11000	0.0033	137086	0.4150
	13.10.2017 (Sell)	(5000)	(0.0151)	132086	0.3999
	20.10.2017 (Sell)	(830)	(0.0026)	131256	0.3973
	27.10.2017 (Sell)	(15920)	(0.0481)	115336	0.3492
	03.11.2017 (Sell)	(19000)	(0.0575)	96336	0.2916
	10.11.2017 (Sell)	(500)	(0.0015)	95836	0.2901
	24.11.2017 (Buy)	4050	0.0123	99886	0.3024
	01.12.2017 (Buy)	33449	0.1012	133335	0.4036
	08.12.2017 (Sell)	(17749)	(0.0537)	115586	0.3499
	15.12.2017 (Sell)	(1000)	(0.0030)	114586	0.3469
	22.12.2017 (Buy)	4600	0.0139	119186	0.3608
	30.12.2017 (Sell)	(6500)	(0.0197)	112686	0.3411
	05.01.2018 (Sell)	(1100)	(0.0033)	111586	0.3378
	12.01.2018 (Sell)\$	(8958)	(0.0271)	102628	0.3107



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
	19.01.2018 (Sell)	(13400)	(0.0406)	89228	0.2701
	09.03.2018 (Sell)	(19900)	(0.0602)	69328	0.2099
	16.03.2018 (Buy)	1500	0.0045	70828	0.2144
	At the end of the year			70828	0.2144
12	SURESH CHAND LALWANI				
	At the beginning of the year	140500	0.4253		
	Increase/Decrease in Shareholding during the year:				
	28.04.2017 (Sell)\$	(27258)	(0.0825)	113242	0.3428
	05.05.2017 (Sell)	(2742)	(0.0083)	110500	0.3345
	15.09.2017 (Sell)	(10500)	(0.0318)	100000	0.3027
	24.11.2017 (Sell)	(100000)	(0.3027)	0	0.0000
	At the end of the year			0	0.0000
13	HARVEER A CHAWLA				
	At the beginning of the year\$	125000	0.3784		
	Increase/Decrease in Shareholding during the year:				
	19.05.2017 (Sell)	(1329)	(0.0040)	123671	0.3744
	26.05.2017 (Sell)	(1495)	(0.0045)	122176	0.3699
	23.06.2017 (Sell)	(2000)	(0.0061)	120176	0.3638
	30.06.2017 (Sell)	(2000)	(0.0061)	118176	0.3577
	07.07.2017 (Sell)\$	(5855)	(0.0177)	112321	0.3400
	14.07.2017 (Sell)	(22861)	(0.0692)	89460	0.2708
	21.07.2017 (Sell)	(500)	(0.0015)	88960	0.2693
	28.07.2017 (Sell)	(6055)	(0.0183)	82905	0.2510
	15.09.2017 (Sell)	(2400)	(0.0073)	80505	0.2437
	06.10.2017 (Sell)	(46)	(0.0001)	80459	0.2436
	03.11.2017 (Sell)	(4400)	(0.0133)	76059	0.2303
	10.11.2017 (Sell)	(400)	(0.0012)	75659	0.2290
	17.11.2017 (Sell)	(36604)	(0.1108)	39055	0.1182
	24.11.2017 (Sell)	(31930)	(0.0966)	7125	0.0216
	01.12.2017 (Sell)	(7125)	(0.0216)	0	0.0000
	At the end of the year			0	0.0000
14	HASMUKEH PAREKH				
	At the beginning of the year	100000	0.3027		
	Increase/Decrease in Shareholding during the year:				
	28.04.2017 (Sell)\$	(7061)	(0.0214)	92939	0.2814
	27.10.2017 (Sell)	(92939)	(0.2814)	0	0.0000
	At the end of the year			0	0.0000

* 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
5. Brij Kishore Hurkat					
	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
6. 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
7. 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
8. Nisha Singh					
	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
9. Abhishek Kumar Mishra					
	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
10. 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	12010.88	4.19	0	12015.07
ii) Interest due but not paid	4078.48	0	0	4078.48
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	16089.36	4.19	0	16093.55
Change in Indebtedness during the financial year				
• Addition	915.79	0	0	915.79
• Reduction	0	0.03	0	0.03
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	11267.37	4.16	0	11271.53
ii) Interest due but not paid	5737.78	0	0	5737.78
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	17005.15	4.16	0	17009.31

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

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	5319000	2631175	7950175
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	630880	630880
	(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)	5319000	3262055	8581055
	Ceiling as per the Act* * Central Government Approval awaited			

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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	Mrs. N. Singh	
1.	Independent Directors					
	• Fees for attending board meetings and committee meetings	-	12500	10000	5000	27500
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	-	12500	10000	5000	27500
2.	Other Non-Executive Directors					
	• Fees for attending board meetings and committee meetings	7500	-	-	-	7500
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	7500	-	-	-	7500
	Total (B)= (1+2)	7500	12500	10000	5000	35000
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 A. K. Mishra (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	346488	974621	1321109
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	43910	61644	105554
	(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	390398	1036265	1426663

**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	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
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 Rs.)

Name of Associate	SOMA TEXTILE FZC
1. Latest audited Balance Sheet Date	31.03.2018
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	Rs. 3,421,479
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	Rs. 3,421,479
6. Profit/(Loss) for the year	
i. Considered in Consolidation	(3.26) 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/-
A. K. Mishra
Company Secretary



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE:

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 percent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry employs about 45 million people directly and 20 million people indirectly.

The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

Opportunities

The global textile industry will continue to grow along with growing consumption of textile products in developing countries and a gradual economic recovery of major developed economies.

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.

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.

Over supply in the unorganized market like that of denim, suppliers have little bargaining power.

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 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. 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.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2018.

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 realizes 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, 2018 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 Board's 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 Directorship held other than STIL (*)	No. of Membership/ Chairmanship on other Board Committees other than STIL (**)
Shri S. K. Somany	Chairman	Promoter Non-Executive Non Independent	5	4 (including 3 as Chairman)
Shri A. K. Somany	Managing Director	Promoter Executive Non Independent	1	-
Shri S. Bhat	Executive Director	Executive Non Independent	1	-
Shri B .K. Hurkat	Director	Non-Executive Independent	-	-
Shri M. H. Shah	Director	Non-Executive Independent	-	-
Mrs. N. Singh	Director	Non-Executive Independent	-	-

(*) 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 2017-18, Four (5) Board Meetings were held on 30th May, 2017, 12th July, 2017, 12th September, 2017, 8th December, 2017, and 14th February, 2018. 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, 79th Annual General Meeting held on 25th August, 2017. 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	5	No
Shri S. B. Bhat	3	No
Shri B. K. Hurkat	5	Yes
Shri M. H. Shah	4	No
Mrs. N. Singh	2	No

(c) Details of shares and convertible instruments held by Non-Executive Directors as on 31st March, 2018:

As on 31st March, 2018, Shri S. K. Somany, Non-Executive Promoter 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, 2018.

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 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.

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(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:-

Shri S. B. Bhat (Shri Bhat), Director of the Company retires by rotation at the ensuing 80th Annual General Meeting (AGM) of the Company and is eligible for re-appointment.

The brief profile of Shri Bhat and his other relevant particulars are furnished in the Notice convening the 80th AGM of the Company to be held on Thursday, the 13th September, 2018.

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, 2018, 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 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

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, 2018, 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 79th AGM held on 25th August, 2017 to answer shareholders queries. Shri A. K. Mishra, Company Secretary, acts as Secretary to the Committee.

c) Meetings

During the financial year 2017-18, five (5) Audit Committee meetings were held on 30th May, 2017, 12th July, 2017, 12th September, 2017, 8th December, 2017, and 14th February, 2018. 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.

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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 Independent Director	Chairman	5
Shri M. H. Shah	Non-Executive Independent Director	Member	4
Mrs. N. Singh	Non-Executive Independent Director	Member	2

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 further 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 -

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- 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.
- Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.
- Conduct Annual performance review of MD and CEO and Senior Management Employees;
- Administration of Employee Stock Option Scheme (ESOS);
- Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.
- 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 2018, 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 Mrs. N. Singh were Independent Non-Executive Directors and Shri S. K. Somany, was the Non-Executive Chairman & Promotor Director of the Company. Shri A. K. Mishra, Company Secretary, acts as Secretary to the Committee. During the year under review one (1) Nomination and Remuneration Committee Meeting was held on 30th May, 2017 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	–
Shri B. K. Hurkat	Non-Executive Director – Independent	Chairman	1
Shri M. H. Shah	Non-Executive Director – Independent	Member	1
Mrs. N. Singh	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;
- (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 not 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;
- (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;

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- (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:-

(Amount in Rs.)					
Name of Director	Basic Salary & Allowances	Perquisites & other benefits	Contribution to PF	Sitting Fees	Total
Shri S. K. Somany	-	-	-	7,500	7,500
Shri A. K. Somany	53,19,000	-	5,87,880	-	59,06,880
Shri Shrikant Bhat	26,31,175	6,30,880	2,41,500	-	35,03,555
Shri B. K. Hurkat	-	-	-	12,500	12,500
Shri M. H. Shah	-	-	-	10,000	10,000
Mrs. N. Singh	-	-	-	5,000	5,000

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, 2017. 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

AAs on 31.03.2018, 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, 2017, 29th September, 2017, 30th December, 2017 and 31st March, 2018. 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	4
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
Mrs. N. Singh	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 A. K. Mishra, 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.

b) Composition

As on 31st March, 2018 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

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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	4
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
Mrs. N. Singh	Non-Executive Independent Director	Member	0

There were no valid share transfers pending for registration for more than 30 days as on 31.03.2018.

E) SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 13th February, 2018, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- 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.

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
2016-17	79 th	25.08.2017	12:00 Noon	Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001.
2015-16	78 th	07.09.2016	12:00 Noon	- Same as above -
2014-15	77 th	17.09.2015	2:30 P.M.	- Same as above -

(ii) Special Resolution passed in the previous three AGMs:-

In the AGM held on	Subject matter of the resolution
25 th August, 2017	To authorize the Company to charge for service of documents to Members of the Company pursuant to Section 20 of the Companies Act, 2013
7 th September, 2016	Re-appointment of Shri A. K. Somany, as the Managing Director for 3 (Three) years from 22 nd January, 2017.
17 th September, 2015	Re-appointment of Shri S. B. Bhat, as whole-time Director for 3 (Three) years from 18 th January, 2016.


B. Extra-Ordinary General Meeting – NIL
C. Special Resolution(s) passed through Postal Ballot:

During the fiscal 2018, the Company passed the following Special Resolution by Postal Ballot:

Special Resolutions	Votes cast in favour		Votes cast against		Date of declaration of results
	No. of votes	%	No. of votes	%	
To approve, ratify and confirm the variation/ alteration/ amendment in the terms of use of proceeds, in the offering circular for issuance of GDRs.	21219988	100.00	500	0.00	14 th June, 2017

The Company successfully completed the process of obtaining approval of its shareholders for special resolution on the item detailed above, vide postal ballot.

The Board had appointed Shri Pravin Kumar Drolia, F.C.S., Practicing Company Secretary, Proprietor, Drolia & Company of Kolkata, as a Scrutinizer to conduct the Postal Ballot Process in a fair and transparent manner.

Procedure for Postal Ballot:

Pursuant to provisions of Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013, (Act) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Standard 16 Secretarial Standard - 2 (SS-2), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable from time to time, the Company provides electronic voting facility to all its members, to enable them to cast their votes through Postal Ballot which includes electronic voting (remote e-voting). The Company engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/ list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period fixed by the Company. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting, as fixed by the Company.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/Authorized officer. The results are also displayed on the website of the Company i.e. www.somatextiles.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

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 party(ies) transactions have been disclosed in the Notes to the Accounts, in the Financial Statements of the Company as at 31st March, 2018.

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(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, 2018

(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 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 the SEBI (LODR) Regulations, 2015.

(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.
- (vii) BSE Electronic Application Processing System (BSE Listing Centre) The 'BSE Listing Centre' (listing.bseindia.com) is a web based application designed by BSE for Corporates. All periodical compliance filings, like the Shareholding pattern, Corporate Governance Report etc. are also filed electronically on BSE Listing Centre.

9. GENERAL SHAREHOLDERS' INFORMATION

(i) Annual General Meeting:

The 80th Annual General Meeting is proposed to be held on Thursday, the 13th September, 2018 at 3:00 P.M. at Somany Conference Hall, MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001.

(ii) Financial Year :

2018-2019 (1st April to 31st March)

First Quarterly results

Within 45 days of end of June quarter 2018

Second Quarterly Results

Within 45 days of end of September quarter 2018

Third Quarterly Results

Within 45 days of end of December quarter 2018

Audited Financial Results for the year ended 31.03.2019

Within 60 days of end of Financial Year March, 2019

(iii) Date of Book Closure:

Tuesday, the 4th September, 2018 to Thursday, the 13th September, 2018 (both days inclusive).

(iv) Dividend Payment Date:

No dividend has been declared by the Company for the financial year 2017-18.

(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 2016-17.

(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 (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2017	17.05	12.10	17.14	12.11
May 2017	14.45	11.30	14.60	11.40
June 2017	14.25	9.85	14.31	9.82
July 2017	15.90	12.50	15.05	12.32
August 2017	14.25	10.40	14.35	9.15
September 2017	16.00	11.40	16.15	11.66
October 2017	15.75	13.10	15.80	12.60
November 2017	25.15	14.40	25.10	13.10
December 2017	23.65	15.60	23.50	15.50
January 2018	19.30	13.60	19.10	13.50
February 2018	14.95	12.70	14.84	12.84
March 2018	13.80	10.50	13.78	10.50

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

Months	BSE		BSE INDEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2017	17.14	12.11	30184.22	29241.48
May 2017	14.60	11.40	31255.28	29804.12
June 2017	14.31	9.82	31522.87	30680.66
July 2017	15.05	12.32	32672.66	31017.11
August 2017	14.35	9.15	32686.48	31128.02
September 2017	16.15	11.66	32524.11	31081.83
October 2017	15.80	12.60	33340.17	31440.48
November 2017	25.10	13.10	33865.95	32683.59
December 2017	23.50	15.50	34137.97	32565.16
January 2018	19.10	13.50	36443.98	33703.37
February 2018	14.84	12.84	36256.83	33482.81
March 2018	13.78	10.50	34278.63	32483.84

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

Link Intime India Private Limited

Unit: Soma Textiles & Industries Limited

Address: C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083.

Phone No.: 022-49186270, E-mail : rnthelpdesk@linkintime.co.in

and/ or

Branch office at :

5th Floor, 506 to 508, Amarnath Business Centre – I (ABC - I),
Besides Gala Business Center, Near St. Xavier's College Corner,
Off. C. G. Road, Navarangpura, Ahmedabad, Gujarat – 380009.
Phone No. : 079-2646 5179, E-mail: ahmedabad@linkintime.co.in

(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 30 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, 2018 is given below:

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

No. of shares		Shareholders		Shareholding	
From	To	Number	% of total	No. of Shares	% of total shares
1	500	8694	76.50	1679139	5.08
501	1000	1221	10.74	1085388	3.29
1001	2000	608	5.35	1007067	3.05
2001	3000	238	2.09	632717	1.92
3001	4000	126	1.11	460878	1.39
4001	5000	129	1.14	622542	1.88
5001	10000	194	1.71	1502844	4.55
10001	Above	155	1.36	26042425	78.84
Total		11365	100.00	33033000	100.00

(b) Distribution of shareholding by ownership:

Category	No. of shares held	% shares holding
Promoters	21030017	63.66
Resident Individuals	9628097	29.15
Private Corporate Bodies	1523139	4.61
Financial Institution & Banks, Govt., Insurance Companies and Mutual Funds	12344	0.04
OCBs and NRIs	96570	0.29
Foreign Institutional Investors	400	0.00
Others (Clearing Members, Trusts & HUF)	742433	2.25
Total	33,033,000	100.00

(xiv) Dematerialisation of Equity Shares

At present, 98.41% 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, 2018, the Company had no outstanding GDRs/ADRs/warrants or any convertible instruments

(xvi) Plant Locations

Rakhial Road, Ahmedabad – 380 023

Phone No.: 079-22743285-8

(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

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 29th May, 2018

(S. K. SOMANY)
Chairman

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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, 2018.

(Arvind Kumar Somany)

Place : Ahmedabad
Date : 30th April, 2018

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 2018, 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 A. K. OSTWAL & CO.
Chartered Accountants

Place : Surat
Date : 29th May, 2018

Ashok Kumar Jain
(Partner)
M. No.: 038521, F.R.N.: 107200W



INDEPENDENT AUDITOR'S REPORT

**To The Members of
SOMA TEXTILES & INDUSTRIES LIMITED**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **SOMA TEXTILES & INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting 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 issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

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

1. We draw your attention to Note 41 of the financial statement regarding preparation of the annual standalone financial statement on going concern basis for the reason stated therein. The appropriateness of the assumption of going concern is dependent upon realization of the various initiatives undertaken by the Company and /or the Company's ability to raise requisite finance/generate cash flows in future to meet its obligations.

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2. The Company had advanced a loan to the tune of Rs. 7,756.15 Lakhs (previous year Rs. 8,598.30 Lakhs) to Soma Textile FZC (UAE) out of GDR proceeds, classified as Non-current loan. The Company has received Rs. 1,153.79 Lakhs (USD 17,94,485) during FY 2017-18. This loan has been advanced by the Company as quasi-equity in addition to the capital contribution to Soma Textile FZC. When the said loan was given, the said Company was a wholly owned subsidiary, however with effect from 31-3-2010, the Company's holding in this Company has diluted from 100% to 40%. In the financial statement of Soma Textile FZC ended as at 31-3-2018 the accumulated loss reflects at AED 587,128 as against the total capital of AED 9,00,000 (Including statutory reserve).

Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 30th May 2017 and 27th May 2016 respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone Ind AS financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
- 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For A. K. OSTWAL & CO
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107200W)

ASHOK KUMAR JAIN
PARTNER
M. NO. 038521

Place : Surat
Date : 29th May, 2018



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 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, 2018.

- I.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, 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 2018, was Rs. 7756.15 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.
- IV. 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 2017-18). 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 2017-18).
- 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, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Goods and Service Tax (GST), 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, 2018 for a period of more than six months from the date they became payable.
 - (b) Following amounts have not been deposited as on March 31, 2018 on account of dispute are given below:

Nature of Statute	Nature of the dues	Rs. in Lakhs	Period to which the amount relates	Forum where matter is pending
Central Excise Act, 1944	Recovery of CENVAT	1.59	2004-05	The Dy. Commissioner of C. Excise, Div-I, Ahmedabad.
	Recovery of additional TTA duty of yarn captively consume	24.85	2002-03	The Dy. Commissioner of C. Excise, Div-III, Ahmedabad

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Nature of Statue	Nature of the dues	Rs. in Lakhs	Period to which the amount relates	Forum where matter is pending
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	The Commissioner of C. Excise, (Appeals), Ahmedabad
	Recovery of transitional CENVAT	5.81	2012-13	CESTAT, West Zone Ahmedabad (Appeal)
Gujarat Sales Tax Act, 1969	Additional Sales Tax	6.17	1997-98, 1998-99, 2000-01	Gujarat Value Added Tax Tribunal
Gujarat Sales Tax Act, 1969	Demand of Sales Tax	21.66	2005-06	Gujarat Value Added Tax Tribunal
Income Tax Act, 1961	Demand of Income Tax (Penalty)	114.60 138.91 391.24	2007-08 2008-09 2009-10	Commissioner of Income Tax Appeal

- VIII. Based on our audit procedures and on the basis of information and explanation given to us by the management the company has not defaulted in repayment of loans or borrowings to a bank.
- 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 A. K. OSTWAL & CO
CHARTERED ACCOUNTANTS
 (Firm Reg. No. 107200W)

ASHOK KUMAR JAIN
PARTNER
 M. NO. 038521

Place : Surat
 Date : 29th May, 2018

**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 1(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, 2018, we report that :

We have audited the internal financial controls over financial reporting of SOMA TEXTILES & INDUSTRIES LIMITED ("the Company") as of March 31, 2018 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, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For A. K. OSTWAL & CO
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107200W)

ASHOK KUMAR JAIN
PARTNER
M. NO. 038521

Place : Surat
Date : 29th May, 2018

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BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in lakhs)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A ASSETS				
1 Non-current assets				
(a) Property, plant and equipments	3	2,774.19	2,962.98	3,938.53
(b) Other intangible assets	4	14.23	28.89	43.57
(c) Financial assets				
(i) Investments	5	34.22	34.22	34.22
(ii) Loan	6	7,756.15	8,598.30	8,689.14
(iii) Other financial assets	7	232.44	241.47	325.01
(d) Deferred tax assets (net)	8	1,350.07	1,829.18	2,044.18
(e) Income tax assets (net)	9	206.48	86.42	105.08
Total non-current assets		12,367.78	13,781.46	15,179.74
2 Current assets				
(a) Inventories	10	944.83	755.18	1,770.95
(b) Financial assets				
(i) Investments	11	207.93	-	-
(ii) Trade receivables	12	240.63	485.74	1,767.32
(iii) Cash and cash equivalents	13(a)	1,855.55	267.97	1,128.53
(iv) Bank balance other than (iii) above	13(b)	400.40	0.40	0.40
(v) Other financial assets	14	22.78	76.60	174.96
(c) Other current assets	15	399.19	648.00	966.48
(d) Assets classified as held for sale		-	-	266.28
Total current assets		4,071.31	2,233.89	6,074.94
Total Assets		16,439.09	16,015.35	21,254.68
B EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	3,322.75	3,322.75	3,322.75
(b) Other equity	17	(5,758.19)	(4,940.11)	(4,114.54)
Total equity		(2,435.44)	(1,617.36)	(791.79)
Liabilities				
1 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	11,397.95	11,613.42	15,355.23
(b) Long-term provisions	19	271.05	337.38	482.82
Total non-current liabilities		11,669.01	11,950.80	15,838.05
2 Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	20	873.09	202.31	1,360.52
(b) Other current liabilities	21	6,224.85	5,392.97	4,749.18
(c) Short-term provisions	22	107.59	86.64	98.72
Total current liabilities		7,205.53	5,681.91	6,208.42
Total liabilities		18,874.53	17,632.71	22,046.47
Total Equity and liabilities		16,439.09	16,015.35	21,254.68

Significant accounting policies notes 1 to 44 form an integral part of the financial statements

As per our report of even date

For A. K. OSTWAL & CO.
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107200W)

ASHOK KUMAR JAIN
PARTNER
Membership No. 038521

Place : Surat

Date : 29th May, 2018

For and on behalf of the Board

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

		(₹ in lakhs)	
Particulars	Note	2017-18	2016-17
I. Revenue from operations (Gross)	23	8,226.44	12,733.33
II. Other income	24	608.97	173.90
III. Total Revenue (I + II)		8,835.41	12,907.23
IV. Expenses:			
Cost of materials consumed	25	2,255.20	4,674.28
Changes in inventories of finished goods and work-in-progress	26	(154.75)	847.80
Excise Duty		-	1.41
Employee benefits expense	27	1,442.83	1,734.26
Finance costs	28	1,345.59	1,503.94
Depreciation	3 & 4	329.52	407.63
Other expenses	29	4,225.56	4,857.09
Total expenses		9,443.93	14,026.41
V. Profit/(Loss) before Exceptional Item and Tax		(608.52)	(1,119.19)
VI. Exceptional items	30	265.11	496.02
VII. Profit/(Loss) before tax		(343.41)	(623.17)
VIII. Tax expense:			
Deferred tax		(479.10)	(215.00)
Tax in respect of earlier years		-	5.86
IX. Profit/(Loss) for the period		(822.51)	(832.31)
Other Comprehensive Income			
A. Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		4.43	6.74
Total other comprehensive income for the year		4.43	6.74
Total comprehensive income for the year		(818.08)	(825.57)
X. Earnings per equity share:	39		
(1) Basic		(2.48)	(2.50)
(2) Diluted		(2.48)	(2.50)

Significant accounting policies notes 1 to 44 form an integral part of the financial statements

As per our report of even date

For A. K. OSTWAL & CO.

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107200W)

ASHOK KUMAR JAIN

PARTNER

Membership No. 038521

Place : Surat

Date : 29th May, 2018**For and on behalf of the Board****S. K. SOMANY**

Chairman

A. K. SOMANY

Managing Director

M. B. PARAKH

Chief Financial Officer

A. K. MISHRA

Company Secretary

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

	(₹ in lakhs)	
Particulars	2017-18	2016-17
A Cash flow from operating activities		
Profit/(Loss) before exceptional items & tax	(608.52)	(1,119.19)
Adjustment for:		
- Depreciation	329.52	407.63
- Profit on Sale of Current Investments	(2.03)	(0.74)
- (Profit) / loss on sale of fixed assets (net)	(399.98)	38.88
- Interest (Net)	1,345.59	1,503.94
- Dividend received	-	(3.21)
- Other comprehensive income	4.43	6.74
	1,277.52	1,953.24
Operating profit/(Loss) before working capital changes	669.00	834.05
Adjustment for :		
- Trade receivables	245.12	1,281.56
- Other receivables	633.93	877.30
- Inventories	(189.65)	1,015.78
- Trade payables	(20.62)	(1,002.43)
	668.78	2,172.22
Cash generated from operations	1,337.78	3,006.27
- Direct Taxes paid	-	5.86
	-	5.86
Cash flow before prior period items, exceptional items & extraordinary items	1,337.78	3,012.13
- Exceptional items	(2.91)	(516.30)
Net Cash flow from operating activities	1,334.87	2,495.83
B Cash flow from investing activities :		
- Purchase of fixed assets	(214.12)	(81.82)
- Sale of fixed assets	488.03	625.52
- Net off Sales & Purchase of Current investments	(205.90)	0.74
- Dividend received	-	3.21
- Interest received	406.02	377.88
Net cash from investing activities	474.03	925.52
C Cash flow from financing activities :		
- Total proceeds from borrowings (net of repayments)	(151.18)	(3,380.59)
- Interest paid	(70.14)	(139.42)
- Trade Deposits	-	(200.00)
- Unsecured loan from promoters	-	(561.91)
Net cash from financing activities	(221.32)	(4,281.91)
Net increase in cash and cash equivalents (A+B+C)	1,587.58	(860.56)
Cash and cash equivalent as on 01.04.2017 (opening balance)	267.97	1,128.53
Cash and cash equivalent as on 31.03.2018 (closing balance)	1,855.55	267.97

As per our report of even date

For A. K. OSTWAL & CO.
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107200W)

ASHOK KUMAR JAIN
PARTNER
Membership No. 038521

Place : Surat

Date : 29th May, 2018

For and on behalf of the Board

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

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

(₹ in lakhs)

A. Equity Share Capital

Balance	Note 16
Balance as at 1st April, 2016	3303.30
Changes in Equity Share Capital during 2016-2017	-
Balance as at 31st March, 2017	3303.30
Changes in Equity Share Capital during 2017-2018	-
Balance as at 31st March, 2018	3303.30

B. Other Equity

Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2016 (a)	77.57	8,713.65	18.58	(12,924.34)	(4,114.54)
Profit for the year (b)	-	-	-	(832.31)	(832.31)
Other Comprehensive Income for the year (c)	-	-	-	6.74	6.74
Total Comprehensive Income for the year (d) = (b) + (c)	-	-	-	(825.57)	(825.57)
Balance as at 31st March, 2017 (e) = (a) + (d)	77.57	8,713.65	18.58	(13,749.91)	(4,940.11)
Profit for the year (f)	-	-	-	(822.51)	(822.51)
Other Comprehensive Income for the year (g)	-	-	-	4.43	4.43
Total Comprehensive Income for the year (h) = (f) + (g)	-	-	-	(818.08)	(818.08)
Balance as at 31st March, 2018 (i) = (e) + (h)	77.57	8,713.65	18.58	(14,567.99)	(5,758.19)

The accompanying notes are an integral part of these financial statements

As per our report of even date
For A. K. OSTWAL & CO.
 CHARTERED ACCOUNTANTS
 (Firm Reg. No. 107200W)

ASHOK KUMAR JAIN
 PARTNER
 Membership No. 038521

Place : Surat
 Date : 29th May, 2018

For and on behalf of the Board

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

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Significant accounting policies

1 GENERAL INFORMATION

The company was originally established R.B. Rodda & Co. Ltd. in the year 1940 under the Indian Companies Act, VII of 1913 and the name of the company was changed to Soma Textiles & Industries Ltd. on 21st January, 1992. Companies engaged in manufacturing of Textile Fabrics. The address of its registered office is 2, Red Cross Place, Kolkata West Bengal 700001.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Statement of Compliance:

These financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as amended by the Companies (Indian Accounting Standards) Rules, 2016, the Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Companies Act, 2013.

Up to the year ended 31 March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2016. Refer note 2.22 for the details of the first time adoption exemptions availed by the Company.

2.02 Basis of Preparation and Presentation:

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

All values are rounded off to the nearest lakhs.

The financial statements were approved for issue by the Board of Directors on 29th May, 2018.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current-non current classification of assets and liabilities.

2.03 Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue is inclusive of Excise Duty (up to the applicable date), reduced for customer discounts, rebates granted, other similar allowances, sales taxes (up to the applicable date), Goods and Services Tax (GST) and duties collected on behalf of third parties.



- 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 incentives are accounted in the year of export.
- c) 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.

2.04 Other Income:

- a) Interest income is recognised on the time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.
- b) Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.
- c) Gains or Losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of such retirement or disposal.

2.05 Property, Plant and Equipment:

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or Losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Capital work-in-progress / intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013. Depreciation is provided on pro-rata basis on the straight line method over the useful life of assets. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end and adjusted prospectively.

Spares in the nature of capital spares/ insurance spares are added to the cost of the assets. The total cost of such spares is depreciated over a period not exceeding the useful life of the asset to which they relate.

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.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per IGAAP as the deemed cost of the property, plant and equipment.

2.06 Intangible Assets:

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as at 1st April, 2016 measured as per IGAAP as the deemed cost of intangible assets.

2.07 Impairment of assets:

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

2.08 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.

2.09 Financial instruments:

1. Initial recognition and measurement

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. Financial assets:

Classification and subsequent measurement of financial assets:

a) Classification of financial assets:

- (i) The Company classifies its financial assets in the following measurement categories:- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and - those measured at amortised cost.
- (ii) The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b) Subsequent Measurement

Equity instruments:

The Company subsequently measures all equity investments at fair value. There are two measurement categories into which the Company classifies its equity instruments:

Investments in equity instruments at FVTPL:

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

c) Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights



to receive cash or other financial asset. For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

d) Derecognition of financial assets:

A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
2. the Company has transferred its rights to receive cash flows from the asset; and
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety (other than investments in equity instruments at FVOCI), the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

3. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities

Classification and subsequent measurement

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost. All changes in fair value of financial liabilities classified as FVTPL are recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the Effective Interest Rate method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in profit and loss when the liabilities are derecognized.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit and Loss immediately.

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2.10 Inventories:

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories comprise all costs of purchase (net of input credits), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw materials and components, packing materials, stores, spare parts other than specific spares for machinery and finished goods are determined on the basis of 'First-in-First-out' (FIFO) or 'Weighted Average Cost', as applicable.

Cost of Materials in transit are determined at cost-to-date.

2.11 Foreign currencies:

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment (INR) in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

2.12 Employee Benefits:

Retirement benefit costs and termination benefits:

Defined Contribution Plans

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contributions to Provident and Family Pension Fund and Superannuation scheme, which are defined contribution plans, are made as required by the statute and expensed in the Statement of profit and loss.

Defined Benefit Plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement comprising actuarial gains and losses and the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

Short-term and other long-term employee benefits:

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.

2.13 Borrowing Costs:

- (a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognised as expense in the period in which they are incurred.

**2.14 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.

2.15 Provisions, Contingent Liabilities and Contingent Assets:**Provisions :**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured using the cash flows estimated to settle the present obligation at the Balance sheet date.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets :

Contingent assets are disclosed, where an inflow of economic benefits is probable.

2.16 Cash and cash equivalents:

Cash and Cash equivalents include cash, cheques on hand, cash at bank and short term deposits with banks having original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.17 Statement of Cash Flows:

Cash flows are reported using the indirect method whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.18 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Critical accounting judgements and key sources of estimation uncertainty:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes judgements, estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to significant accounting estimates include useful lives and impairment of property, plant and equipment, allowance for doubtful debts/advances, deferred tax assets, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, allowances for inventories, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

(i) Useful lives and Impairment of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the

Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

(ii) Allowance for doubtful debts/advances

When determining the lifetime expected credit losses for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information.

(iii) Deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

(iv) Employee Benefit Obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(vi) Allowance for Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / non-moving inventory items.

2.20 RECENT ACCOUNTING PRONOUNCEMENTS

Application of new and revised Ind ASs

All the Indian Accounting Standards ("Ind AS") issued and notified by the Ministry of Corporate Affairs are effective and considered for the significant accounting policies to the extent relevant and applicable for the Company.

The Company has not applied the following new and revised Indian Accounting Standards ("Ind AS") that have been issued and notified by the Ministry of Corporate Affairs in March'2018 but are not yet effective. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The Company is evaluating the impact of these pronouncements on the financial statements.

Ind AS 115 – Revenue from Contracts with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.



The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is in the process of making an assessment of the impact of Ind AS 115 upon initial application.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

2.21 First time adoption of Ind AS:

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2016 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The optional exemption and mandatory exceptions availed by the Company under Ind AS 101 are as follows:

A. Optional Exemption:

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value determined in accordance with Previous GAAP for all of its property, plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) and use that carrying value as deemed cost of such assets as of transition date.

B. Mandatory Exceptions:

Use of Estimates:

- (i) On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that are required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

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

3. Property, Plant and Equipments

(₹ in lakhs)

	Land		Building		Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
	Free hold	Lease hold	Free hold	Lease hold					
Gross Block									
Balance as at 1st April, 2016 (Deemed Cost)	0.38	1.08	2,245.32	9.31	11,959.48	68.36	171.35	208.58	14,663.85
Additions	-	-	-	-	0.87	-	77.77	3.17	81.82
Disposals	-	0.00	-	-	2,434.98	6.50	11.15	6.14	2,458.77
Balance as at 31st March, 2017	0.38	1.08	2,245.32	9.31	9,525.37	61.86	237.98	205.61	12,286.90
Additions	-	-	-	-	17.09	-	197.03	-	214.12
Disposals	-	0.01	-	-	152.88	-	123.89	-	276.79
Balance as at 31st March, 2018	0.38	1.07	2,245.32	9.31	9,389.57	61.86	311.11	205.61	12,224.23
Bcumulated Depreciation									
Balance as at 1st April, 2016	-	-	710.66	1.39	9,722.40	51.21	83.95	158.24	10,725.32
Additions	-	-	61.56	0.15	301.12	3.87	20.48	5.80	392.98
Disposals	-	-	-	-	1,779.73	3.33	6.27	5.06	1,794.38
Balance as at 31st March, 2017	-	-	772.22	1.54	8,243.79	51.76	98.17	158.98	9,323.92
Additions	-	-	61.56	0.15	212.75	2.01	32.80	5.59	314.86
Disposals	-	-	-	-	107.79	-	80.95	-	188.74
Balance as at 31st March, 2018	-	-	833.79	1.69	8,348.76	53.77	50.01	164.57	9,450.04
Net Block									
Balance as at 1st April, 2016	0.38	1.08	1,534.65	7.92	2,237.08	17.15	87.40	50.34	3,938.53
Balance as at 31st March, 2017	0.38	1.08	1,473.09	7.77	1,281.58	10.10	139.81	46.63	2,962.98
Balance as at 31st March, 2018	0.38	1.07	1,411.53	7.62	1,040.81	8.10	261.10	41.04	2,774.19

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2016.

4. Intangible Assets

(₹ in lakhs)

	Computer Software
Gross Block	
Balance as at 1st April, 2016 (Deemed Cost)	153.90
Additions	-
Disposals	0.57
Balance as at 31st March, 2017	153.33
Additions	-
Disposals	-
Balance as at 31st March, 2018	153.33
Bcumulated Depreciation	
Balance as at 1st April, 2016	110.33
Additions	14.66
Disposals	0.54
Balance as at 31st March, 2017	124.44
Additions	14.66
Disposals	-
Balance as at 31st March, 2018	139.10
Net Block	
Balance as at 1st April, 2016	43.57
Balance as at 31st March, 2017	28.89
Balance as at 31st March, 2018	14.23

The Company has elected to measure its Intangible Asset at the previous GAAP carrying amount i.e. 31st March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2016.



5	Financial Assets	(₹ in lakhs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Non-current Investment			
	Investment in equity shares of associate Company			
	Unquoted equity shares			
	300 Equity Share of AED 1000 each of Soma Textile FZC.	34.21	34.21	34.21
	Investment in equity shares of others			
	Unquoted equity shares			
	(5 Shares of Rs. 100/- each in Poonam Apt. Association)	0.01	0.01	0.01
	Total Non-current investments	34.22	34.22	34.22
6	Loan	(₹ in lakhs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Loan to Associate			
	Soma Textiles FZC Loan Account	7,756.15	8,598.30	8,689.14
	Total Loan	7,756.15	8,598.30	8,689.14
7	Other financial assets	(₹ in lakhs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Interest Accrued	20.47	20.31	19.18
	Security Deposits	209.71	218.90	303.56
	Advances recoverable in cash or in kind or for value to be received	2.27	2.27	2.27
	Total other financial assets	232.44	241.47	325.01
Note:				
7.1 The management has assessed that carrying value of the investments to the fair value.				
7.2 Decrease in the amount of loan during the period is on account of notional interest on fair valuation of financial assets amounting Rs. 1167.25 Lakhs.				
7.3 Decrease in the amount of security deposit and increase in the amount of prepaid expense is on account of notional interest on fair valuation of financial assets amounting Rs.15.71 Lakhs and Rs. 19.04 Lakhs respectively.				
7.4 The Company out of the GDR issue proceeds had made an investment of USD 15 million, which as on 31st March, 2018 is equivalent to INR Rs 7756.15 lakhs(Previous Year INR Rs 8598.30 lakhs) , by way of long term loan and also invested in the Equity Share capital i.e 300 equity shares equivalent to INR Rs. 34.21 lakhs (Previous Year INR Rs 34.21 lakhs) of Soma Textile FZC, Umm Al Quwain Free Trade Zone, Umm Al Quwain, U.A.E.. an associate (Formerly Soma Textile FZE, Sharjah, U.A.E., a wholly owned subsidiary).				
8	Deferred tax assets (net)	(₹ in lakhs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Deferred Tax Assets			
	Unabsorbed Business losses and depreciation	1,508.81	1,991.69	2,156.91
	MAT credit Entitlement	18.10	18.10	18.10
	Deferred Tax Liabilities			
	Related to Fixed Assets	176.83	180.61	130.83
	Deferred Tax Assets (net)	1,350.07	1,829.18	2,044.18

9	Income tax assets (net)	(₹ in lakhs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Income Tax Advance (Net of provision)	206.48	86.42	105.08
	Income tax assets (net)	206.48	86.42	105.08

**13 (a) Cash and cash equivalents (₹ in lakhs)**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash and cash equivalents			
Balances with Banks	222.58	41.88	650.51
Cash on hand	1.15	3.32	2.28
	223.73	45.20	652.79
Other Bank Balances:			
Bank Deposits with original maturity of less than three months	1,631.81	222.78	475.74
Total cash and cash equivalents	1,855.55	267.97	1,128.53

13 (b) other bank balance (₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deposits with original maturity of more than three months but less than twelve months	400.00	-	-
Deposits with original maturity of more than twelve months	0.40	0.40	0.40
Total other bank balance	400.40	0.40	0.40

14 Other financial assets (₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Interest Receivable under TUF Scheme	7.92	45.20	127.34
Advances recoverable in cash or in kind or for value to be received	14.86	31.40	47.62
Total Other financial assets	22.78	76.60	174.96

15 Other current assets (₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Advances	-	220.60	-
Balance with Government Authorities	0.04	37.47	37.47
Export Incentive Receivable	52.53	75.11	616.76
Duties, Claims & Other Receivables	346.63	314.82	312.25
Total other current assets	399.19	648.00	966.48

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16 SHARE CAPITAL

(₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Authorised		
40,000,000 (Previous year 40,000,000) Equity Shares of Rs. 10 each	4,000.00	4,000.00
Issued		
33,418,300 (Previous year 33,418,300) Equity Shares of Rs.10 each	3341.83	3341.83
Subscribed & Paid up		
33,033,000 (Previous year 33,033,000) Equity Shares of Rs.10 each	3,303.30	3,303.30
Add:		
Subscribed and not paid up		
385,300 (previous year 385,300) equity shares of Rs. 10 each partly paid up Rs. 5 each forfeited in the year 1996-97*	19.45	19.45
Total	3,322.75	3,322.75

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

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
KGPL Industries And Finvest Pvt Ltd	1,17,99,651	35.72	1,17,99,651	35.72
Sarvopari Investment Private Limited	40,07,244	12.13	40,07,244	12.13
Surendra Kumar Somany	29,65,695	8.98	29,65,695	8.98

Rights, preferences and restrictions attached to shares:

Equity Shares:

The company has one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholders is entitled to one vote per share held. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

* Equity shares 3,85,300 has been forfeited in the year 1996-97, total amounting to Rs.19,44,680 (@ Rs.5.05 per share)



17	Other equity	(₹ in lakhs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a.	Capital Reserves			
	As per last Balance Sheet	77.57	77.57	77.57
b.	Securities Premium Account			
	As per last Balance Sheet	8,713.65	8,713.65	8,713.65
c.	General Reserve			
	As per last Balance Sheet	18.58	18.58	18.58
d.	Surplus			
	As per last Balance Sheet	(13,749.91)	(12,924.34)	(11,501.68)
	Profit/(Loss) for the period	(818.08)	(825.57)	(1,422.66)
	Closing Balance	(14,567.99)	(13,749.91)	(12,924.34)
	Total	(5,758.19)	(4,940.11)	(4,114.54)

Nature & purpose of Reserve:

a) Capital Reserve

Created on forefieture of equity shares and transfer of Debenture redemption reserve. It shall be utilised as per provision of the Companies Act,2013

b) Securities Premium Account

Created on conversion of convertible debenture and issue of equity shares. It shall be utilised as per provision of the Companies Act, 2013.

c) General Reserve

General Reserve is created out of the profit earned by the company by way of transfer from surplus in the statement of profit and loss. The company can use this reserve for payment of dividend and issue of fully paid up shares. As general reserve is created by transfer from surplus in the statement of profit and loss and is not an item of other comprehensive income, item included in general reserve will not be reclassified to statement of profit and loss.

18	Non-current borrowings	(₹ in lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
<u>Secured</u>				
(a) Term loan from Banks				
Rupee Term Loan	8562.44	8841.68	11836.56	
Refer Note: 18.1 & 18.2				
Pending Loans after assignment	2509.19	2469.90	2677.48	
Refer Note: 18.1 & 18.2				
(b) Term loan from others				
<u>Other loans and advances (Unsecured)</u>				
Leasehold Liability	4.16	4.13	4.08	
Unsecured Loans from Promoters	-	-	562.00	
(c) Preference Share Financial Liability	322.17	297.71	275.11	
Total non-current borrowings	11397.95	11613.42	15355.23	

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18.1 Repayment:

State bank of India, Dena Bank and EXIM Bank have absolutely assigned their loan together with underline securities theirto and all rights of State bank of India, Dena 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.

During the year, the company has paid off the loan of Axis Bank.

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 Rs.907.81 lacs (Previous year Rs. 1039.90) ,FITL Rs. 863.58 (Previous year Rs.824.30 Lakhs) and C.C. A/C Rs. 9495.98 (Previous Year Rs. 9497.03) totaling to Rs. 11267.37 (Previous Year Rs. 11361.23 Lakhs) such outstanding amount was taken over by Invent) and as per the new repayment schedule a total amount of Rs.8758.19 Lakhs (Previous year Rs. 8890.28 lacs) is now payable to Invent against the total outstanding amount. The difference of Rs. 2509.19 lakhs (Prevoius Year Rs. 2469.90 lakhs) 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".

18.2 Security

- Term Loan 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.

18.3 The Company has defaulted in repayment of loans and interest in respect of the following:

(₹ in lakhs)				
	As at 31st March, 2018		As at 31st March, 2017	
	Duration	Amount	Duration	Amount
Term loans from banks				
Principal	Upto 30 days	-	Upto 30 days	94.25
Interest	Upto 30 days	-	Upto 30 days	7.46
	From 31 to 90 days	-	From 31 to 90 days	14.87
TOTAL				
Principal		-		94.25
Interest		-		22.33

19 Long-term provisions

(₹ in lakhs)			
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
Gratuity	251.60	309.13	443.54
Leave Benefits	19.46	28.25	39.28
Total long-term provisions	271.05	337.38	482.82



20 Trade Payables		(₹ in lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
Trade payable - Other than micro and small enterprises	873.09	202.31	1,360.52	
Total trade payables	873.09	202.31	1,360.52	

21 Other current liabilities		(₹ in lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
Current				
Current maturities of long-term debt	195.75	699.29	1,152.86	
Interest accrued and due on borrowings (Refer Note: 18.1 & 18.2)	5,737.78	4,078.49	3,094.44	
Earnest money against Land Development	-	-	200.07	
Statutory dues	32.71	35.02	47.41	
Outstanding Liabilities	27.77	30.33	28.02	
Advances received for sale of Commercial Units	125.22	467.04	77.39	
Other payables	93.08	67.47	129.06	
Employee Benefits Payable (Bonus)	12.54	15.34	19.93	
Total other current liabilities	6,224.85	5,392.97	4,749.18	

22 Short-term provisions		(₹ in lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
Provision for employee benefits				
Leave with wages	6.91	6.79	7.93	
Gratuity Provision	100.68	79.85	90.79	
Total short-term provisions	107.59	86.64	98.72	

23 Revenue from operations (Gross)		(₹ in lakhs)	
		2017-18	2016-17
a) Sale of products		8,019.32	12,524.91
b) Other operating revenues			
(i) Export Incentive		9.75	74.04
(ii) Waste and Scrap Sale		197.36	134.38
		207.11	208.42
Total revenue from operations		8,226.44	12,733.33
Detail of sales of Products:		(₹ in lakhs)	
		2017-18	2016-17
Cloth		7,978.10	11,609.82
Yarn		19.88	264.01
Garment		21.34	651.08
Total		8,019.32	12,524.91

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24 Other income	(₹ in lakhs)	
	2017-18	2016-17
Rent	18.84	15.36
Insurance & Other claims	123.48	17.47
Interest Incentive under TUF Scheme	-	33.56
Profit on Sale of Investment	2.03	0.74
Profit on Sale of Fixed Assets	436.58	60.54
Miscellaneous Receipts	28.04	36.68
Foreign Exchange Rate Difference	-	6.34
Dividend Received	-	3.21
Total other income	608.97	173.90

25 Cost of Materials consumed	(₹ in lakhs)	
Particulars	2017-18	2016-17
Opening Stock	96.80	166.74
Add: Purchases	2,296.97	4,604.34
	2,393.77	4,771.08
Less: Closing Stock	138.57	96.80
Consumption	2,255.20	4,674.28
Imported and Indigeneous Raw materials consumed	2017-18	2016-17
Indigenous	2,255.20	4,674.28
Total	2,255.20	4,674.28
Detail of Raw Material consumed	2017-18	2016-17
Cotton	-	68.06
Cotton Yarn	546.56	1,836.97
Others	2.82	44.05
Polyester Yarn	92.79	208.51
Cloth Purchases	1,613.03	2,428.59
Garment material	-	88.09
Total	2,255.20	4,674.28

26 Changes in Inventories of Finished Goods and Work-In-Progress	(₹ in lakhs)	
	2017-18	2016-17
Opening Stock:		
Finished Goods	248.60	763.01
Work-in-progress	100.30	433.69
	348.90	1,196.71
Closing Stock:		
Finished Goods	241.20	248.60
Work-in-progress	262.45	100.31
	503.66	348.90
Total	(154.75)	847.80



27 Employee Benefits Expenses	(₹ in lakhs)	
	2017-18	2016-17
Salaries and Wages	1,339.76	1,598.80
Contribution to Provident and Other Funds	75.61	98.04
Staff Welfare Expenses	27.46	37.42
Total	1,442.83	1,734.26
28 Finance cost	(₹ in lakhs)	
	2017-18	2016-17
Interest expense	1,341.01	1,489.57
Other borrowing costs	4.57	14.37
Total	1,345.59	1,503.94
29 Other expenses	(₹ in lakhs)	
	2017-18	2016-17
Consumption of stores and spares	1,750.34	2,241.63
Power and Fuel	1,598.48	1,474.75
Rent	1.86	2.63
Repairs to Building	8.23	9.42
Repairs to Machinery	190.62	185.94
Repairs to Others	0.79	1.27
Job Work Charge	-	51.34
Insurance	21.18	31.12
Rates and Taxes	23.44	20.48
Payments to Auditors	8.72	14.00
Miscellaneous expenses	621.90	824.51
Total	4,225.56	4,857.09
29.1 Imported and Indigenous Stores and Spares Parts Consumed:	(₹ in lakhs)	
	2017-18	2016-17
Imported	310.67	507.74
Indigenous	1,439.67	1,733.90
Total	1,750.34	2,241.63
29.2 Payments to the auditors	(₹ in lakhs)	
	2017-18	2016-17
- As Auditor	5.08	6.21
- For Taxation Matters	1.05	5.01
- For Other services	1.50	1.73
- For Reimbursement of expenses	1.09	1.05
Total	8.72	14.00
30 Exceptional items represent:	(₹ in lakhs)	
	2017-18	2016-17
Foreign Exchange fluctuation on loan - Soma Textile FZC	34.13	(217.23)
Settlement of loans	268.02	1,012.31
Earlier year Income Written off	(37.04)	(299.07)
Total	265.11	496.02

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31 (i) Reconciliation of Equity :		(₹ in lakhs)	
Particulars	Notes	As at 31st March, 2017	As at 1st April, 2016
Equity as per Previous GAAP		128.78	1242.41
Classification and fair valuation of Preference share	(a)	(297.71)	(275.11)
Fair Valuation of Loan given to associate	(b)	(1444.76)	(1755.32)
Others		(3.68)	(3.78)
Equity as per Ind AS		(1617.36)	(791.79)

(ii) Reconciliation of Total Comprehensive Income :		(₹ in lakhs)	
Particulars	Notes	For the year ended 31st March, 2017	
Profit as per Previous GAAP		(1113.63)	
Fair valuation of Preference share	(a)	(22.60)	
Fair valuation of Loan given to associate	(b)	310.56	
Reclassification of actuarial (gain)/loss in respect of defined benefit plan to "Other Comprehensive Income"	(c)	(6.74)	
Others		0.10	
Net profit after tax as per Ind AS		(832.31)	
Other Comprehensive Income (net of taxes)	(c)	6.74	
Total Comprehensive income as per Ind AS		(825.57)	

(iii) Notes to the reconciliation to previous GAAP:

- Under previous GAAP, Preference share were treated as Equity. Ind AS 32 and Ind AS 109 'Financial Instruments- Classification, Recognition and measurement' requires that the Preference share to be classified based on the substance of the rights attached to it, further it also requires all financial instruments to be measured on initial recognition at fair value. On initial recognition the dividend payment to the preference shareholder has been estimated by discounting the future Dividend payment at the coupon rate that the borrower may pay to an unrelated lender or preference share holder. Accordingly, the difference between the transaction amount and its fair value at the date of transaction has been recorded as an equity. Subsequently, the Preference shares are measured at amortised cost using effective interest rate method at each balance sheet date. Under Ind AS based on the substance of rights attached to the preference shares, the same is classified under financial liability.
- Under previous GAAP, loans given to associate were long-term in nature and measured at cost. Ind AS 109 'Financial Instruments' requires all financial instruments to be measured on initial recognition at fair value. On initial recognition the fair value of loans to associate has been estimated by discounting the future loan repayments using the rate the Lender may receive from an unrelated foreign borrower for an advance. Accordingly, the difference between the transaction amount and its fair value at the date of transaction has been recorded as an investment in equity of the related entity. Subsequently, the loan is measured at amortised cost using effective interest rate method at each balance sheet date.
- Under previous GAAP, actuarial gains and losses on employees defined benefit obligations were recognised as part of Employee benefits in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in Other Comprehensive Income.

(iv) Other material reclassification adjustments made in the Balance sheet and Statement of Profit and Loss

Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.


32 Employee benefit plans
1) Defined contribution plans :

The Company participates in defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The defined contribution plans are as below:

a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

Contribution to Defined Contribution Plans, recognised in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

Particulars	(₹ in lakhs)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
i) Contribution to Employees' Provident Fund	41.69	46.32
ii) Contribution to Pension Fund	28.67	36.99
iii) Contribution to Labour Welfare Fund	2.60	10.89
iv) EDLI Charges	0.06	0.07
v) Administration Charges of Provident Fund	2.60	3.77
Total	75.61	98.04

(2) Defined Benefit Plans:

The Defined Benefit Plan is as below:

Gratuity (Funded)

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, on death while in employment or on termination of the employment in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme, as applicable. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established with the insurance company. The Company accounts for the liability for gratuity benefits payable based on an actuarial valuation.

The plan typically exposes the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The Probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk

If the Discount Rate i.e the yield on the Government Bonds decrease in future, the Actuarial Liability will increase and vice versa. The quantum of increase in valuation liability corresponding to specific decrease in the Discount Rate and vice versa, has been shown in the annexure containing the sensitivity Analysis of Key Actuarial Assumption.

Longevity risk

If the Mortality rate experienced by the staff of a particular company is higher than what is assumed in mortality Table used in the valuation, the valuation liability will increase. However, it will be very cumbersome to measure the quantum of increase for assumed reduction of Mortality rates as can be done in case of changes in salary Growth Rate and Interest Rate.

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Salary risk

If the salary Growth Rate over the future years of services is increased, the Actuarial Liability will increase and vice versa. The quantum of increase in the valuation liability corresponding to specific increase in the salary growth rate and vice versa has been shown in the annexure containing Sensitivity Analysis of key Actuarial Assumption.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31st March, 2018 by an independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

A. Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations are as follows.

(₹ in lakhs)			
Particulars	As at 31st March, 2018	As at 31st March, 2007	As at 1st April, 2016
1. Discount rate	7.55%	7.15%	7.85%
2. Salary escalation	5.00%	5.00%	5.00%
3. Rate of Employee Turnover	age 25 & below =15% age 26-35 = 8% age 36-45 = 6% age 46-55 = 4% age 56 & above = 2%	age 25 & below =15% age 26-35 = 8% age 36-45 = 6% age 46-55 = 4% age 56 & above = 2%	age 25 & below =15% age 26-35 = 8% age 36-45 = 6% age 46-55 = 4% age 56 & above = 2%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

B. Expenses recognised in Statement of Profit and Loss

(₹ in lakhs)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Service cost:		
Current service cost	21.41	29.15
Past service cost	31.64	-
Net Interest cost	24.96	38.38
Components of defined benefit costs recognised in the 'Employee benefits expenses' in the Statement of Profit and Loss	78.00	67.53

Net Interest Cost recognised in Statement of Profit and Loss:

(₹ in lakhs)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest Cost	24.96	38.38
Net interest cost recognised in Statement of Profit and Loss	24.96	38.38

C. Expenses Recognized in the Other Comprehensive Income (OCI)

(₹ in lakhs)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(8.01)	17.31
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	4.43	(17.41)
Net (Income)/Expense For the Period Recognized in OCI	(3.58)	(0.11)

**D. Amount recognised in the Balance Sheet (₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Present Value of Defined Benefit Obligation as at the end of the year	352.28	388.98	534.33
Net (asset) /liability recognised in the Balance Sheet	352.28	388.98	534.33
Recognised under:	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Long term (asset) / provision (Refer note 19)	251.60	309.13	443.54
Short term (asset) / provision (Refer note 22)	100.68	79.85	90.79
Total	352.28	388.98	534.33

E. Movements in the present value of defined benefit obligation are as follows: (₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening defined benefit obligation	388.98	534.33
Current Service Cost	21.41	29.15
Interest cost	24.96	38.38
Past Service Cost	31.64	-
Remeasurement (gains)/losses	(3.58)	(0.11)
Benefits Paid (From the Fund)	(111.13)	(212.77)
Closing defined benefit obligation	352.28	388.98

F. Movements in the fair value of the plan assets are as follows: (₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening fair value of the plan assets	NIL	NIL
Contributions by the Employer	NIL	NIL
Remeasurement (gains)/losses	NIL	NIL
Interest income	NIL	NIL
Expected return on plan assets not included in the interest income	NIL	NIL
Benefits paid	NIL	NIL
Closing fair value of plan assets	NIL	NIL

G. Maturity profile of defined benefit obligation: (₹ in lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended 31st March, 2018	Estimated for the year ended 31st March, 2017
1st Following Year	100.68	79.85
2nd Following Year	26.89	26.46
3rd Following Year	35.75	29.08
4th Following Year	27.25	41.09
5th Following Year	27.55	36.36
Sum of Years 6 to 10	145.44	170.93
Total expected payments	363.57	383.76

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H. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

	(₹ in lakhs)	
Projected Benefits Payable in Future Years From the Date of Reporting	As at 31st March, 2018	As at 31st March, 2017
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	342.80	376.47
Impact of -0.5% Change in Rate of Discounting	362.35	402.31
Impact of +0.5% Change in Rate of Salary Increase	362.38	401.79
Impact of -0.5% Change in Rate of Salary Increase	342.90	376.65
Impact of +0.5% Change in Rate of Employee Turnover	353.79	390.75
Impact of -0.5% Change in Rate of Employee Turnover	350.71	387.10

I. Other Disclosures

- The average outstanding term of obligations (years) as at valuation date is 6.54 years.
- The Company expects to contribute Rs. 100.68 lakhs to the plan during financial year 2018-19.

33 Disclosure pursuant to Indian Accounting Standard (Ind AS) - 12 : Income Taxes

(₹ in lakhs)		
(a) Major component of tax expense / (income):		
Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Current Tax:		
Current Tax (MAT)	-	-
Tax Refund / reversal pertaining to earlier years	-	5.86
	-	5.86
Deferred Tax:		
Deferred Tax	(479.10)	(215.00)
Tax Refund / reversal pertaining to earlier years	-	-
	(479.10)	(215.00)
Total Tax expenses	(479.10)	(209.14)

- Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

	(₹ in lakhs)	
Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit before Tax (i)	(343.41)	(623.17)
Corporate tax rate as per Income Tax Act, 1961 (ii)	34.61%	34.61%
Tax on Accounting profit (iii) = (i) * (ii)	-	-
Tax difference on account of:		
(A) Deferred tax Adjustment but no Current tax during the year	(479.10)	(215.00)
(B) Tax Refund / reversal pertaining to earlier years	-	(2.43)
Total effect of tax adjustments	(479.10)	(217.43)
Tax expense recognised during the year	(479.10)	(217.43)



(c) Movement in Deferred tax balances:

Particulars	(₹ in lakhs)			
	For the year ended 31st March 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax assets / (liabilities)</u>				
Property, Plant and Equipment	(180.61)	3.78	-	(176.83)
Carry forward Tax Loss	1,991.69	(482.88)	-	1,508.81
Net Tax Asset (Liabilities)	1,811.08	(479.10)	-	1,331.98

Particulars	(₹ in lakhs)			
	For the year ended 31st March 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax assets / (liabilities)</u>				
Property, Plant and Equipment	(130.83)	(49.78)	-	(180.61)
Carry forward Tax Loss	2156.91	(165.22)	-	1991.69
Net Tax Asset (Liabilities)	2026.08	(215.00)	-	1811.08

34 Financial instruments and Risk management**34.1 Capital management**

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The Company trying to manages its capital to ensure that the Company will be able to continue as going concern. The Company's management reviews it's capital structure considering the cost of capital, the risks associated with each class of capital and the need to maintain adequate liquidity to meet its financial obligations when they become due.

34.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value.

	(₹ in lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
(i) Mutual Fund Investments	207.93	-	-
(b) Measured at amortised cost			
(a) Cash and cash equivalent	1855.55	267.97	1128.53
(b) Bank balance other than (a) above	400.40	0.40	0.40
(c) Trade receivables	240.63	485.74	1767.32
(d) Loans	7756.15	8598.30	8689.14
(e) Other financial assets	255.22	318.07	499.98
(c) Measured at FVTOCI			
(a) Investments in equity instruments	34.22	34.22	34.22
Total Financial Assets	10750.10	9704.71	12119.59

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	(₹ in lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial liabilities			
Measured at fair value through profit or loss (FVTPL)			
(a) Measured at amortised cost			
(a) Borrowings	11397.95	11613.42	15355.23
(b) Trade payables	873.09	202.31	1360.52
Total Financial Liabilities	12271.04	11815.72	16715.75

34.3 Financial risk management

The financial risks emanating from the Company's operating business include market risk, credit risk and liquidity risk. These risks are managed by the Company using appropriate financial instruments. The Company has laid down written policies to manage these risks.

34.3.1 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Currency risk, Interest rate risk and other price risk.

A. Foreign currency risk management

The Company is exposed to foreign currency risk arising mainly on import (of raw materials and capital items), export (of finished goods) and the foreign currency loan. Foreign currency exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Nature of Transaction	Currency	31st March, 2018		31st March, 2017		1st April, 2016	
		Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged
FCNR based loan to associate	USD *	-	13705542	-	15500027	-	15777636
	INR	-	7756.15	-	8598.30	-	8689.14

* - Denotes amounts in full figures.

A. Foreign currency sensitivity analysis

The Company's exposure to Foreign Currency changes is not material.

B. Interest rate risk management

The Company does not have interest rate risk exposure on its outstanding loans as at the year end as all the loans are assigned to ARC as term loans on fixed interest rate basis.

C. Other price risks

The Company is exposed to price risks arising from its investments in mutual funds and equity. Equity price risk is related to change in market reference price of investments in equity shares held by the Company. The fair value of quoted investments held by the Company exposes it to equity price risks. In general, these investments are not held for trading purposes. The Company manages the surplus funds majorly through investments in mutual fund schemes. The price of investment in these mutual fund Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investment schemes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

Mutual fund price sensitivity analysis

The sensitivity analysis below has been determined based on Mutual Fund Investment at the end of the reporting period. If NAV had been 1% higher / lower, the profit for year ended March 31, 2018 would have increased/decreased by Rs. 2.08 Lakhs (2016-2017: increase/decrease by Rs.Nil) as a result of the changes in fair value of mutual funds.

**34.3.2 Credit risk management**

Credit risk arises from the possibility that a counter party's inability to settle its obligations as agreed in full and in time. The maximum exposure to credit risk in respect of the financial assets at the reporting date is the carrying value of such assets recorded in the financial statements net of any allowance for losses.

A. Trade Receivables

The Company's trade receivables consists of a large and regular base customers. Hence the Company is not exposed to concentration and credit risk.

The ageing analysis of trade receivables as of the reporting date is as follows:

(₹ in lakhs)			
Ageing of trade receivables (Gross)	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
0 - 6 months past due	213.59	457.13	1709.91
More than 6 months past due	27.04	28.61	57.41
Total Trade receivables	240.63	485.74	1767.32

Reconciliation of allowance for doubtful debts on Trade Receivables

Particulars	As at	As at
	31st March, 2018	31st March, 2017
Balance as at beginning of the year	-	-
Allowance for doubtful debts based on Expected Credit Loss (ECL)	18.46	-
Balance at end of the year	18.46	-

B. Other Financial Assets

The Company maintains exposure in cash and cash equivalents, time deposits with banks and NBFCs, investments in debt mutual funds. Investment of surplus funds are made only with approved counter parties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

34.3.3 Liquidity risk management

The objective of liquidity risk management is to maintain sufficient liquidity to meet financial obligations of the Company as they become due. The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

34.3.3.1 Liquidity risk table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include principal cash flows along with interest.

(₹ in lakhs)					
	Weighted average effective interest rate (%)	Upto1 year	1-5 years	5+years	Total
March 31, 2018					
Borrowings	13.76%	195.75	11075.78	322.17	11593.70
Trade Payables	-	873.09	-	-	873.09
Total		1068.83	11075.78	322.17	12466.79

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					(₹ in lakhs)
	Weighted average effective interest rate (%)	Upto1 year	1-5 years	5+years	Total
March 31, 2017					
Borrowings	13.38%	699.29	11315.71	297.71	12312.70
Trade Payables	-	202.31	-	-	202.31
Total		901.59	11315.71	297.71	12515.01
April 1, 2016					
Borrowings	12.36%	1152.86	14717.84	637.39	16508.09
Trade Payables	-	1360.52	-	-	1360.52
Total		2513.38	14717.84	637.39	17868.61

34.4 Fair value measurements

The Company's certain financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about the valuation technique(s), inputs used and the fair value hierarchy used in determining such fair values.

Financial assets/ (Financial liabilities)	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2018	31st March, 2017	1st April, 2016		
Investments in Mutual funds at FVTPL	207.93	-	-	Level 1	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.

- 35 State bank of India, Dena Bank and EXIM Bank have absolutely assigned their loan together with underline securities theirto and all rights of State bank of India, Dena 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.

36 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)
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	Associate		Key Management personnel and their relatives		Other parties which significantly influence / are influenced by the Company (either individually or otherwise)	
	2018	2017	2018	2017	2018	2017
Rent Paid	-	-	-	-	1.54	1.80
Water & Electricity Charges	-	-	-	-	1.99	0.90
Repair & Maintance	-	-	-	-	0.24	0.24
Rates & Taxes	-	-	-	-	1.12	-
Sale of Fixed asset	1.10	-	-	-	-	-
Remuneration	-	-	94.10	80.60	-	-
Sitting Fee	-	-	0.08	0.10	-	-
Balance outstanding at date of Balance sheet :						
- receivable	7,756.15	8,598.30	-	-	-	-

- a) No amount has been written off or written back during the year ended 31st March,2018 (Previous year Nil)
- b) Remuneration does not include the provision made for gratuity as they are determined on an actuarial basis for the company as a whole.
- c) The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arms length transaction.

37 Disclosure of Contingent liabilities and commitments (to the extent not provided for)

	(₹ in lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i) Contingent Liabilities			
Litigation			
Sales Tax Payment disputed by the Company	27.83	27.83	27.83
Excise Duty demand disputed by the Company	33.23	33.73	33.73
Claims against the Company not Acknowledged as debts	189.57	42.54	41.13
Dispued Income Tax demand	673.40	-	9.77
Total	924.02	104.10	112.45
	924.02	104.10	112.45
(ii) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	886.32	-

38 As the Company's business activity falls within a single primary and geographical segment viz. 'Textile', the disclosure requirements of Indian Accounting Standard (IND AS-108) "Segment Reporting", issued under Companies (Indian Accounting Standards) Rules, 2015 is not applicable.

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

	(₹ in lakhs)	
	2017-18	2016-17
Stores (including dyes and spares)	232.39	422.75

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38.2 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lakhs)

	2017-18	2016-17
Traveling Expenses	25.56	9.77

38.3 EARNING IN FOREIGN CURRENCY DURING THE YEAR

(₹ in lakhs)

	2017-18	2016-17
F.O.B.Value of Exports	169.93	991.13

39 Disclosure pursuant to Indian Accounting Standard (Ind AS) - 33 : Earnings Per Share

		Year ended 31st March, 2018	Year ended 31st March, 2017
Profit/(Loss) after Tax (₹ in lakhs)	A	(818.08)	(825.57)
Weighted Average number of Equity Shares	B	3,30,33,000	3,30,33,000
Nominal Value Per Share (₹)	C	10.00	10.00
Basic and diluted Earning /(loss) per share (in ₹)	D = A/B	(2.48)	(2.50)

40 Exceptional items for the quarter and year ended 31.03.2018 represent foreign exchange fluctuation on advance to Soma Textiles FZC (Overseas associate company) in earlier years.

41 The Company has incurred a loss during the year and has negative net worth as at 31st March,2018. However, various initiatives undertaken by the Company in relation to saving cost, optimize revenue management opportunities and enhance ancillary revenues are expected to result in improved operating performance. Further, our continued thrust to improve operational efficiency and the company is in the process of identifying surplus assets and will monetise the same in due course to result in sustainable cash flows addressing any uncertainties. Accordingly, the statement of financial results continues to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

42 Details of dues to Micro & Small enterprises as defined under MSMED Act, 2006

Based on information available with the company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till 31st March, 2018. Accordingly, no disclosure are required to be made under said act.

43 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).

44 Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date

For A. K. OSTWAL & CO.

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107200W)

ASHOK KUMAR JAIN

PARTNER

Membership No. 038521

Place : Surat

Date : 29th May, 2018

For and on behalf of the Board

S. K. SOMANY

Chairman

A. K. SOMANY

Managing Director

M. B. PARAKH

Chief Financial Officer

A. K. MISHRA

Company Secretary



INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF SOMA TEXTILES & INDUSTRIES LIMITED****Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Soma Textiles & Industries Limited (hereinafter referred to as "the Holding Company") and its associate (the Holding and its associate together referred to as "the Group"), which includes Group's share of loss in its associate, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Board of Directors of the Holding Company is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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.

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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Board of Directors of the Holding Company, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

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Emphasis of Matter

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

- i) We draw your attention to Note 41 of the financial Statement regarding preparation of the annual consolidated financial Statement on going concern basis for the reason stated therein. The appropriateness of the assumption of going concern is dependent upon realization of the various initiatives undertaken by the Company and /or the Company's ability to raise requisite finance/generate cash flows in future to meet its obligations.
- ii) The Company had advanced a loan to the tune of Rs. 7,756.15 Lakhs (previous year Rs. 8,598.30 Lakhs) to Soma Textile FZC (UAE) out of GDR proceeds, classified as Non-current loan. The Company has received Rs. 1,153.79 Lakhs (USD 17,94,485) during FY 2017-18. This loan has been advanced by the Company as quasi-equity in addition to the capital contribution to Soma Textile FZC. When the said loan was given, the said Company was a wholly owned subsidiary, however with effect from 31-3-2010, the Company's holding in this Company has diluted from 100% to 40%. In the financial statement of Soma Textile FZC ended as at 31-3-2018 the accumulated loss reflects at AED 587,128 as against the total capital of AED 9,00,000 (Including statutory reserve)
- iii) Capital adequacy has not been maintained during the current year as opined by the independent auditor SKM INTERNATIONAL CHARTERED ACCOUNTANT OF SOMA TEXTILE FZC situated at Umm Al Quwain Free Trade Zone, Umm Al Quwain U.A.E. However, the management of Soma Textile FZC confirms that there is no requirement under the laws, rules and Regulations of the UAQFTZ or Memorandum of Association which require the capital adequacy of the share capital in the Company on year to year basis.

Reporting on comparatives in case of first Ind AS financial statements

- (a) The comparative financial statements of Group for the year ended 31st March 2017 which includes its share of loss in its associates and the related transition date opening balance sheet as at 1st April 2016 prepared in accordance with the Ind AS and included in these consolidated Ind AS financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these associates made in these consolidated Ind AS financial statements, is based solely on the reports of the other auditors.
- (b) The comparative financial information of the Group for the year ended 31st March 2017, which includes its share of loss in its associate and the related transition date opening balance sheet as at 1st April 2016 included in these consolidated Ind AS financial statements, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended 31st March 2017 and 31st March 2016 dated 30th May, 2017 and 27th May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018, 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, 2018.



- (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 Holding 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, as amended, 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 37 to the Standalone financial statements;
 - ii. the Group 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. Associate entity is incorporated outside India so reporting under same is not applicable as on 31st March, 2018.

FOR A.K.OSTWAI & CO
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107200W)

DATE : 29th May, 2018
Place : Surat

ASHOK KUMAR JAIN
PARTNER
M.No.038521

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in lakhs)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A ASSETS				
1 Non-current assets				
(a) Property, plant and equipments	3	2,774.19	2,962.98	3,938.53
(b) Other intangible assets	4	14.23	28.89	43.57
(c) Financial assets				
(i) Investments	5	40.32	43.58	42.74
(ii) Loan	6	7,756.15	8,598.30	8,689.14
(iii) Other financial assets	7	232.44	241.47	325.01
(d) Deferred tax assets (net)	8	1,350.07	1,829.18	2,044.18
(e) Income tax assets (net)	9	206.48	86.42	105.08
Total non-current assets		12,373.88	13,790.82	15,188.27
2 Current assets				
(a) Inventories	10	944.83	755.18	1,770.95
(b) Financial assets				
(i) Investments	11	207.93	-	-
(ii) Trade receivables	12	240.63	485.74	1,767.32
(iii) Cash and cash equivalents	13(a)	1,855.55	267.97	1,128.53
(iv) Bank balance other than (iii) above	13(b)	400.40	0.40	0.40
(v) Other financial assets	14	22.78	76.60	174.96
(c) Other current assets	15	399.19	648.00	966.48
(d) Assets classified as held for sale		-	-	266.28
Total current assets		4,071.31	2,233.89	6,074.94
Total Assets		16,445.19	16,024.71	21,263.20
B EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	3,322.75	3,322.75	3,322.75
(b) Other equity	17	(5,752.09)	(4,930.75)	(4,106.01)
Total equity		(2,429.34)	(1,608.01)	(783.27)
Liabilities				
1 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	11,397.95	11,613.42	15,355.23
(b) Long-term provisions	19	271.05	337.38	482.82
Total non-current liabilities		11,669.01	11,950.80	15,838.05
2 Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	20	873.09	202.31	1,360.52
(b) Other current liabilities	21	6,224.85	5,392.97	4,749.18
(c) Short-term provisions	22	107.59	86.64	98.72
Total current liabilities		7,205.53	5,681.91	6,208.42
Total liabilities		18,874.53	17,632.71	22,046.47
Total Equity and liabilities		16,445.19	16,024.71	21,263.20

Significant accounting policies notes 1 to 44 form an integral part of the financial statements

As per our report of even date

For A. K. OSTWAL & CO.
CHARTERED ACCOUNTANTS
(Firm Reg. No. 107200W)

ASHOK KUMAR JAIN
PARTNER
Membership No. 038521

Place : Surat
Date : 29th May, 2018

For and on behalf of the Board

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

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

		(₹ in lakhs)	
Particulars	Note	2017-18	2016-17
I. Revenue from operations (Gross)	23	8,226.44	12,733.33
II. Other income	24	608.97	173.90
III. Total Revenue (I + II)		8,835.41	12,907.23
IV. Expenses:			
Cost of materials consumed	25	2,255.20	4,674.28
Changes in inventories of finished goods and work-in-progress	26	(154.75)	847.80
Excise Duty		-	1.41
Employee benefits expense	27	1,442.83	1,734.26
Finance costs	28	1,345.59	1,503.94
Depreciation	3 & 4	329.52	407.63
Other expenses	29	4,225.56	4,857.09
Total expenses		9,443.93	14,026.41
V. Profit/(Loss) before Exceptional Item and Tax		(608.52)	(1,119.19)
VI. Exceptional items	30	265.11	496.02
VII. Profit/(Loss) before tax		(343.41)	(623.17)
VIII. Tax expense:			
Deferred tax		(479.10)	(215.00)
Tax in respect of earlier years		-	5.86
IX. Profit/(Loss) after tax		(822.51)	(832.31)
X. Share of Profit/(Loss) of associates		(3.26)	0.83
XI. Profit/(Loss) for the period		(825.77)	(831.48)
Other Comprehensive Income			
A. Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		4.43	6.74
Total other comprehensive income for the year		4.43	6.74
Total comprehensive income for the year		(821.34)	(824.74)
XII. Earnings per equity share:	39		
(1) Basic		(2.49)	(2.50)
(2) Diluted		(2.49)	(2.50)
Significant accounting policies notes 1 to 44 form an integral part of the financial statements			

As per our report of even date

For A. K. OSTWAL & CO.

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107200W)

ASHOK KUMAR JAIN

PARTNER

Membership No. 038521

Place : Surat

Date : 29th May, 2018**For and on behalf of the Board****S. K. SOMANY**

Chairman

A. K. SOMANY

Managing Director

M. B. PARAKH

Chief Financial Officer

A. K. MISHRA

Company Secretary

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

	(₹ in lakhs)	
Particulars	2017-18	2016-17
A Cash flow from operating activities		
Profit/(Loss) before exceptional items & tax	(608.52)	(1,119.19)
Adjustment for:		
- Depreciation	329.52	407.63
- Profit on Sale of Current Investments	(2.03)	(0.74)
- (Profit) / loss on sale of fixed assets (net)	(399.98)	38.88
- Interest (Net)	1,345.59	1,503.94
- Dividend received	-	(3.21)
- Other comprehensive income	4.43	6.74
	1,277.52	1,953.24
Operating profit/(Loss) before working capital changes	669.00	834.05
Adjustment for :		
- Trade receivables	245.12	1,281.56
- Other receivables	633.93	877.30
- Inventories	(189.65)	1,015.78
- Trade payables	(20.62)	(1,002.43)
	668.78	2,172.22
Cash generated from operations	1,337.78	3,006.27
- Direct Taxes paid	-	5.86
	-	5.86
Cash flow before prior period items, exceptional items & extraordinary items	1,337.78	3,012.13
- Exceptional items	(2.91)	(516.30)
Net Cash flow from operating activities	1,334.87	2,495.83
B Cash flow from investing activities :		
- Purchase of fixed assets	(214.12)	(81.82)
- Sale of fixed assets	488.03	625.52
- Net off Sales & Purchase of Current investments	(205.90)	0.74
- Dividend received	-	3.21
- Interest received	406.02	377.88
Net cash from investing activities	474.03	925.52
C Cash flow from financing activities :		
- Total proceeds from borrowings (net of repayments)	(151.18)	(3,380.59)
- Interest paid	(70.14)	(139.42)
- Trade Deposits	-	(200.00)
- Unsecured loan from promoters	-	(561.91)
Net cash from financing activities	(221.32)	(4,281.91)
Net increase in cash and cash equivalents (A+B+C)	1,587.58	(860.56)
Cash and cash equivalent as on 01.04.2017 (opening balance)	267.97	1,128.53
Cash and cash equivalent as on 31.03.2018 (closing balance)	1,855.55	267.97

As per our report of even date

For A. K. OSTWAL & CO.

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107200W)

ASHOK KUMAR JAIN

PARTNER

Membership No. 038521

Place : Surat

Date : 29th May, 2018

For and on behalf of the Board

S. K. SOMANY

Chairman

A. K. SOMANY

Managing Director

M. B. PARAKH

Chief Financial Officer

A. K. MISHRA

Company Secretary

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

(₹ in lakhs)

A. Equity Share Capital

Balance	Note 16
Balance as at 1st April, 2016	3303.30
Changes in Equity Share Capital during 2016-2017	-
Balance as at 31st March, 2017	3303.30
Changes in Equity Share Capital during 2017-2018	-
Balance as at 31st March, 2018	3303.30

B. Other Equity

Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2016 (a)	77.57	8,713.65	18.58	(12,915.81)	(4,106.01)
Profit for the year (b)	-	-	-	(831.48)	(831.48)
Other Comprehensive Income for the year (c)	-	-	-	6.74	6.74
Total Comprehensive Income for the year (d) = (b) + (c)	-	-	-	(824.74)	(824.74)
Balance as at 31st March, 2017 (e) = (a) + (d)	77.57	8,713.65	18.58	(13,740.55)	(4,930.75)
Profit for the year (f)	-	-	-	(825.77)	(825.77)
Other Comprehensive Income for the year (g)	-	-	-	4.43	4.43
Total Comprehensive Income for the year (h) = (f) + (g)	-	-	-	(821.34)	(821.34)
Balance as at 31st March, 2018 (i) = (e) + (h)	77.57	8,713.65	18.58	(14,561.89)	(5,752.09)

The accompanying notes are an integral part of these financial statements.

As per our report of even date
For A. K. OSTWAL & CO.
 CHARTERED ACCOUNTANTS
 (Firm Reg. No. 107200W)

ASHOK KUMAR JAIN
 PARTNER
 Membership No. 038521

Place : Surat
 Date : 29th May, 2018

For and on behalf of the Board

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

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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 Indian Accounting Standards 28 'Investment in Associates and Joint Ventures.

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

An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies. The considerations made in determining whether significant influence is being exercised are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Statement of Profit and Loss.

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 worth of the associate on the day of investing is reflected as a "Goodwill".

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as amended by the Companies (Indian Accounting Standards) Rules, 2016, the Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on the historical cost basis.

On consolidation, the Investment in associate are translated into INR at the rate of exchange prevailing at the reporting date and their share of loss/Profit are translated at exchange rates prevailing at the dates of the transactions.

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 relevant to understanding the Consolidated Financial Statements should be disclosed and not merely repeating the notes disclosed 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. 1,3,4,6,7,8,9,10,11,12,13,14,15,16,18,19,20,21,22,23,24,25,26,27,28,29,30,32,33,34,35,36,37,38,39,40, 41,42,43,44 represent the numbers and required disclosures of the parent and accordingly are best viewed in independent financial statements.



5	Financial Assets	(₹ in lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
	Non-current Investment			
	Investment in equity shares of associate Company			
	Unquoted equity shares			
	300 Equity Share of AED 1000 each of Soma Textile FZC.	13.64	16.90	16.07
	Goodwill recognized at the time of investment	26.67	26.67	26.67
	Investment in equity shares of others			
	Unquoted equity shares			
	(5 Shares of Rs. 100/- each in Poonam Apt. Association)	0.01	0.01	0.01
	Total Non-current investments	40.32	43.58	42.74

17	Other equity	(₹ in lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
a.	Capital Reserves			
	As per last Balance Sheet	77.57	77.57	77.57
b.	Securities Premium Account			
	As per last Balance Sheet	8,713.65	8,713.65	8,713.65
c.	General Reserve			
	As per last Balance Sheet	18.58	18.58	18.58
d.	Surplus			
	As per last Balance Sheet	(13,740.55)	(12,915.81)	(11,493.97)
	Profit/(Loss) for the period	(821.34)	(824.74)	(1,421.84)
	Closing Balance	(14,561.89)	(13,740.55)	(12,915.81)
	Total	(5,752.09)	(4,930.75)	(4,106.01)

Nature & purpose of Reserve:

- Capital Reserve**
Created on forefeiture of equity shares and transfer of Debenture redemption reserve. It shall be utilised as per provision of the Companies Act, 2013
- Securities Premium Account**
Created on conversion of convertible debenture and issue of equity shares. It shall be utilised as per provision of the Companies Act, 2013.
- General Reserve**
General Reserve is created out of the profit earned by the company by way of transfer from surplus in the statement of profit and loss. The company can use this reserve for payment of dividend and issue of fully paid up shares. As general reserve is created by transfer from surplus in the statement of profit and loss and is not an item of other comprehensive income, item included in general reserve will not be reclassified to statement of profit and loss.

31 (i) Reconciliation of Equity :		(₹ in lakhs)	
Particulars	Notes	As at 31st March, 2017	As at 1st April, 2016
Equity as per Previous GAAP		138.13	1250.93
Classification and fair valuation of Preference share	(a)	(297.71)	(275.11)
Fair Valuation of Loan given to associate	(b)	(1444.76)	(1755.32)
Others		(3.68)	(3.78)
Equity as per Ind AS		(1608.01)	(783.27)

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(ii) Reconciliation of Total Comprehensive Income :		(₹ in lakhs)
Particulars	Notes	As at 31st March, 2017
Profit as per Previous GAAP		(1112.80)
Fair valuation of Preference share	(a)	(22.60)
Fair valuation of Loan given to associate	(b)	310.56
Reclassification of actuarial (gain)/loss in respect of defined benefit plan to "Other Comprehensive Income"	(c)	(6.74)
Others		0.10
Net profit after tax as per Ind AS		(831.48)
Other Comprehensive Income (net of taxes)	(c)	6.74
Total Comprehensive income as per Ind AS		(824.74)

(iii) Notes to the reconciliation to previous GAAP:

- Under previous GAAP, Preference share were treated as Equity. Ind AS 32 and Ind AS 109 'Financial Instruments- Classification, Recognition and measurement' requires that the Preference share to be classified based on the substance of the rights attached to it, further it also requires all financial instruments to be measured on initial recognition at fair value. On initial recognition the divided payment to the preference shareholder has been estimated by discounting the future Dividend payment at the coupon rate that the borrower may pay to an unrelated lender or preference share holder. Accordingly, the difference between the transaction amount and its fair value at the date of transaction has been recorded as an equity. Subsequently, the Preference shares are measured at amortised cost using effective interest rate method at each balance sheet date. Under Ind AS based on the substance of rights attached to the preference shares, the same is classified under financial liability.
- Under previous GAAP, loans given to associate were long-term in nature and measured at cost. Ind AS 109 'Financial Instruments' requires all financial instruments to be measured on initial recognition at fair value. On initial recognition the fair value of loans to associate has been estimated by discounting the future loan repayments using the rate the Lender may receive from an an unrelated foreign borrower for an advance. Accordingly, the difference between the transaction amount and its fair value at the date of transaction has been recorded as an investment in equity of the related entity. Subsequently, the loan is measured at amortised cost using effective interest rate method at each balance sheet date.
- Under previous GAAP, actuarial gains and losses on employees defined benefit obligations were recognised as part of Employee benefits in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in Other Comprehensive Income.

(iv) Other material reclassification adjustments made in the Balance sheet and Statement of Profit and Loss

Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

39 Disclosure pursuant to Indian Accounting Standard (Ind AS) - 33 : Earnings Per Share

		Year ended	
		31st March, 2018	31st March, 2017
Profit/(Loss) after Tax (₹ in lakhs)	A	(821.34)	(824.74)
Weighted Average number of Equity Shares	B	3,30,33,000	3,30,33,000
Nominal Value Per Share (₹)	C	10.00	10.00
Basic and diluted Earning /(loss) per share (in ₹)	D = A/B	(2.49)	(2.50)



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]

80th Annual General Meeting - 13th September, 2018

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 80th Annual General Meeting of the Company, to be held on Thursday, 13th September, 2018 at 3-00 P.M. (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
80TH ANNUAL GENERAL MEETING**

Sr. No. : _____
Registered Folio No./DP ID No./Client ID No. : _____
Name of sole/first named Member : _____
Address : _____

Dear Shareholders,

Subject: Voting through electronic means

I/We hereby record my/our presence at the 80th Annual General Meeting of the Company at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Thursday, 13th September, 2018 at 3-00 P.M. (IST).

Member's Folio/DP ID/Client ID No. Member's/Proxy's name in Block Letters Member's/Proxy's signature

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Resolution Number	Resolution	Vote (Optional see Note) (Please mention number of shares)		
		For	Against	Abstain
	Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 (both Standalone and Consolidated basis), together with the Reports of the Auditors and the Board of Directors 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.			
	Special Business			
3	Re-appointment of Shri Shrikant Bhat as Whole-time Director, designated as Executive Director, being a Key Managerial Personnel.			
4	To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019.			
5	Payment of Remuneration by way of Commission to Non-executive Directors of the Company in the event of profits (other than the Managing and Whole-time Directors).			

Signed this _____ day of _____ 2018

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 80th 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 2017-18 and Notice of the 80th 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 2017-18 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.