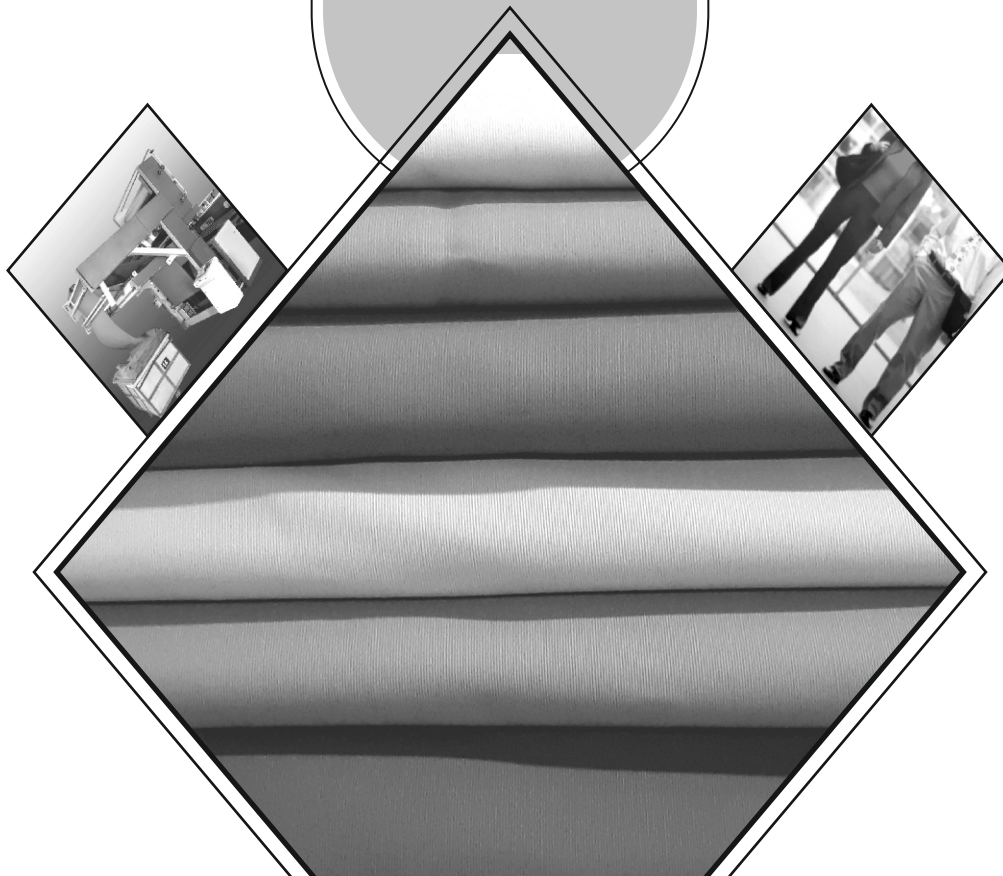




SOMA TEXTILES & INDUSTRIES LIMITED

81st
ANNUAL REPORT
2018-19

**CONSISTENT QUALITY
THAT INSPIRES
FAITH GLOBALLY**





**81st Annual Report
2018-2019**

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 81th ANNUAL GENERAL MEETING

TO THE SHAREHOLDERS

NOTICE is hereby given that the Eighty-first (81st) 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 Monday, the 2nd day of September, 2019 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, 2019 (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. K. Somany (DIN: 00001131), 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. Continuation of Directorship of Shri S. K. Somany

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("new provision"), notified by SEBI on 9th May, 2018 (including any statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof for the time being in force) and subject to such other laws, rules, regulations etc. as may be applicable in this regard and pursuant to the approval of the Board vide its resolution dated 30th May, 2019, the consent of Members of the Company be and is hereby accorded for continuation of Directorship of Shri Surendra Kumar Somany (Shri S. K. Somany), who have attained the age of seventy five (75) years, as a Non-executive Director of the Company from the period effective from 1st April, 2019."

"RESOLVED FURTHER THAT Board of Directors and/or Company Secretary, of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

4. Continuation of Directorship of Shri B. K. Hurkat

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("new provision"), notified by SEBI on 9th May, 2018 (including any statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof for the time being in force) and subject to such other laws, rules, regulations etc. as may be applicable in this regard and pursuant to the approval of the Board vide its resolution dated 30th May, 2019, the consent of Members of the Company be and is hereby accorded for continuation of Directorship of Shri Brij Kishore Ramniwas Hurkat (Shri Hurkat), who have attained the age of seventy five (75) years, as a Non-executive Independent Director of the Company from the period effective from 1st April, 2019."

"RESOLVED FURTHER THAT Board of Directors and/or Company Secretary, of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

5. Appointment of Shri B. K. Hurkat, as an Independent Director

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and upon the recommendation of Nomination and Remuneration Committee, Shri Brij Kishore Ramniwas Hurkat (Shri Hurkat), (holding DIN 02005896), Independent Director of the Company, whose term of office expires on 28th August, 2019 and who is eligible for re-appointment as an Independent Director and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 29th August, 2019."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts



and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Appointment of Shri M. H. Shah, as an Independent Director

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and upon the recommendation of Nomination and Remuneration Committee, Shri Malay Harshadbhai Shah (Shri Shah), (holding DIN 01394920), Independent Director of the Company, whose term of office expires on 9th February, 2020 and who is eligible for re-appointment as an Independent Director and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 10th February, 2020."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. Appointment of Mrs. N. Singh, as an Independent Director

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and upon the recommendation of Nomination and Remuneration Committee, Mrs. Nisha Singh (Mrs. Singh), (holding DIN 07094208), Independent Director of the Company, whose term of office expires on 10th February, 2020 and who is eligible for re-appointment as an Independent Director and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 11th February, 2020."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. Re-appointment of Shri A. K. Somany (DIN:00024903), as Managing Director, being a Key Managerial Personnel

As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and rules made thereunder and any amendments thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), subject to prior approval of the financial institutions and/or banks ("the lenders"), where the Company has committed any default in making payment of its dues to the lenders, 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 Arvind Kumar Somany (Shri Somany), the consent of the Company be and is hereby accorded to the re-appointment of Shri Somany, as Managing Director, being a Key Managerial Personnel, of the Company, who shall not be subject to retirement by rotation in terms of Section 152 read with other relevant provisions including Section 160 of the Companies Act, 2013, as amended up to date, for a period of Three (3) years with effect from 22nd January, 2020 to 21st January, 2023, on such remuneration by way of salary, commission, perquisites, allowances and/or benefits, within and up to the maximum limit as have been determined, fixed and approved by the Board subject to overall limit, stipulated in Sections 197 read with Schedule V of the Companies Act, 2013, as amended up to date and subject further to obtaining Members' approval by virtue of this Special Resolution, proposed to be passed at this meeting and on such other terms, conditions and stipulations (including remuneration) as contained in the "Draft Agreement" to be entered into between the Company of the ONE PART and Shri Somany of the OTHER PART, and duly specified in the Statement, annexed to the Notice of 81st 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

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Chairman of the Company for the purpose of identification, is hereby specifically approved and sanctioned.

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

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

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

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

"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."

9. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2020

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, 2020, be paid the remuneration by way of Cost Audit Fee of ₹ 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."

Registered Office:

2, Red Cross Place,
Kolkata – 700 001

By order of the Board

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

Dated, the 30th May, 2019



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. **M/s. A. K. Ostwal & Co., Chartered Accountants, Firm Registration No. 107200W, were appointed 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 84th Annual General Meeting of the Company, subject to ratification at the Annual General Meeting of the Company in each of the subsequent years during the aforesaid term of their appointment, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors. The Ministry of Corporate Affairs (MCA) vide its Notification dated 7th May 2018 notified various sections of the Companies (Amendment) Act, 2017, thereby modifying Section 139 of Companies Act, 2013. Accordingly the requirement for ratification of appointment of Statutory Auditors by the shareholders at every Annual General Meeting has been omitted, hence no such resolution is proposed at this Annual General Meeting.**
3. 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. 21.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business under Item Nos. 3 to 9, to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
5. 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.
6. 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.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 23rd August, 2019 to Monday, the 2nd September, 2019 (both days inclusive) for the purpose of 81st Annual General Meeting of the Company.
8. 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.
9. 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.
10. 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.

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11. **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.**
12. **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.**
13. 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, 2019. 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.
14. 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).
15. Electronic copy of the Annual Report for 2018-19 comprising the Notice of the 81st 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 2018-19 comprising the Notice of the 81st 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.
16. 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.
17. Members may also note that the Notice of the 81st Annual General Meeting and the Annual Report for 2018-19 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.
18. 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.
19. 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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20. 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.

21. Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Rules framed thereunder (including any statutory modification(s) or re-enactments thereof, for the time being in force), Regulation 44 of the SEBI (LODR) Regulations, 2015, and Secretarial Standard on General Meetings (SS2) issued by the ICSI, 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 Friday, the 30th August, 2019 (9:00 A.M. IST) and ends on Sunday, the 1st September, 2019 (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 26th August, 2019, 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) - 190727002 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	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.
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).

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- (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) - 190727002 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. 26th August, 2019, may obtain the User ID and Password by sending a request (along with 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. 26th August, 2019. A person, whose name is recorded in the Register of Members/Lists of Beneficial Owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot.
- (xxvi) In case of members receiving the physical copy they are advised to follow all the steps from serial no. (ii) to (xxi).



- II. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote (including through e-mail) to the Scrutinizer at its e-mail droliapravin@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 48 hours 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.
22. 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, 2019 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

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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 81st Annual General Meeting of the Company, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Shri Surendra Kumar Somany (Shri S. K. Somany) (DIN: 00001131), aged about 88 years, is an Industrialist and a promoter of the Company. He is a graduate in Commerce. Shri S. K. Somany has enriched himself with a business experience of over 6 decades and has a rich and vast all-round knowledge and experience in the business of Ceramic, Glass and Textiles Industry. He is currently a Director and Chairman of the Company. Shri S. K. Somany is a member of the Nomination and Remuneration Committee, re-constituted in line with requirements of 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015 and also a member of Audit Committee of the Company, constituted in line with requirements of 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. He is also Chairman of Share Transfer Committee & Stakeholders Relationship Committee of the Company, re-constituted in line with requirements of 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015. Shri S. K. Somany holds 29,65,695 constituting 8.98% of the Equity Share Capital of the Company.

Shri S. K. Somany is holding directorship in (a) The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited, (b) Nav Bharat Refrigeration & Industries Limited (c) Simplex Reality Limited, (d) Shreelekha Global Finance Limited and (e) Somany Evergreen Knits Limited. He is Chairman of Somany Evergreen Knits Limited.

He is also the chairman and member of the Committees of the following Companies:-

Name of Company	Name of Committees	As Chairman/ Members
Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Member
Simplex Reality Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Stakeholders Relationship Committee	Chairman
Nav Bharat Refrigeration & Industries Limited	Share Transfer cum Stakeholders Relationship Committee	Chairman

Shri S. K. Somany retires from the Board by rotation at this meeting and being eligible, offers himself for re-appointment as Director of the Company.

Shri Arvind Kumar Somany (Shri Somany) (DIN:00024903), an industrialist and a co-promoters of the Company, aged about 63 years, is a science graduate (B.Sc.). He holds Membership of All India Management Association (MIMA). He is son of Shri S. K. Somany, Chairman of the Company.

He has extensive working experience of more than 39 years in Textile and Ceramic Industry, of which more than 31 years, belong to Textile Industry as the Managing Director of the Company. He traveled around the world and accumulated a good understanding of Global business issues. He combines comprehensive mix of academic qualification and professional experience. He is currently the Managing Director of the Company and looks after the Management Control and affairs of the Company. Shri Somany is a member of Stakeholders Relationship Committee and Share Transfer Committee of the Company. Shri Somany holds 728217 Equity Shares, constituting 2.20% of the Equity Share Capital of the Company.

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

Shri A. K. Somany's present term of appointment expires by efflux of time on 21st January, 2020. Therefore his re-appointment for further term of 3 years effective from 22nd January, 2020, 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 30th May, 2019



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

Item No. 3 & 4

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified by SEBI on 9th May, 2018, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Shri Surendra Kumar Somany ("Shri S. K. Somany"), who was appointed as a Non-executive Promoter Director of the Company since 1st April, 1949 and Shri Brijkishore Ramniwas Hurkat ("Shri Hurkat"), who was appointed as a Non-executive Independent Director of the Company at the 76th Annual General Meeting of the Company held on 29th August, 2014 for a period of five years by way of Ordinary Resolution, have attained the age of 75 years.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Nomination and Remuneration Committee discussed the matter and recommended the continuation of Directorship of the above Non-executive Director and Non-executive Independent Director, of the Company w.e.f. 1st April, 2019. Shri S. K. Somany is an Industrialist and a Promoter of the Company. He is a graduate in Commerce, he has enriched himself with a business experience of over six decades and has a rich and vast all-round knowledge and experience in the business of Ceramic, Glass and Textiles Industry. He is currently a Director and Chairman of the Company.

Shri Hurkat is a businessman and holds a Bachelor degree in Commerce. He has a rich and all-round knowledge and experience in textile and yarn business armed with strength in strategic thinking and business skills and he is conversant with the Company's business, industry and other areas relating to the Company. He brings an independent judgement on the Board's discussions especially on issues related to strategy, operational performance and risk management.

The above mentioned Non-executive Director and Non-executive Independent Director are experts in their respective fields and their experience and valuable guidance is beneficial to the Company. The Board based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid Non-executive Director and Non-executive Independent Director, has recommended the resolution for approval of shareholders by way of Special Resolutions.

Except Shri S. K. Somany and Shri A. K. Somany, who are father and son in relation, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 3 and in case of Shri B. K. Hurkat, except Shri B. K. Hurkat, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at item no. 4.

Item No. 5

Shri Brij Kishor Ramniwas Hurkat ('Shri Hurkat') was appointed as a Non-Executive Independent Director on the Board of Directors of the Company, effected from 29th August, 2014, vide resolution passed by the members at the 76th Annual General Meeting of the Company held on 29th August, 2014 pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly he holds office of Independent Director of the Company up to 28th August, 2019.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act read with SEBI (LODR) Regulation 2015, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of a Company, and shall be eligible for re-appointment upon passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Pursuant to the recommendation of Nomination and Remuneration Committee on the basis of performance evaluation of Independent Directors and taking into account the external business environment, his business knowledge, core skills and experience, it is proposed to re-appoint Shri Hurkat, as an Independent Director, not liable to retire by rotation, for the second term of five (5) consecutive years on the Board of the Company commencing from 29th August, 2019.

The Company has received a declaration from Shri Hurkat confirming that he meets the criteria of independence under the Act and Listing Regulations. Further, the Company has also received his consent to act as a Director in terms of section 152 of the Act and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Hurkat for the office of Independent Director.

In the opinion of the Board of Directors, Shri Hurkat fulfills the conditions specified in the Act and Listing Regulations for

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his re-appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Shri Hurkat as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Hurkat as an Independent Director. Therefore, the Board recommends the resolution set forth in item no. 5 for the approval of the members.

Except Shri Hurkat, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item no. 5.

Brief Profile of Shri Hurkat forms part of this Notice. This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 6

Shri Malay Harshadbhai Shah ('Shri Shah') was appointed as a Non-Executive Independent Director on the Board of Directors of the Company, effected from 10th February, 2015, vide resolution passed by the members at the 77th Annual General Meeting of the Company held on 17th September, 2015 pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly he holds office of Independent Director of the Company up to 9th February, 2020.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act read with SEBI (LODR) Regulation 2015, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of a Company, and shall be eligible for re-appointment upon passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Pursuant to the recommendation of Nomination and Remuneration Committee on the basis of performance evaluation of Independent Directors and taking into account the external business environment, his business knowledge, core skills and experience, it is proposed to re-appoint Shri Shah, as an Independent Director, not liable to retire by rotation, for the second term of five (5) consecutive years on the Board of the Company commencing from 10th February, 2020.

The Company has received a declaration from Shri Shah confirming that he meets the criteria of independence under the Act and Listing Regulations. Further, the Company has also received his consent to act as a Director in terms of section 152 of the Act and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Shri Shah for the office of Independent Director.

In the opinion of the Board of Directors, Shri Shah fulfills the conditions specified in the Act and Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Shri Shah as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Shah as an Independent Director. Therefore, the Board recommends the resolution set forth in item no. 6 for the approval of the members.

Except Shri Shah, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item no. 6.

Brief Profile of Shri Shah forms part of this Notice. This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 7

Mrs. Nisha Singh ('Mrs. Singh') was appointed as a Non-Executive Independent Director on the Board of Directors of the Company, effected from 11th February, 2015, vide resolution passed by the members at the 77th Annual General Meeting of the Company held on 17th September, 2015 pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly she holds office of Independent Director of the Company up to 10th February, 2020.



SOMA TEXTILES & INDUSTRIES LIMITED

Pursuant to the provisions of Section 149 and other applicable provisions of the Act read with SEBI (LODR) Regulation 2015, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of a Company, and shall be eligible for re-appointment upon passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Pursuant to the recommendation of Nomination and Remuneration Committee on the basis of performance evaluation of Independent Directors and taking into account the external business environment, her business knowledge, core skills and experience, it is proposed to re-appoint Mrs. Singh, as an Independent Director, not liable to retire by rotation, for the second term of five (5) consecutive years on the Board of the Company commencing from 10th February, 2020.

The Company has received a declaration from Mrs. Singh confirming that she meets the criteria of independence under the Act and Listing Regulations. Further, the Company has also received her consent to act as a Director in terms of section 152 of the Act and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mrs. Singh for the office of Independent Director.

In the opinion of the Board of Directors, Mrs. Singh fulfills the conditions specified in the Act and Listing Regulations for her re-appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Mrs. Singh as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mrs. Singh as an Independent Director. Therefore, the Board recommends the resolution set forth in item no. 7 for the approval of the members.

Except Mrs. Singh, being the appointee, or her relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item no. 7.

Brief Profile of Mrs. Singh forms part of this Notice. This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 8

The present tenure of Shri Arvind Kumar Somany (Shri Somany), as the Managing Director, being Key Managerial Personnel, of the Company, who is not subject to retirement by rotation, will expire by an efflux of time on 21st January, 2020.

The Board of Directors of the Company ('the Board') at its meeting held on 30th May, 2019, have re-appointed Shri Somany as Managing Director for a period of 3 (Three) years, effective from 22nd January, 2020, subject however to the approval of the shareholders in the ensuing 81st Annual General Meeting (AGM) and of the Banks/Financial Institutions, if required, who have granted financial assistance to the Company and subject further to such other approvals and/or sanctions, as may be required, on the terms and the remuneration permissible under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act"), as amended up to date and embodied in the Agreement, to be entered into with Shri Somany. Shri Somany shall be a non-retiring Managing Director, who shall not be liable to retire by rotation, in terms of Section 160 of the Act, including other provisions of the Act.

The Board considers that his service will be useful to the Company and that it is in interest of the Company that he be re-appointed as 'Managing Director' of the Company. His appointment and remuneration so fixed by the Board upon recommendation of the Nomination and Remuneration Committee are in accordance with Schedule V to the Act, as amended up to date and subject to the approval of Members of the Company at the ensuing 81st AGM.

The Board of Directors have fixed the following remuneration as per the recommendation of the Nomination and Remuneration Committee to be paid to Shri Somany, as Managing Director of the Company during his respective tenure of re-appointment with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling laid down under Schedule V to the said Act, or any statutory amendment or relaxation thereof:-

1) Period of Appointment:

3 (Three) years commencing from 22nd January, 2020 to 21st January, 2023

2) Nature of Duties:

Subject to the superintendence, control and direction of the Board, Shri Somany shall perform such duties

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and exercise such powers as may from time to time be entrusted to or vested in him by the Board and shall devote the whole of his time and attention to his service as the Managing Director of the Company.

3) Remuneration (including maximum limit)

Shri A. K. Somany, Managing Director (hereinafter referred to as the appointee), shall be entitled to the following remuneration with effect from 22nd January, 2020 for the period of his office from 22nd January, 2020 to 21st January, 2023 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 ₹ 2,04,125/- lacs per month, effective from 22nd January, 2020.

with such increments and/or accelerated increments as may be decided by the Board of the Company, upon due recommendation of the Remuneration Committee, at its absolute discretion from time to time and with proportionate increase in all perquisites, allowances & benefits related to and depending upon the quantum of salary, within and up to a maximum of ₹ 7.50 lacs (Rupees Seven Lacs Fifty Thousands Only) per month or ₹ 90 lacs (Rupees Ninety Lacs Only) per annum and such other perquisites, allowances and benefits.

First Annual increment is due and effective from 1st April, 2020 and thereafter from 1st April, each year.

Salary may include basic salary, additional salary, special allowances and any other allowances as may be determined by the Board from time to time subject to within and up to a maximum Salary of ₹ 7.50 Lacs per month or ₹ 90 Lacs per annum.

Such special allowances or such other allowances or additional salary, will however not be eligible for retrieval benefits such as Provident fund, Gratuity/Super Annuation Fund and other perquisites, allowances and benefits.

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

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

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

MEDICAL REIMBURSEMENT

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

LEAVE TRAVEL CONCESSION



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

CLUB FEES

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

PERSONAL ACCIDENT INSURANCE

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

OTHER BENEFITS AND ALLOWANCES

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

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

Explanation:

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

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

CATEGORY - B

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

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

CATEGORY - C

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

Provided the aggregate of salary, commission, perquisites, allowances and benefits as contemplated in Clauses (A), (B) and (C) under the Remuneration Clause 3 above shall not in any financial year exceed the overall ceiling stipulated in Sections 197 and other applicable provisions of the Act read with the Schedule V of the Act, as amended up to date (5% of the net profits in case of One Whole-time Director and 10% of the net profits for more than One Whole-time Director as calculated in accordance with Sections 197 of the Act, as amended up to date).

OVERALL REMUNERATION

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

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits under Sections 198 of the Companies Act, 2013, as amended up to date, in any financial year(s) during the currency of tenure of office of appointee, the Company shall pay him in respect of such financial year(s) remuneration by way of consolidated salary, perquisites, allowances and benefits,

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as "Minimum Remuneration" as he may be the then time drawing as specified in Clauses (A), (B) & (C) of the Remuneration Clause 3 above, subject to an overall limits laid down under Section II of the Part II of Schedule V to the Act, as applicable to the Company at the relevant time depending upon the effective capital of the Company or such other limits, as may be provided by the Central Government from time to time as to "Minimum Remuneration".

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

SITTING FEE

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

RETIREMENT BY ROTATION

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

OTHER TERMS

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

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

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

TERMINATION

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

SERVICE OF NOTICE

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

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 hereinunder this Resolution, whichever is lower.

The limits specified in the Statement attached to this Notice in regard to Resolution set out at item no. 8 is only the maximum limits and the Board may in exercise of the delegated authority pay Shri Somany, 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 Somany, Managing Director, of the Company, the minimum remuneration payable by the Company to him by way of salary, commission and perquisites shall not exceed the maximum limit of ₹ 90 Lacs plus 0.01% of the effective capital in excess of ₹ 250 Crores, as prescribed under Section II(A) of Part II of Schedule V of the Act, as amended up to date, as envisaged under the said Schedule V of the Act, as amended up to date.



SOMA TEXTILES & INDUSTRIES LIMITED

Pursuant to Section II(A) of Part II of Schedule V of the Act, as amended up to date, 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.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Act, a Special Resolution as set out in item No. 8 of the accompanying Notice is now being placed before the Members for their approval.

The Board therefore recommends passing of the Resolution set out in item No.6 of the accompanying Notice.

MEMORANDUM OF INTEREST

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

INSPECTION OF DOCUMENTS

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

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

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

The requisite information required to be provided to the Shareholders of the Company in the Notice convening the 81st Annual General Meeting of the Company in terms of Part-II, Section II of Schedule V to the Companies Act, 2013, is set out below :-

I. General Information:-

- (1) Nature of Industry : Manufacturer of Textile and Cotton Yarn.
- (2) Date or expected date of commencement of commercial production : 1969.
- (3) Financial performance on given indicators : (₹ in Lacs)

Year ending 31st March	Sales	Operating Profit/(Loss)	Profit/(Loss) before Tax	Net Profit/(Loss) after Tax
2015	22,554	(960)	(4,375)	(3,358)
2016	17,024	473	(1,786)	(1,422)
2017	12732	791	(904)	(1114)
2018	8226	458	(343)	(823)
2019	3846	(791)	(1625)	(1717)

- (4) Export performance and net foreign exchange earnings : Due to stiff competition and adverse situation, the Company was unable to export during the current year as against the export of ₹ 170 lacs achieved in the previous year.

Foreign exchange earned and used during the financial year 2018-19 and 2017-18 :-

(₹ in lacs)

	2018-19	2017-18
Foreign Exchange earned	-	170
Foreign Exchange used	41	258

- (5) Foreign Investments or Collaborators, if any : Holdings of FIIs/NRIs and other non-residents is 0.31% in the Company as at 31st March, 2019.

The Company has no foreign Collaborator.

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II. Information about the appointee:-

(1) Background details : **Shri A. K. Somany**

Shri A. K. Somany ("Shri Somany") is an Industrialist from Somany family and is actively looking after the affairs of the Company. He is the co-promoter and presently the Managing Director of the Company. Shri Somany, aged about 63 years' is a Science Graduate (B.Sc.) and holds Membership of All India Management Association (MIMA). He has more than 39 years' experience in Textile and Ceramic Industry, to his credit, of which more than 31 years' in Textile Industry as the Managing Director of the Company, appointed since 22nd January, 1988. Shri Somany has taken several initiatives to focus on growth, value addition and cost effectiveness for growth of the Company. Shri Somany looks after the overall Management Control and affairs of the Company. Shri Somany has successfully and in a sustained way, contributed significantly towards improvement and growth of the Company.

(2) Past remuneration	:	2014-2015:	₹ 3,613,344/-
		2015-2016:	₹ 3,847,200/-
		2016-2017:	₹ 5,191,200/-
		2017-2018:	₹ 5,906,880/-
		2018-2019:	₹ 33,92,060/-

(3) Recognition or Awards : He is the past Chairman of Ahmedabad Mill Owners' Association and has been a member of The Indian Cotton Mills' Federation and several other committees constituted by governmental bodies.

(4) Job profile and his suitability : To provide vision guidance and direction for long term growth and overall management control and to formulate plans and strategy for continuance performance & growth of the Company. Shri A. K. Somany ("Shri Somany") is entrusted with the substantial power and authorities to manage the affairs of the Company. Shri Somany, the Managing Director, shall devote his whole-time and attention to the business and affairs of the Company and carryout such duties as may be entrusted to him from time to time by the Board of Directors of the Company ("the Board") and exercise such powers as assigned to him by the Board under the superintendence, control and direction of the Board in the best interest of the Company.

The Board is of the opinion that Shri Somany possesses in depth understanding and knowledge of the Textiles Industry and leadership skills, he is therefore ideally suited for the job.

(5) Remuneration proposed : (a) Salary (Basic + DA) at ₹ 2,04,125/- per month within and up to a maximum of ₹ 7,50,000/- per month with authority to the Board to fix the salary and to consider an annual increment/accelerated increment at its discretion upto and within the said maximum amount of salary, upon due recommendation of the Remuneration Committee,

(b) such percentage of Commission as may be decided by the Board on the recommendation of Nomination and Remuneration Committee at its discretion from time to time or at the end of such financial year,

(c) Perquisites, allowances and benefits, as spelt out in the Statement annexed to the Notice convening the 81st Annual General Meeting of the Company subject to a ceiling restricted to 100% of his annual salary (BASIC + D.A.) or as may be determined by the Board from time to time within the maximum limit for remuneration fixed by the Company provided the aggregate of salary, Commission, perquisites, allowances & benefits, as contemplated under items (a), (b) & (c) above shall not exceed the overall limits prescribed under Sections 197 and other applicable provisions of the Companies Act, 2013,



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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).

- (6) Comparative remuneration : Compared to the remuneration with respect to the Industry, Companies of similar size as that of the Company and persons holding similar position, the remuneration proposed to be paid to Shri Somany as the Managing Director is not adequate. Remuneration for a person of his caliber and position should generally be higher than what is being paid to him.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Shri S. K. Somany, the Non-executive Chairman of the Company, is the father of Shri A. K. Somany (Shri Somany). Shri Somany holds 728217 Equity Shares, constituting 2.20% of the paid up Equity Share Capital of the Company and belongs to promoters' group having control over the management of the Company.
- The Managing Director has no other pecuniary relationship directly or indirectly with the Company or with any of the managerial personnel of the Company, except to the extent of remuneration and other employment benefits being paid to him as Managing Director of the Company and the holdings in the Company held by him and his relatives and associates or held by the Company(ies), Firm(s) and Trust(s), in which he is interested as a director, member, partner and trustee and further to the extent of dividend, if any, declared and paid by the Company on their respective holdings and such other benefits arising out of such Shareholdings, as Managing Director.

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. 8 of the Notice relating to re-appointment and remuneration payable to Shri A. K. Somany, the Managing Director duly annexed to the Notice convening the 81st 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 2018-2019.

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|--|---|
| (3) Details of fixed components and performance linked incentives along with performance criteria | : The Remuneration package and other terms applicable to the Directors have been disclosed in the Corporate Governance Report forming part of the Annual Report for the year 2018-2019. |
| (4) Service contracts, notice period, severance fees etc | : Service Agreement is for a period of Three (3) years from 22nd January, 2020 to 21st January, 2023. Notice period is Six (6) months.

No severance fee is payable on termination. |
| (5) Stock option details, if any and whether the same has been insured at a discount as well as the period over which accrued and over which exercisable | : The Company has not issued any stock options to any of its Directors or Managerial Personnel. |

Except Shri S. K. Somany, who is father of Shri A. K. Somany, 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. 8 of the Notice.

The Board recommends the Special Resolution set out at item no. 8 of the Notice for approval by the shareholders.

Item No. 9

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, 2020.

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. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

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. 9 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 9 of the Notice for approval by the shareholders.

Registered Office:

2, Red Cross Place,
Kolkata – 700 001

Dated, the 30th May, 2019

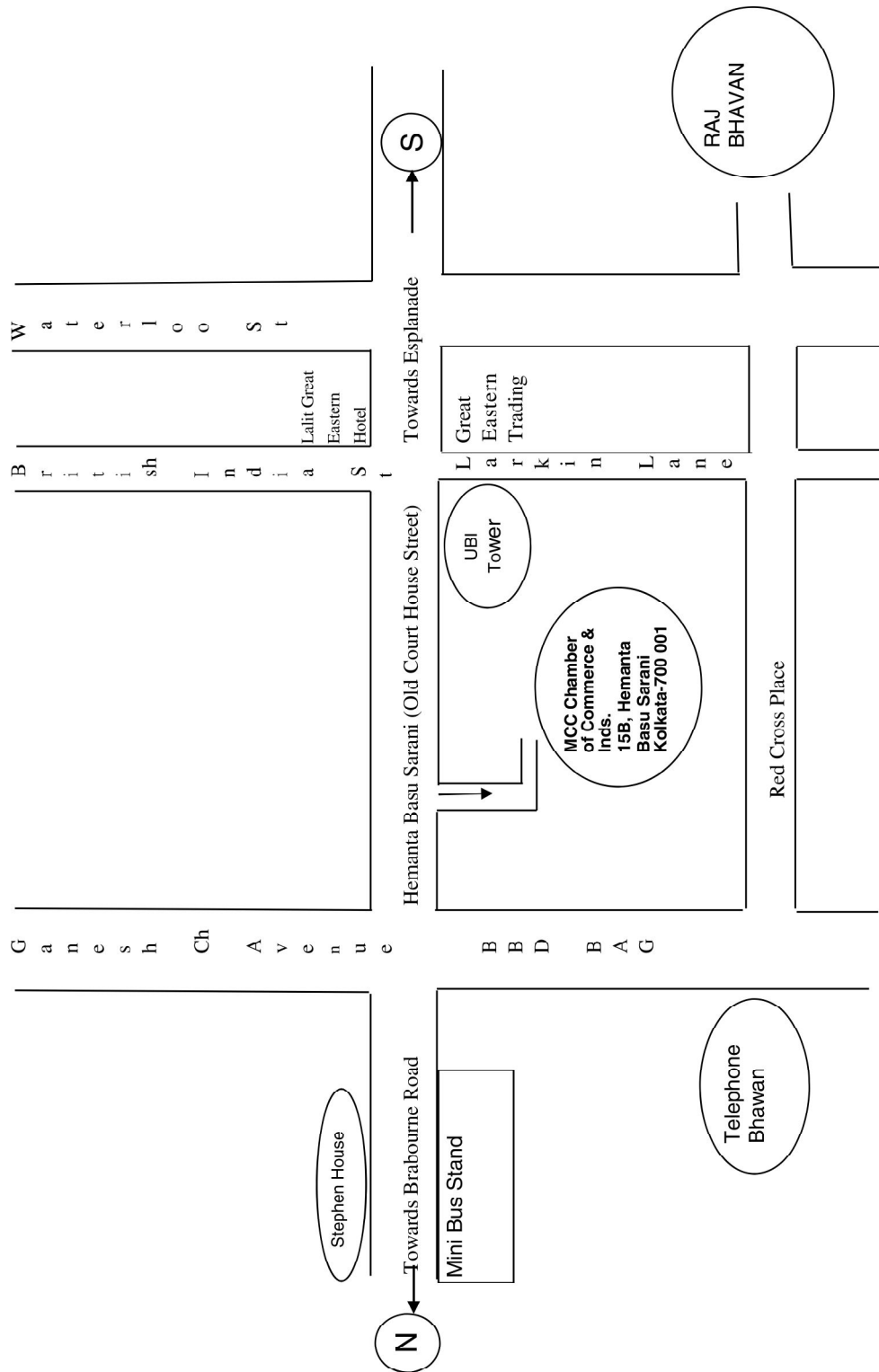
By order of the Board

A. K. Mishra

(Company Secretary & Compliance Officer)



ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING



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DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their Eighty-first (81st) Annual Report of the Company, together with the audited financial statements for the financial year ended 31st March, 2019.

1. FINANCIAL PERFORMANCE

There was no improvement in the business scenario of the Textile Industry and it continues to remain challenging. The revenue from operations for the year 2018-19 was ₹ 3846 lacs as compared to ₹ 8,271 lacs in previous year, a decline of 53.50 %.

The loss before Prior period, Exceptional item and Tax was ₹ 2146 lacs against the previous year loss of ₹ 609 lacs.

The net loss for the year was ₹ 1726 lacs against the previous year net loss of ₹ 818 lacs.

2. DIVIDEND

The Board of Directors of your Company do not recommend any dividend for the Financial Year ended 31st March, 2019, considering the loss during the year and brought forward losses.

3. COTTON

India's cotton production in the current season 2018-2019 is likely to be 315 lac bales. The exports are estimated to be 46 lakh bales.

4. EXPORT

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

5. ANALYSIS AND REVIEW

India's textiles sector is one of the oldest in Indian economy dating back several centuries. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The Indian textile industry has the capacity to produce a wide variety of products suitable for different market segments, both within India and across the world. The Indian textile industry contributes about 14 % to industrial production, 4% to country's gross domestic production, 17% to country's export earnings. It provides direct employment to over 35 million people.

6. OPPORTUNITIES AND CHALLENGES

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. However, to get maximum advantage of the vast potential of this vibrant industry, it is very important for the Government and Industry to work towards addressing key challenges including obsolete machinery and technology, power shortage, illicit markets, labour related concerns and lack of quality infrastructure in non-metropolitan cities.

7. PRESENT STATUS OF THE UNIT

Company has closed dyeing, Sizing, Weaving and Finishing section of the Denim due to high operating cost and other adverse factors which resulted in EBITDA loss.

8. EXPANSION AND MODERNISATION

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

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, 2019 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 & Machineries 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 taken 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, 2018 and 31st March, 2019. On 31st March, 2019, the Equity Share Capital stood at ₹ 3303.30 Lacs, divided in to 33033000 Equity Shares of ₹ 10 each and Preference Share Capital stood at ₹ 975 Lacs, divided in to 975000, 0.01% Cumulative Redeemable Non-convertible Preference Shares of ₹ 100 each.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL**Appointment**

Shri B. K. Hurkat, Shri M. H. Shah and Mrs. N. Singh are Non-Executive Directors, designated as Independent Directors on the Board of Directors ('the Board') of the Company. As per the Companies Act, 2013 ('the Act'), every listed company should have the requisite number of Independent Directors on the Board. The present term of office of, Shri B. K. Hurkat, Shri M. H. Shah and Mrs. Nisha Singh, expires by efflux of time, on 28th August, 2019, 9th February, 2020 and 10th February, 2020 respectively. The Board recommends the re-appointment of Shri B. K. Hurkat, Shri M. H. Shah and Mrs. N. Singh, as an Independent Directors of the Company, not liable to retire by rotation, to hold office for a fresh term of five (5) consecutive years with effect from their respective date of appointment.

Necessary resolutions for obtaining approval of the Members in respect of the above appointments have been incorporated in the notice of the forthcoming Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms and conditions of appointment of the Independent Directors are incorporated on the website of the Company at <http://www.somatextiles.com>.

As per the requirement under the Listing Agreement, particulars of Directors seeking re-appointment at the ensuing Annual General Meeting form part of the Notice of the Meeting.

Rotation

At the forthcoming 81st Annual General Meeting (AGM) of the Company, Shri S. K. Somany (DIN: 00001131) 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.

Brief resume, nature of expertise and details of directorship held in other companies of Shri S. K. Somany, 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.

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.

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

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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, 2019.

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 the 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 2019-20.
- (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 and therefore need no explanations or comments from the Board of Directors.

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 Four (4) 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.

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

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.

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. 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.

30. 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: -

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- (a) that in the preparation of attached Annual Accounts for the Financial Year ended 31st March, 2019 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, 2019 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.

31. 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.

32. 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, 2020, pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the corresponding rules framed thereunder.

33. 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.

34. SECRETARIAL AUDIT REPORT

A Secretarial Audit Report given by the Secretarial Auditors for the financial year ended 31st March, 2019, 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.

35. INDUSTRIAL RELATIONS

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

36. 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, 2020 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.

37. 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, 2019, 32,519,462 Equity Shares are held in dematerialized form and represent 98.45% of the Company's total paid up Capital.

38. 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.

39. 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.

40. 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.

41. 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, 2019, 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.

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

The Company is primarily engaged in the business of processing of Bottom Weights and Shirting.

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.

43. 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.

44. 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 2018-19 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.

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45. 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.

46. 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;

47. 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 : 30th May, 2019

(S. K. SOMANY)
Chairman



SOMA TEXTILES & INDUSTRIES LIMITED

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: Nil
 - (ii) The steps taken by the company for utilization of alternate sources of energy: Nil
 - (iii) The Capital Investment on energy conservation equipment: Nil
- Energy conservation required steps has been taken in earlier years. The result of the same are being observed in current year.

(B) TECHNOLOGY ABSORPTION:

- (i) The efforts made towards technology absorption: Nil
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- (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:

	(₹ in lacs)	
	2018-19	2017-18
a) Capital	-	-
b) Recurring	7.91	38.15
c) Total	7.91	38.15
d) Total R&D Expenditure as percentage of Revenue from Operations	0.21	0.46

(C) FOREIGN EXCHANGE EARNING & OUTGO

Used ₹ 41 lacs (Previous Year ₹ 258 lacs), Earned ₹ Nil (Previous Year ₹ 170 lacs)

On behalf of the Board

Place : Ahmedabad
Date : 30th May, 2019

(S. K. SOMANY)
Chairman

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ANNEXURE TO THE DIRECTORS' REPORT

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

- a) Ratio of the remuneration of each Director to the median employees remuneration for the financial year ended 31st March, 2019, is as under:

Name of Directors & Key Managerial Personnel	Designation	Directors' remuneration (In ₹)	Median Employees remuneration (In ₹)	Ratio
Mr. S. K. Somany	Non-executive Chairman	10,000	2,48,944	0.04:1
Mr. A. K. Somany	Managing Director	33,92,060	2,48,944	13.63:1
Mr. S. B. Bhat	Whole-time Director	35,31,954	2,48,944	14.19:1
Mr. B. K. Hurkat	Non-executive Independent Director	10,000	2,48,944	0.04:1
Mr. M. H. Shah	Non-executive Independent Director	10,000	2,48,944	0.04:1
Mrs. N. Singh	Non-executive Independent Director	2,500	2,48,944	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, 2019:

Name of Directors & Key Managerial Personnel	Designation	Total Remuneration 2018-19 (In ₹)	Total Remuneration 2017-18 (In ₹)	Percentage Increase
Mr. S. K. Somany	Non-executive Chairman	10,000	7,500	-
Mr. A. K. Somany	Managing Director	33,92,060	59,06,880	-
Mr. S. B. Bhat	Whole-time Director	35,31,954	35,03,555	0.81%
Mr. B. K. Hurkat	Non-executive Independent Director	10,000	12,500	-
Mr. M. H. Shah	Non-executive Independent Director	10,000	10,000	-
Ms. N. Singh	Non-executive Independent Director	2,500	5000	-
Mr. M. B. Parakh	Chief Financial Officer	11,76,090	11,24,717	4.57%
Mr. A. K. Mishra	Company Secretary	4,43,666	4,22,666	4.97%

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 83.
- d) Compared to the previous year 2017-18, the figures for the current year 2018-19 reflects that,
- The Net Loss for the year was ₹ 1726 lacs against the previous year net loss of ₹ 818 lacs.
 - Median remuneration of all employees has increased by 0.44% while average remuneration of all employees has decreased by 1.15%. **
 - Average remuneration of employees excluding Key Managerial Personnel has increased by 6.46%.
 - Remuneration of Key Managerial Personnel has decreased by 22.04%.
- 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**

Details of Significant Changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, pursuant to sub-clause (h) of clause (1) of Part B of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

Significant Changes in Financial Ratios

Sr. No.	Particulars	2018-19	2017-18	Change in %	Reason for Significant change, if any
1	Debtors Turnover	28.32	22.08	28.26%	Improved due to better collection and minimisation of sales on Credit.
2	Inventory Turnover	5.89	9.43	-37.54%	Company was majorly manufacturing Denim, however during the financial year 2018-19 company has closed down dyeing, Sizing, Weaving and Finishing section of the Denim due to high operating cost and other adverse factors. During the Financial Year 2018-19 company suffered EBIDTA loss, due to this ratios Inventory Turnover, Interest coverage, current ratio, Operating profit margin, Net profit margin and Return on Net Worth were adversely affected.
3	Interest coverage ratio	(0.21)	0.74	-128.38%	
4	Current ratio	0.31	0.57	-45.61%	
5	Operating Profit Margin (%)	(7.57)	12.5	-160.56%	
6	Net Profit Margin (%)	(46.29)	(10.26)	351.17%	
7	Return on Net Worth (%)	(21.17)	(8.36)	153.23%	
8	Debt Equity ratio	4.66	4.95	-5.86%	-

Detailed explanation of ratios:**(i) Debtors Turnover**

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

(ii) Inventory Turnover

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory.

(iii) Interest Coverage Ratio

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing PBIT by finance cost.

(iv) Current Ratio

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

(v) Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total liabilities by its shareholder's equity.

(vi) Operating Profit Margin (%)

Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by turnover.

(vii) Net Profit Margin (%)

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover.

(viii) Return on Net Worth

Return on Net Worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average capital employed during the year.

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ANNEXURE TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st Day of March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies

(Appointment and Remuneration to Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Soma Textiles & industries Limited (CIN:L51909WB1940PLC010070) (hereinafter called "the Company"). 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 authorized 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, 2019 ('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, 2019 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 and dealing with client;
 - (d) The SEBI Listing (Listing Obligation and Disclosure Requirements <LODR>) Regulations, 2015 as amended from time to time.

[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 31-03-2019:-

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended by 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 as amended till date ;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 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.



SOMA TEXTILES & INDUSTRIES LIMITED

- (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 with National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. There were no changes in the composition of the Board of Directors during the period of audit. Adequate notice was 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 30, 2019

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 30, 2019

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FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[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@somatexiles.com Website: www.somatexiles.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	17131	96.44%

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 FZC, 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)



SOMA TEXTILES & INDUSTRIES LIMITED

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	5223122	-	5223122	15.81	5223122	-	5223122	15.81	-
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)	21030017	-	21030017	63.66	21030017	-	21030017	63.66	-
(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)	21030017	-	21030017	63.66	21030017	-	21030017	63.66	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	2344	2344	0.01	-	2344	2344	0.01	-
b) Banks/FI	10000	-	10000	0.03	10200	-	10200	0.03	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	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	10200	2744	12944	0.04	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	1523139	-	1523139	4.61	895117	-	895117	2.71	(1.90)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5731660	523482	6255142	18.94	5805166	510794	6315960	19.12	0.18
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3372955	-	3372955	10.21	4025145	-	4025145	12.19	1.97
c) NBFCs registered with RBI	-	-	-	-	3300	-	3300	0.01	0.01
d) Others(specify):									
i) Trusts	2000	-	2000	0.01	2000	-	2000	0.01	-
ii) Hindu Undivided Family	415956	-	415956	1.26	417855	-	417855	1.27	0.01
iii) NRI Rept.	85690	-	85690	0.26	90038	-	90038	0.27	0.01
iv) NRI Non Rept.	10880	-	10880	0.03	11430	-	11430	0.03	-
v) Clearing Members	324477	-	324477	0.98	229194	-	229194	0.69	(0.29)
Sub-total (B) (2)	11466757	523482	11990239	36.30	11479245	510794	11990039	36.30	-
Total Public Shareholding (B)=(B) (1) + (B) (2)	11476757	526226	12002983	36.34	11489445	513538	12002983	36.34	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	32506774	526226	33033000	100.00	32519462	513538	33033000	100.00	-

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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 shareholding 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	-	-
Total		21030017	63.66	7.57	21030017	63.66	7.57	-

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
	At the beginning of the year	21030017	63.6637		
	Increase/ Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			21030017	63.6637



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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	RAJESH JHAVERI				
	At the beginning of the year	0	0.0000		
	06.04.2018 (Bought) #	613292	1.8566	613292	1.8566
	13.04.2018 (Bought)	31313	0.0948	644605	1.9514
	20.04.2018 (Sold)	-22206	-0.0672	622399	1.8842
	27.04.2018 (Bought)	109711	0.3321	732110	2.2163
	04.05.2018 (Bought)	10912	0.033	743022	2.2493
	11.05.2018 (Bought)	8813	0.0267	751835	2.276
	25.05.2018 (Bought)	3640	0.011	755475	2.287
	01.06.2018 (Bought)	9301	0.0282	764776	2.3152
	08.06.2018 (Bought)	3454	0.0105	768230	2.3256
	15.06.2018 (Bought)	34053	0.1031	802283	2.4287
	22.06.2018 (Bought)	3742	0.0113	806025	2.4401
	30.06.2018 (Bought)	4372	0.0132	810397	2.4533
	06.07.2018 (Sold)	-5003	-0.0151	805394	2.4381
	13.07.2018 (Bought)	2624	0.0079	808018	2.4461
	20.07.2018 (Bought)	1782	0.0054	809800	2.4515
	27.07.2018 (Bought)	5094	0.0154	814894	2.4669
	03.08.2018 (Bought)	15306	0.0463	830200	2.5132
	10.08.2018 (Sold)	-11738	-0.0355	818462	2.4777
	17.08.2018 (Bought)	4412	0.0133	822874	2.4911
	24.08.2018 (Bought)	2101	0.0064	824975	2.4974
	31.08.2018 (Bought)	7525	0.0228	832500	2.5202
	07.09.2018 (Bought)	2200	0.0067	834700	2.5269
	14.09.2018 (Bought)	11290	0.0342	845990	2.561
	21.09.2018 (Sold)	-375	-0.0011	845615	2.5599
	29.09.2018 (Bought)	2380	0.0072	847995	2.5671
	05.10.2018 (Bought)	10	0	848005	2.5671
	12.10.2018 (Sold)	-100	-0.0003	847905	2.5668
	19.10.2018 (Sold)	-280	-0.0008	847625	2.566
	02.11.2018 (Sold)	-125	-0.0004	847500	2.5656
	09.11.2018 (Bought)	200	0.0006	847700	2.5662
	16.11.2018 (Bought)	345	0.001	848045	2.5673
	23.11.2018 (Bought)	240	0.0007	848285	2.568
	30.11.2018 (Bought)	855	0.0026	849140	2.5706
	07.12.2018 (Sold)	-2142	-0.0065	846998	2.5641
	21.12.2018 (Sold)	-2998	-0.0091	844000	2.555
	11.01.2019 (Bought)	6000	0.0182	850000	2.5732
	At the end of the year			850000	2.5732
2	AKSHAT KEJRIWAL				
	At the beginning of the year	276609	0.8374		
	Increase/Decrease in Shareholding during the year:				
	11.05.2018 (Bought)	590	0.0018	277199	0.8392

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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
	18.05.2018 (Bought)	1301	0.0039	278500	0.8431
	27.07.2018 (Bought)	12164	0.0368	290664	0.8799
	10.08.2018 (Sold)	-20000	-0.0605	270664	0.8194
	07.09.2018 (Bought)	1000	0.003	271664	0.8224
	At the end of the year			271664	0.8224
3	AJIT SINGH JAGJIT SINGH CHAWLA				
	At the beginning of the year	218348	0.661		
	Increase/ Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			218348	0.661
4	GLOBE CAPITAL MARKET LTD.				
	At the beginning of the year	163689	0.4955		
	Increase/Decrease in Shareholding during the year:				
	03.08.2018 (Sold)	-999	-0.003	162394	0.4916
	24.08.2018 (Sold)	-536	-0.0016	161858	0.49
	07.09.2018 (Sold)	-464	-0.0014	161394	0.4886
	21.12.2018 (Bought)	1775	0.0054	163169	0.494
	28.12.2018 (Sold)	-1275	-0.0039	161894	0.4901
	11.01.2019 (Bought)	638	0.0019	162532	0.492
	18.01.2019 (Sold)	-638	-0.0019	161894	0.4901
	At the end of the year			161894	0.4901
5	KALPESH BHUPENDRA VORA				
	At the beginning of the year	158925	0.4811		
	Increase/Decrease in Shareholding during the year:				
	22.02.2019 (Sold)	-750	-0.0023	158175	0.4788
	01.03.2019 (Bought)	750	0.0023	158925	0.4811
	At the end of the year			158925	0.4811
6	ASHOKKUMAR GIRIRAJ BANSAL				
	At the beginning of the year	113357	0.3432		
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			113357	0.3432
7	ASHIKA STOCK BROKING LIMITED-MTF -CLIENT A/C-COLLATERAL				
	At the beginning of the year	13000	0.0394		
	Increase/Decrease in Shareholding during the year:				
	13.04.2018 (Sold)	-13000	-0.0394	0	0.0000
	07.09.2018 (Bought)	2000	0.0061	2000	0.0061
	14.09.2018 (Bought)	631	0.0019	2631	0.008
	21.09.2018 (Sold)	-136	-0.0004	2495	0.0076
	29.09.2018 (Bought)	-2495	-0.0076	0	0.0000
	09.11.2018 (Bought)	1	0	1	0.0000
	16.11.2018 (Sold)	-1	0	0	0.0000
	23.11.2018 (Bought) #	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	99109	0.3		



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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
	Increase/Decrease in Shareholding during the year:	No changes during the year			
	At the end of the year			99109	0.3
9	MEERA MILIND GADKARI				
	At the beginning of the year	56866	0.1721		
	Increase/Decrease in Shareholding during the year:				
	13.04.2018 (Sold)	-2000	-0.0061	54866	0.1661
	20.04.2018 (Sold)	-1600	-0.0048	53266	0.1613
	27.04.2018 (Sold)	-166	-0.0005	53100	0.1607
	04.05.2018 (Sold)	-1000	-0.003	52100	0.1577
	08.06.2018 (Sold)	-500	-0.0015	51600	0.1562
	15.06.2018 (Sold)	-1527	-0.0046	50073	0.1516
	13.07.2018 (Sold)	-499	-0.0015	49574	0.1501
	20.07.2018 (Bought)	760	0.0023	50334	0.1524
	03.08.2018 (Bought)	3423	0.0104	53757	0.1627
	10.08.2018 (Bought)	2507	0.0076	56264	0.1703
	17.08.2018 (Sold)	-700	-0.0021	55564	0.1682
	24.08.2018 (Bought)	3000	0.0091	58564	0.1773
	31.08.2018 (Bought)	1100	0.0033	59664	0.1806
	07.09.2018 (Bought)	390	0.0012	60054	0.1818
	14.09.2018 (Bought)	700	0.0021	60754	0.1839
	21.09.2018 (Sold)	-1500	-0.0045	59254	0.1794
	29.09.2018 (Sold)	-400	-0.0012	58854	0.1782
	05.10.2018 (Bought)	2745	0.0083	61599	0.1865
	12.10.2018 (Bought)	500	0.0015	62099	0.188
	02.11.2018 (Sold)	-3000	-0.0091	59099	0.1789
	09.11.2018 (Bought)	13438	0.0407	72537	0.2196
	16.11.2018 (Bought)	8175	0.0247	80712	0.2443
	30.11.2018 (Bought)	1000	0.003	81712	0.2474
	07.12.2018 (Sold)	-2000	-0.006	79712	0.2413
	14.12.2018 (Bought) #	6292	0.019	86004	0.2604
	21.12.2018 (Sold)	-3000	-0.0091	83004	0.2513
	28.12.2018 (Sold)	-2000	-0.006	81004	0.2452
	04.01.2019 (Sold)	-2000	-0.006	79004	0.2392
	08.02.2019 (Bought)	12846	0.0389	91850	0.2781
	01.03.2019 (Bought)	1098	0.0033	92948	0.2814
	08.03.2019 (Bought)	3500	0.0106	96448	0.292
	15.03.2019 (Bought)	3000	0.0091	99448	0.3011
	29.03.2019 (Sold)	-400	-0.0012	99048	0.2998
	At the end of the year			99048	0.2998
10	SATYA NARAYAN G. KEJRIWAL				
	At the beginning of the year	84625	0.2562		
	Increase/Decrease in Shareholding during the year:				
	18.05.2018 (Bought)	1566	0.0047	86191	0.2609
	25.05.2018 (Bought)	2030	0.0061	88221	0.2671
	01.06.2018 (Bought)	1048	0.0032	89269	0.2702

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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
	08.06.2018 (Bought)	375	0.0011	89644	0.2714
	15.06.2018 (Bought)	700	0.0021	90344	0.2735
	06.07.2018 (Bought)	2009	0.0061	92353	0.2796
	13.07.2018 (Bought)	800	0.0024	93153	0.282
	10.08.2018 (Bought)	867	0.0026	94020	0.2846
	At the end of the year			94020	0.2846
11	DEEPAK MITTAL				
	At the beginning of the year	92500	0.28		
	Increase/Decrease in Shareholding during the year:				
	01.06.2018 (Sold)	-3189	-0.0097	89311	0.2704
	22.06.2018 (Sold) \$	-3510	-0.0106	85801	0.2597
	30.06.2018 (Sold)	-48780	-0.1477	37021	0.1121
	20.07.2018 (Sold)	-518	-0.0016	36503	0.1105
	05.10.2018 (Sold)	-300	-0.0009	36203	0.1096
	21.12.2018 (Sold)	-4610	-0.014	31593	0.0956
	28.12.2018 (Sold)	-27700	-0.0839	3893	0.0118
	At the end of the year			3893	0.0118
12	ASE CAPITAL MARKETS LTD.				
	At the beginning of the year	630400	1.9084		
	Increase/Decrease in Shareholding during the year:				
	06.04.2018 (Sell) \$	-630400	-1.9084	0	0.0000
	20.04.2018 (Bought)	34171	0.1034	34171	0.1034
	27.04.2018 (Sold)	-27371	-0.0829	6800	0.0206
	04.05.2018 (Sold)	-5766	-0.0174	1034	0.0031
	11.05.2018 (Sold)	-719	-0.0022	315	0.001
	18.05.2018 (Bought)	2350	0.0071	2665	0.0081
	25.05.2018 (Sold)	-2665	-0.0081	0	0.0000
	01.06.2018 (Bought)	205	0.0006	205	0.0006
	08.06.2018 (Bought)	5546	0.0168	5751	0.0174
	15.06.2018 (Sold)	-5625	-0.017	126	0.0004
	22.06.2018 (Sold)	-51	-0.0002	75	0.0002
	30.06.2018 (Sold)	-57	-0.0002	18	0.0001
	06.07.2018 (Bought)	4588	0.0139	4606	0.0139
	13.07.2018 (Sold)	-2954	-0.0089	1652	0.005
	20.07.2018 (Sold)	-1452	-0.0043	200	0.0006
	27.07.2018 (Bought)	500	0.0015	700	0.0021
	03.08.2018 (Bought)	800	0.0024	1500	0.0045
	10.08.2018 (Sold)	-962	-0.0029	538	0.0016
	17.08.2018 (Bought)	288	0.0009	826	0.0025
	24.08.2018 (Bought)	174	0.0005	1000	0.003
	31.08.2018 (Sold)	-1000	-0.003	0	0.0000
	07.09.2018 (Bought)	625	0.0019	625	0.0019
	14.09.2018 (Sold)	-615	-0.0019	10	0.0000
	21.09.2018 (Bought)	2340	0.0071	2350	0.0071
	29.09.2018 (Sold)	-2345	-0.0071	5	0.0000



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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
	05.10.2018 (Sold)	-5	0	0	0.0000
	12.10.2018 (Bought)	2095	0.0063	2095	0.0063
	19.10.2018 (Sold)	-1970	-0.006	125	0.0004
	26.10.2018 (Bought)	55	0.0002	180	0.0005
	02.11.2018 (Bought)	825	0.0025	1005	0.003
	09.11.2018 (Sold)	-1005	-0.003	0	0.0000
	16.11.2018 (Bought)	30	0	30	0.0001
	23.11.2018 (Sold)	-30	0	0	0.0000
	07.12.2018 (Bought)	3002	0.0091	3002	0.0091
	21.12.2018 (Bought)	998	0.003	4000	0.0121
	28.12.2018 (Sold)	-4000	-0.0121	0	0.0000
	At the end of the year			0	0.0000
13	SANTOSH GUPTA				
	At the beginning of the year\$	100000	0.3027		
	Increase/Decrease in Shareholding during the year:				
	23.11.2018 (Sell) \$	-100000	-0.3027	0	0
	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

**SOMA TEXTILES & INDUSTRIES LIMITED****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	11267.37	4.16	-	11271.53
ii)Interest due but not paid	5737.78	-	-	5737.78
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	17005.15	4.16	-	17009.31
Change in Indebtedness during the financial year				
• Addition	1179.89	0.03	-	1479.92
• Reduction	-	-	-	-
Net Change	1179.89	0.03	-	1479.92
Indebtedness at the end of the financial year				
i)Principal Amount	11034.36	4.19	-	11038.55
ii)Interest due but not paid	7450.68	-	-	7450.68
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18485.04	4.19	-	18489.23

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

Sl. No.	Particulars of Remuneration	Shri A. K. Somany (M.D.)	Shri S. B. Bhat [WTD, designated as (Executive Director)]	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3073625	2595387	5669012
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	667083	667083
	(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)	3073625	3262470	6336095
	Ceiling as per the Act			

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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	-	10000	10000	2500	22500
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	-	10000	10000	2500	22500
2.	Other Non-Executive Directors					
	• Fees for attending board meetings and committee meetings	10000	-	-	-	10000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	10000	-	-	-	10000
	Total (B)= (1+2)	10000	10000	10000	2500	32500
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	3,67,488	10,15,086	13,82,574
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	43,910	64,452	1,08,362
	(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)	4,11,398	10,79,538	14,90,936
	Ceiling as per the Act			

VII. PENALTIES/ PUNISHMENT/ COMPUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2019.



SOMA TEXTILES & INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Form AOC-1

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

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

Part "A": Subsidiaries – NOT APPLICABLE

Part "B": Associates and Joint Ventures

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

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

Name of Associate	SOMA TEXTILE FZC
1. Latest audited Balance Sheet Date	31.03.2019
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	₹ 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	₹ 3,421,479
6. Profit/(Loss) for the year	
i. Considered in Consolidation	(2.88) 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

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MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE:

The Indian textiles industry has an overwhelming presence in the economic life the country and is one of the oldest industries of the country. The textile industry has a capacity to produce a versatile spread of products appropriate for varied market segments, both domestic and the export markets. The textile industry plays a pivotal role through its contribution to industrial output, employment generation and export earnings of the country.

Indian textile industry contributes about 14 % to industrial production. 4% to country's gross domestic production, 17% to country's export earnings. It provides direct employment to over 35 million people.

Opportunities

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.

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

Challenges

To get maximum advantage of the vast potential of this vibrant industry, it is very important 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, raw materials shortage and lack of quality infrastructure in non-metropolitan cities, rising wages and power cost.

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

2. INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

The Company continued to have cordial and harmonious relations with itsemployees. 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, 2019.

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, 2019 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) Regulations, 2015, and SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018, in India, (hereinafter referred to as "the Listing Regulations") 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 Listing Regulations. The Composition of the Board of Directors is as follows:-

7(2) of the Listing Regulations. The Composition of the Board of Directors is as follows:						
Name of Director	Designation	Category Directorship	No. of of Directorship in other Public Companies (*)	No. of Membership/ Chairmanship on other Board Committees other than STIL (**) Chairman Member	Directorship in other listed entity (Category of Directorship)	
Shri S. K. Somany	Chairman	Promoter Non-Executive Non Independent	5	3	1	1. The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited (Non-Executive Independent). 2. Simplex Reality Limited (Non-Executive Independent). 3. The Nav Bharat Refrigeration & Industries Limited

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Shri A. K. Somany	Managing Director	Promoter Executive Non Independent	1	-	(Non-Executive Independent). 1. 3P Land Holdings Limited (Non-Executive Independent).
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.

As per the Regulation 17A(1) of the Listing Regulations, the Company declares that none of the Directors of Company are director in more than eight listed companies as per the declarations received from them.

As per the Regulation 17A(2) of the Listing Regulations, the Company declares that none of the Whole-time Director/ Managing Director of Company are serving as an Independent director in more than three listed companies as per the declarations received from them.

(**) 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 the Listing Regulations.

As per the Regulation 26 of the Listing Regulations, 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 Listing Regulations.

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 2018-19, Four (4) Board Meetings were held on 29th May, 2018, 10th August, 2018, 2nd November, 2018, and 13th February, 2019. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 2013 and Regulation 17 of the Listing Regulations. The last, 80th Annual General Meeting held on 13th September, 2018. 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	4	Yes
Shri A. K. Somany	3	No
Shri S. B. Bhat	4	No
Shri B. K. Hurkat	4	Yes



SOMA TEXTILES & INDUSTRIES LIMITED

Shri M. H. Shah	4	No
Mrs. N. Singh	1	No

(c) Details of shares and convertible instruments held by Non-Executive Directors as on 31st March, 2019:

As on 31st March, 2019, 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, 2019.

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 Listing Regulations. 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 Listing Regulations. The Code of Conduct is available on the Company's website www.somatextiles.com. A declaration to this effect signed by the Managing Director (CEO) forms part of this report.

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

- (i) Shri S. K. Somany (DIN: 00001131), Director of the Company retires by rotation at the ensuing 81st Annual General Meeting of the Company and is eligible for re-appointment.
- (ii) Shri A. K. Somany's (DIN:00024903), Managing Director of the Company, present term of appointment expires by efflux of time on 21st January, 2020. Therefore his re-appointment for further term of 3 years effective from 22nd January, 2020, was to be considered, well in advance to seek Shareholders approval at the ensuing 81st Annual General Meeting of the Company.

The brief profile of Shri S. K. Somany and Shri A. K. Somany and his other relevant particulars are furnished in the Notice convening the 81st Annual General Meeting of the Company to be held on Monday, the 2nd September, 2019.

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, the Listing Regulations 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;

- o Criteria of independence applicable to Independent Directors as per the applicable regulation(s) of the Listing Regulations and the Companies Act, 2013;
- o Roles, functions, duties, responsibilities and liabilities of Directors;
- o Director's Responsibility Statement forming part of Boards' Report;
- o Vigil Mechanism including policy formulation, disclosures, code for Independent Directors, obtaining Audit Committee approval, wherever required;

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- o Risk Management strategies;
- o Board evaluation process and procedures;
- o Dealing with Related Party Transactions under the Companies Act, 2013 and the Listing Regulations;
- o Internal Financial Controls and
- o Fraud Reporting

The details of familiarisation programmes have been posted on the website of the Company, web link of the same is http://www.somatextiles.com/soma-pdfs/Policies/Familiarisation_Programme_for_Independent_Directors.pdf.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

4. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, 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 the Listing Regulations.

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.

The Company hereby confirms that in the opinion of the Board, all the Independent Directors are fulfill the conditions specified in the Listing Regulations and are independent of the management.

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, 2019, 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 Listing Regulations.

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 Listing Regulations.

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 Listing Regulations 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 Listing Regulations, Companies Act, and other Statutes.

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

b) Composition

As on 31st March, 2019, 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 Listing Regulations. 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 80th AGM held on 13th September, 2018 to answer shareholders queries. Shri A. K. Mishra, Company Secretary, acts as Secretary to the Committee.

c) Meetings

During the financial year 2018-19, four (4) Audit Committee meetings were held on 29th May, 2018, 10th August, 2018, 2nd November, 2018, and 13th February, 2019. The maximum gap between any two meetings was less than 120 days. The Minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

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

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

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 Listing Regulations.

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 Listing Regulations.

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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 Listing Regulations as well as in Section 178 of the Companies Act, 2013.

The Committee is empowered -

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

b) Composition

As on 31st March 2019, 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 two (2) Nomination and Remuneration Committee Meeting were held on 29th May, 2018 and 13th February, 2019, 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	2
Shri B. K. Hurkat	Non-Executive Director – Independent	Chairman	2
Shri M. H. Shah	Non-Executive Director – Independent	Member	2
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

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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 Listing Regulations, 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 Listing Regulations);
- (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.

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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 Listing Regulations.

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

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

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

EVALUATION:

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

Criteria for Evaluation of Independent Director and the Board:

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

1.) Executive Directors:

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

2.) Non-Executive Directors:

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

Whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence;
- (f) Inform the Board immediately when they lose their independence;
- (g) Assist the Company in implementing the best corporate governance practices;
- (h) Strive to attend all meetings of the Board of Directors and the Committees;
- (i) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the Company;
- (k) Keep themselves well informed about the Company and the external environment in which it operates;
- (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- (n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

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

(Amount in ₹)

Name of Director	Basic Salary & Allowances	Perquisites & other benefits	Contribution to PF	Sitting Fees	Total
Shri S. K. Somany	-	-	-	10,000	10,000
Shri A. K. Somany	26,53,625	4,20,000	3,18,435	-	33,92,060
Shri Shrikant Bhat	25,95,387	6,67,083	2,69,484	-	35,31,954
Shri B. K. Hurkat	-	-	-	10,000	10,000
Shri M. H. Shah	-	-	-	10,000	10,000
Mrs. N. Singh	-	-	-	2,500	2,500

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, 2019. 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 Listing Regulations 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 Listing Regulations.

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, grievances and other various aspects of interest of the shareholders 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 the Listing Regulations, which inter-alia include overseeing and reviewing various aspects of interest of the shareholders as per applicable statutory and regulatory provisions.

The gist of terms of reference is as under :-

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



b) Composition

As on 31.03.2019, 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, 2018, 29th September, 2018, 31st December, 2018 and 30th March, 2019. 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 the Listing Regulations. 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 Listing Regulations 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, 2019 the Share Transfer Committee comprised of one (1) Non-Executive Non-Independent Promoter Director as Chairman, Three (3) Non-Executive Independent Directors and One (1) Executive Non-Independent Promoter Director as members of the Committee. During the year under review, the Committee had 12 (Twelve) Meetings for approval of transfer of shares lodged with the Company and the attendance of members was as under:-

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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	-

There were no valid share transfers pending for registration for more than 30 days as on 31.03.2019.

E) SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 12th February, 2019, 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 Listing Regulations 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. http://www.somatextiles.com/soma-pdfs/Policies/Related_Party_Transactions_Policy.pdf.

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
2017-18	80th	13.09.2018	3:00 P.M.	Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001.
2016-17	79th	25.08.2017	12:00 Noon	- Same as above -
2015-16	78th	07.09.2016	12:00 Noon	- Same as above -

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

In the AGM held on	Subject matter of the resolution
13th September, 2018	a) Re-appointment of Shri S. B. Bhat, as whole-time Director for 3 (Three) years from 18th January, 2019. b) Commission to Directors of the Company in the event of profits (Other than the Managing and Whole-time Director).
25th 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.
7th September, 2016	Re-appointment of Shri A. K. Somany, as the Managing Director for 3 (Three) years from 22nd January, 2017.

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

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

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

During the year there are no transactions of material nature with the directors or the management or their relatives which may have potential conflict with the interest of the Company at large. Transaction with related parties in normal course of business were placed before the Audit Committee. Details of related party(ies) transactions have been disclosed in the Notes to the Accounts, in the Financial Statements of the Company as at 31st March, 2019.

(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. No personnel is being denied any access to the Audit Committee. The details of establishment of Whistle Blower Policy/Vigil Mechanism are available on the web link given below:

http://www.somatextiles.com/soma-pdfs/Policies/Risk_Management_Policy.pdf.

(iv) Certification from Company Secretary in Practice

Pravin Kumar Drolia of Drolia & Co., Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as Annexure 'A'.

(v) Acceptance of recommendations by the Board

During the financial year 2018-19, the Board had accepted all the recommendation(s)/ submission(s) of the Committees of the board, which was mandatorily required for their approval.

(vi) Compliance with Mandatory/Non-Mandatory requirements of the Listing Regulations

The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has adopted following non-mandatory requirements of the Listing Regulations:-

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, 2019

(vii) 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 Listing Regulations. 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 Listing Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

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(viii) 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.

(ix) 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 Listing Regulations.

(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 81st Annual General Meeting is proposed to be held on Monday, the 2nd September, 2019 at 3:00 P.M. at Somany Conference Hall, MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001.

(ii) Financial Year :

2019-2020 (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 31.03.2020

Within 60 days of end of Financial Year March, 2019

(iii) Date of Book Closure:

Friday, the 23rd August, 2019 to Monday, the 2nd September, 2019 (both days inclusive).

(iv) Dividend Payment Date:

No dividend has been declared by the Company for the financial year 2018-19.

(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.



SOMA TEXTILES & INDUSTRIES LIMITED

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.

(vi) Stock Code

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

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

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

Months	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2018	16.30	10.85	16.05	11.00
May 2018	14.25	11.00	13.85	11.00
June 2018	12.00	9.00	12.06	9.06
July 2018	9.80	7.30	10.09	7.27
August 2018	9.45	7.25	9.55	7.41
September 2018	8.15	6.00	8.99	6.68
October 2018	6.55	5.45	6.70	5.35
November 2018	6.50	5.30	6.52	5.46
December 2018	6.35	4.35	6.49	4.50
January 2019	5.50	4.00	6.00	3.76
February 2019	4.20	3.45	4.18	3.61
March 2019	5.25	4.00	5.44	3.78

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

Months	BSE		BSE INDEX	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2018	16.05	11.00	35213.30	32972.56
May 2018	13.85	11.00	35993.53	34302.89
June 2018	12.06	9.06	35877.41	34784.68
July 2018	10.09	7.27	37644.59	35106.57
August 2018	9.55	7.41	38989.65	37128.99
September 2018	8.99	6.68	38934.35	35985.63
October 2018	6.70	5.35	36616.64	33291.58
November 2018	6.52	5.46	36389.22	34303.38
December 2018	6.49	4.50	36554.99	34426.29
January 2019	6.00	3.76	36701.03	35375.51
February 2019	4.18	3.61	37172.18	35287.16
March 2019	5.44	3.78	38748.54	35926.94

(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

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(x) Share Transfer System

The Company has appointed a Common Registrar for the physical transfer and dematerialisation of shares. Presently the shares transfers which are received in physical form are processed by the Registrar and Share Transfer Agent and approved by the Share Transfer Committee. Shares certificates are registered and returned within the stipulated time of 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 Listing Regulations 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, 2019 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	8552	76.45	1633952	4.95
501	1000	1160	10.37	1028783	3.11
1001	2000	627	5.61	1033610	3.13
2001	3000	248	2.22	660423	2.00
3001	4000	118	1.05	434879	1.32
4001	5000	136	1.21	652171	1.97
5001	10000	202	1.81	1537553	4.65
10001	Above	143	1.28	26051629	78.87
Total		11186	100.00	33033000	100.00

(b) Distribution of shareholding by ownership:

Category	No. of shares held	% shares holding
Promoters	21030017	63.66
Resident Individuals	10231791	30.97
Private Corporate Bodies	1029754	3.12
Financial Institution & Banks, Govt., Insurance Companies and Mutual Funds	12544	0.04
OCBs and NRIs	101720	0.31
Foreign Institutional Investors	400	0.00
Others (Clearing Members, Trusts & HUF)	626774	1.90
Total	33,033,000	100.00



SOMA TEXTILES & INDUSTRIES LIMITED

(xiv) Dematerialisation of Equity Shares

At present, 98.45% 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, 2019, 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 : 30th May, 2019

(S. K. SOMANY)
Chairman

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V para C clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Soma Textiles & Industries Limited having CIN: L51909WB1940PLC010070 and having registered office at 2, Red Cross Place, Kolkata - 700001 and (herein referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number(DIN) status at the portal www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we here by certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the SEBI, MCA or other Statutory Authority as the case may be.

Sr. No.	Name of the Director	DIN	Date of appointment
1	Shri Surendra Kumar Somany	00001131	01/04/1949
2	Shri Arvind Kumar Somany	00024903	29/09/1988
3	Shri Brijkishore Ramniwas Hurkat	02005896	30/01/2009
4	Shri Shrikant Bhairaveshwar Bhat	00650380	18/01/2008
5	Shri Malay Harshadbhai Shah	01394920	10/02/2015
6	Smt. Nisha Singh	07094208	17/09/2015

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR DROLIA & COMPANY
Company Secretaries

Place: Kolkata
Date: 30-05-2019

(Pravin Kumar Drolia)
Proprietor
FCS: 2366
C.P.No.: 1362

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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, 2019.

(Arvind Kumar Somany)

Place : Ahmedabad
Date : 30th April, 2019

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 2019, 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 Listing Regulations.

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

Ashok Kumar Jain
(Partner)

Place : Ahmedabad
Date : 30th May, 2019

M. No.: 038521, F.R.N.: 107200W



INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Indian Accounting Standards (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, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis of opinion

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

Material uncertainty related to Going Concern

We draw attention to Note No. 40 to the standalone Ind AS financial statements regarding preparation of the standalone Ind AS financial statements on going concern basis for the reason stated therein. The appropriateness of the assumption of the going concern is dependent upon realization of the various initiatives under taken by the Company/ or the Company's ability to raise requisite finance / generate cash flows in future to meet its obligations.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

1. We draw attention to Note No. 43 of the standalone Ind AS financial statement, which state that the company had closed down its Dyeing & Sizing, weaving and partly finishing section of the denim unit w.e.f. closing hours of 31.10.2018 due to continuous EBIDTA loss, high operative costs and other adverse factors.
2. We draw attention to that the company had advanced a loan to the tune of ₹ 8,547.61/- Lakhs (Previous year ₹ 7,756.15/- Lakhs) to Soma Textiles FZC (UAE) out of GDR proceeds, classified as Non-Current Loan. The Company has quasi-equity in addition to the capital contribution to Soma Textiles FZC. When the said loan was given, the said company was a wholly owned subsidiary, however with effect from 31st March, 2010, the company's holding in this company has diluted from 100% to 40%. In the financial statement of Soma Textiles FZC ended as at 31st March, 2019 the accumulated loss reflects at AED 6,24,934 as against the total capital of AED 9,00,000 (including statutory reserves).

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

We have determined that there are no key audit matters to be communicated in our report.

Information other than the financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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



SOMA TEXTILES & INDUSTRIES LIMITED

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

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

Report on other Legal and Regulatory Requirements

1. As required by the section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) The matter described in the material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in the standalone Ind AS financial statements (refer note 36);
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were 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 B" 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

Date: 30th May, 2019
Place: Ahmedabad

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the standalone Ind AS financial statements of **SOMA TEXTILES & INDUSTRIES LIMITED** ("the Company") as at end for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors 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 IFCoFR 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR 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 IFCoFR 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

ASHOK KUMAR JAIN
PARTNER
M. NO. 038521

Date: 30th May, 2019
Place: Ahmedabad



SOMA TEXTILES & INDUSTRIES LIMITED

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SOMA TEXTILES & INDUSTRIES LIMITED, ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and 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 Plant and Property Equipment to the financial statements, are held in the name of the Company.
2. 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.
3. 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, 2019 was ₹ 8547.61/- 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 amount in respect of the loan granted to the Associate.
4. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
5. 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.
6. 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.
7.
 - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, goods and service tax, cess and other material statutory dues applicable to it. Further, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
 - b) Following amounts have not been deposited as on 31st March, 2019 on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (₹ In lakhs)	Amount paid/ Adjusted	Period to which the amount relates	Forum where dispute is pending
		1.59	-	2004-05	The Dy. Commissioner of C. Excise, Div-I, Ahmedabad.
Central Excise Act	Excise Duty	24.85	-	2002-03	The Dy. Commissioner of C. Excise, Div-III, Ahmedabad
		0.98	-	2005-06	The Commissioner of C. Excise, (Appeals) Ahmedabad
		5.81	-	2012-13	CESTAT, West Zone Ahmedabad (Appeal)

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Gujarat sales tax Act	Sales Tax (VAT)	6.17	-	1997-98, 1998-99 & 2000-01	Gujarat Value Added Tax Tribunal.
		21.66	-	2005-06	Gujarat Value Added Tax Tribunal.
Income Tax Act	Income Tax	143.25	28.65	2008-09	Commissioner of Income Tax (Appeal)
		138.91	-	2009-10	Commissioner of Income Tax (Appeal)
		391.25	-	2010-11	Commissioner of Income Tax (Appeal)
Employees Provident Fund	P.F	140.11	26.23		ASST. PF Commissioner Ahmedabad.

8. 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.
9. 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.
10. 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.
11. Managerial remuneration has been paid and provided in accordance with the requisite The approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. Company is not a Nidhi Company. Accordingly, provisions of clause (xii) of paragraph 3 of the Order are not applicable.
13. 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 Ind AS.
14. During the year the Company has not made any preferential allotment or private placement of share or fully or partly convertible debentures. Accordingly, provisions of clause (xiv) of paragraph 3 of the Order are not applicable.
15. In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under section 192 of the Act.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

ASHOK KUMAR JAIN
PARTNER
M. NO. 038521

Date: 30th May, 2019
Place: Ahmedabad



SOMA TEXTILES & INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in lakhs)

Particulars	Note	As at 31 st March, 2019	As at 31 st March, 2018
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipments	3	2,468.23	2,774.19
(b) Intangible assets	4	7.27	14.23
(c) Intangible assets under development		0.72	-
(d) Financial assets			
(i) Investments	5	139.67	34.22
(ii) Loan	6	8,547.61	7,756.15
(iii) Other financial assets	7	202.92	232.44
(e) Deferred tax assets (net)	8	1,257.88	1,350.07
(f) Income tax assets (net)	9	272.83	206.48
Total non-current assets		12,897.13	12,367.78
2 Current assets			
(a) Inventories	10	314.83	944.83
(b) Financial assets			
(i) Investments	11	112.82	207.93
(ii) Trade receivables	12	21.26	240.63
(iii) Cash and cash equivalents	13(a)	467.63	1,855.55
(iv) Bank balance other than (iii) above	13(b)	1,322.40	400.40
(v) Other financial assets	14	37.41	22.78
(c) Other current assets	15	304.36	399.19
Total current assets		2,580.72	4,071.31
Total Assets		15,477.84	16,439.09
B EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,322.75	3,322.75
(b) Other equity	17	(7,484.60)	(5,758.19)
Total equity		(4,161.86)	(2,435.44)
Liabilities			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	11,120.48	11,397.95
(b) Long-term provisions	19	121.19	271.05
Total non-current liabilities		11,241.67	11,669.01
2 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	20		
- total outstanding dues of micro enterprise and small enterprise		-	-
- total outstanding dues of creditors other than micro enterprise and small enterprise		479.58	873.09
(b) Other current liabilities	21	7,876.01	6,224.85
(c) Short-term provisions	22	42.43	107.59
Total current liabilities		8,398.03	7,205.53
Total liabilities		19,639.70	18,874.53
Total Equity and liabilities		15,477.84	16,439.09

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)

For and on behalf of the Board

ASHOK KUMAR JAIN
PARTNER
Membership No. 038521
Place : Ahmedabad
Date : 30th May, 2019

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

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

(₹ in lakhs)			
Particulars	Note	Year ended 31 st March, 2019	Year ended 31 st March, 2018
I. Revenue from operations	23	3845.59	8271.33
II. Other income	24	283.81	608.97
III. Total Revenue (I + II)		4129.40	8880.30
IV. Expenses:			
Cost of materials consumed	25	743.93	2297.26
Changes in inventories of finished goods and work-in-progress	26	332.17	(154.75)
Employee benefits expense	27	974.66	1442.83
Finance costs	28	1343.88	1345.59
Depreciation and amortisation	3 & 4	294.96	329.52
Other expenses	29	2585.74	4228.38
Total expenses		6275.33	9488.83
V. Profit/(Loss) before Exceptional Item and Tax		(2145.94)	(608.52)
VI. Exceptional items	30	521.31	265.11
VII. Profit/(Loss) before tax		(1624.63)	(343.41)
VIII. Tax expense:			
Deferred tax	32	(92.20)	(479.10)
IX. Profit/(Loss) for the period		(1716.83)	(822.51)
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		(9.59)	4.43
Total other comprehensive income for the year		(9.59)	4.43
Total comprehensive income for the year		(1726.41)	(818.08)
X. Earnings per equity share:	38		
(1) Basic		(5.23)	(2.48)
(2) Diluted		(5.23)	(2.48)

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)

For and on behalf of the Board

ASHOK KUMAR JAIN

PARTNER

Membership No. 038521

Place : Ahmedabad

Date : 30th May, 2019

S. K. SOMANY

A. K. SOMANY

M. B. PARAKH

A. K. MISHRA

Chairman

Managing Director

Chief Financial Officer

Company Secretary

**SOMA TEXTILES & INDUSTRIES LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

(₹ in lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
A Cash flow from operating activities		
Profit/(Loss) before exceptional items & tax	(2,145.94)	(608.52)
Adjustment for:		
- Depreciation	294.96	329.52
- Profit on Sale of Current Investments	(1.96)	(2.03)
- (Profit) / loss on sale of fixed assets (net)	(234.75)	(399.98)
- Interest (Net)	1,343.88	1,345.59
- Other comprehensive income	(9.59)	4.43
	1,392.53	1,277.52
Operating profit/(Loss) before working capital changes	(753.40)	669.00
Adjustment for :		
- Trade receivables	219.37	245.12
- Other receivables	(1,640.34)	633.93
- Inventories	630.00	(189.65)
- Trade payables	(767.72)	(20.62)
	(1,558.69)	668.78
Cash flow before prior period items, exceptional items & extraordinary items	(2,312.10)	1,337.78
- Exceptional items	521.31	(2.91)
Net Cash flow from operating activities	(1,790.79)	1,334.87
B Cash flow from investing activities :		
- Purchase of fixed assets	(182.91)	(214.12)
- Sale of fixed assets	434.90	488.03
- Net off Sales & Purchase of Current investments	(8.37)	(205.90)
- Interest received	406.20	406.02
Net cash from investing activities	649.82	474.03
C Cash flow from financing activities :		
- Total proceeds from borrowings (net of repayments)	(180.05)	(151.18)
- Interest paid	(66.89)	(70.14)
Net cash from financing activities	(246.95)	(221.32)
Net increase in cash and cash equivalents (A+B+C)	1,387.91	1587.58
Cash and cash equivalent as on 01.04.2018 (opening balance)	1,855.55	267.97
Cash and cash equivalent as on 31.03.2019 (closing balance)	467.63	1,855.55

As per our report of even date

For A. K. OSTWAL & CO.

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107200W)

For and on behalf of the Board**ASHOK KUMAR JAIN**

PARTNER

Membership No. 038521

Place : Ahmedabad

Date : 30th May, 2019**S. K. SOMANY****A. K. SOMANY****M. B. PARAKH****A. K. MISHRA**

Chairman

Managing Director

Chief Financial Officer

Company Secretary

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

(₹ in lakhs)

A. Equity Share Capital

Balance	Note 16
Balance as at 1 st April, 2017	3303.30
Changes in Equity Share Capital during 2017-2018	-
Balance as at 31 st March, 2018	3303.30
Changes in Equity Share Capital during 2018-2019	-
Balance as at 31 st March, 2019	3303.30

B. Other Equity

(₹ in lakhs)

Particulars	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total
Balance as at 1 st April, 2017 (a)	77.57	8713.65	18.58	(13749.91)	(4940.11)
Profit for the year (b)	-	-	-	(822.51)	(822.51)
Other Comprehensive Income for the year (c)	-	-	-	4.43	4.43
Total Comprehensive Income for the year (d) = (b) + (c)	-	-	-	(818.08)	(818.08)
Balance as at 31 st March, 2018 (e) = (a) + (d)	77.57	8713.65	18.58	(14567.99)	(5758.19)
Profit for the year (f)	-	-	-	(1716.83)	(1716.83)
Other Comprehensive Income for the year (g)	-	-	-	(9.59)	(9.59)
Total Comprehensive Income for the year (h) = (f) + (g)	-	-	-	(1726.41)	(1726.41)
Balance as at 31 st March, 2019 (i) = (e) + (h)	77.57	8713.65	18.58	(16294.41)	(7484.60)

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 : Ahmedabad

Date : 30th May, 2019

For and on behalf of the Board

S. K. SOMANY

A. K. SOMANY

M. B. PARAKH

A. K. MISHRA

Chairman

Managing Director

Chief Financial Officer

Company Secretary



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.

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 by the Board of Directors on 30th May, 2019.

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.

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- 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 Goods and Service Tax

All items in the financial statements are presented exclusive of Goods and Services Tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognized as part of the related asset or expense. The net amount of GST recoverable from the Department is included as part of receivables in the Financial Statement.

2.05 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.

2.06 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 at least 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.

2.07 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.

2.08 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.

**2.09 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.

2.10 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**(i) 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

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(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.

2.11 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.

2.12 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.

**2.13 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.

2.14 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.

2.15 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.

2.16 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.

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Contingent Assets :

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

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 Amount presented and rounding off:

All amounts in the financial statements and notes have been presented in ₹ lakhs (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹ 50,000 are denoted by ‘**’.

2.22 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 2019 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 116 – Lease Accounting

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss.

The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc

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

3. Property, Plant and Equipments

(₹ in lakhs)

Particulars	Land		Building		Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
	Freehold	Lease hold	Free hold	Leasehold					
Gross Block									
Balance as at 1 st April, 2017	0.38	1.08	2245.32	9.31	9525.37	61.86	237.98	205.61	12286.90
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	2245.32	9.31	9389.57	61.86	311.11	205.61	12224.23
Additions	-	166.89	-	-	15.30	-	-	-	182.19
Disposals	-	*	80.16	-	2248.65	17.32	19.29	55.33	2,420.74
Balance as at 31st March, 2019	0.38	167.95	2165.16	9.31	7156.22	44.54	291.83	150.28	9985.67
Accumulated Depreciation									
Balance as at 1 st April, 2017	-	-	772.22	1.54	8,243.79	51.76	98.17	156.44	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	8348.76	53.77	50.01	162.03	9450.04
Additions	-	-	61.50	0.15	184.24	1.76	34.94	5.42	288.00
Disposals	-	-	72.10	-	2070.01	16.99	7.23	54.26	2220.59
Balance as at 31st March, 2019	-	-	823.18	1.83	6462.98	38.54	77.72	113.19	7517.44
Net Block									
Balance as at 1 st April, 2017	0.38	1.08	1473.09	7.77	1281.58	10.10	139.81	49.17	2962.98
Balance as at 31 st March, 2018	0.38	1.07	1411.53	7.62	1040.81	8.10	261.10	43.58	2774.19
Balance as at 31 st March, 2019	0.38	167.95	1341.97	7.47	693.24	6.01	214.11	37.09	2468.23

4. Intangible Assets

(₹ in lakhs)

Particulars	Computer Software
Gross Block	
Balance as at 1 st April, 2017	153.33
Additions	-
Disposals	-
Balance as at 31st March, 2018	153.33
Additions	-
Disposals	0.07
Balance as at 31st March, 2019	153.26
Accumulated Depreciation	
Balance as at 1 st April, 2017	124.44
Additions	14.66
Disposals	-
Balance as at 31st March, 2018	139.10
Additions	6.96
Disposals	0.07
Balance as at 31st March, 2019	145.99
Net Block	
Balance as at 1 st April, 2017	28.89
Balance as at 31 st March, 2018	14.23
Balance as at 31 st March, 2019	7.27

**SOMA TEXTILES & INDUSTRIES LIMITED**

5	Financial Assets	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Non-current Investment		
	Investment in NCD	105.45	-
	100 (31 st March, 2018: Nil) units in Samasta Micro Finance Ltd.		
	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
	Investment in equity shares of others		
	Unquoted equity shares		
	(5 Shares of ₹ 100/- each in Poonam Apt. Association)	0.01	0.01
	Total Non-current investments	139.67	34.22
6	Loan	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Loan to Associate		
	Soma Textiles FZC Loan Account (Refer note 33.3.1)	8,547.61	7,756.15
	Total Loan	8,547.61	7,756.15
7	Other financial assets	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Interest Accrued	50.18	20.47
	Security Deposits	150.47	209.71
	Advances recoverable in cash or in kind or for value to be received	2.27	2.27
	Total other financial assets	202.92	232.44
	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 ₹ 873.78 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 ₹ 8.32 Lakhs and ₹ 5.60 Lakhs respectively.		
	7.4 The Company out of the GDR issue proceeds had made an investment of USD 15 million, which as on 31 st March, 2019 is equivalent to INR ₹ 8547.61 lakhs(Previous Year INR ₹ 7756.15 lakhs) , by way of long term loan and also invested in the Equity Share capital i.e 300 equity shares equivalent to INR ₹ 34.21 lakhs (Previous Year INR ₹ 34.21 lakhs) of Soma Textile FZC,Umm Al Quwain Free Trade Zone, Umm Al Quwain, U.A.E.. an associate(Formerly Soma Textile FZE, Sharjah, U.A.E., a wholly owned subsidiary).		
8	Deferred tax assets (net)	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Deferred Tax Assets		
	Unabsorbed Business losses and depreciation	1,415.89	1,508.81
	MAT credit Entitlement	18.10	18.10
	Deferred Tax Liabilities		
	Related to Fixed Assets	176.11	176.83
	Deferred Tax Assets (net)	1,257.88	1,350.07

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9	Income tax assets (net)	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Income Tax Advance (Net of provision)	272.83	206.48
	Income tax assets (net)	272.83	206.48
10	Inventories	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Raw Materials	-	138.57
	Work-in-progress	59.69	262.45
	Finished goods	110.15	241.01
	Stores and spares	143.35	302.60
	Waste	1.65	0.19
	Total inventories	314.83	944.83
11	Current Investment	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Current Investment		
	Investment in Mutual Fund		
	Unquoted		
	74128.98 (31 st March, 2018: 74128.98) units in Kotak Standard Multicap Fund	26.30	23.58
	52924.61 (31 st March, 2018: 52924.61) units in HDFC Small Cap Fund	23.63	23.41
	56064.37 (31 st March, 2018: 56064.37) units in Sundaram Rural and Consumption Fund	23.54	23.02
	39139.25 (31 st March, 2018: 39139.25) units in Franklin India Smaller Companies Fund	21.54	23.04
	4967.76 (31 st March, 2018: 34464.52) units in ICICI Saving Fund - Growth	17.82	114.88
	Total current investments	112.82	207.93
12	Trade receivables	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Unsecured, considered good	21.26	240.63
	Doubtful	18.46	18.46
	Less: Allowance for doubtful debts (Refer note 33.3.2)	(18.46)	(18.46)
	Total trade receivables	21.26	240.63
13	(a) Cash and cash equivalents	(₹ in lakhs)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Cash and cash equivalents		
	Balances with Banks	79.70	222.58
	Cash on hand	0.94	1.15
		80.63	223.73
	Other Bank Balances:		
	Bank Deposits with original maturity of less than three months	387.00	1,631.81
	Total cash and cash equivalents	467.63	1,855.55

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13 (b) other bank balance	(₹ in lakhs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Deposits with original maturity of more than three months but less than twelve months	1,322.00	400.00
Deposits with original maturity of more than twelve months	0.40	0.40
Total other bank balance	1,322.00	400.00
14 Other financial assets	(₹ in lakhs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Interest Receivable under TUF Scheme	7.92	7.92
Advances recoverable in cash or in kind or for value to be received	29.49	14.86
Total Other financial assets	37.41	22.78
15 Other current assets	(₹ in lakhs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance with Government Authorities	0.04	0.04
Export Incentive Receivable	-	52.53
Duties, Claims & Other Receivables	304.33	346.63
Total other current assets	304.36	399.19
16 SHARE CAPITAL	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Authorised		
40,000,000 (Previous year 40,000,000) Equity Shares of ₹ 10 each	4,000.00	4,000.00
Issued		
33,418,300 (Previous year 33,418,300) Equity Shares of ₹ 10 each	3341.83	3341.83
Subscribed & Paid up		
33,033,000 (Previous year 33,033,000) Equity Shares of ₹ 10 each	3,303.30	3,303.30
Add:		
Subscribed and not paid up		
385,300 (previous year 385,300) equity shares of ₹ 10 each partly paid up ₹ 5 each forfeited in the year 1996-97*	19.45	19.45
Total	3,322.75	3,322.75

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

	As at 31 st March, 2019	As at 31 st March, 2018
Shares at the beginning of the Year	3,30,33,000	3,30,33,000
Add: Shares issued during the year	-	-
Less: Shares bought back during the year	-	-
Shares at the end of the Year	3,30,33,000	3,30,33,000

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

Name of Shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
	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 ₹ 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 ₹ 19,44,680 (@ ₹ 5.05 per share)

17 Other equity

(₹ in lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
a. Capital Reserves		
As per last Balance Sheet	77.57	77.57
b. Securities Premium Account		
As per last Balance Sheet	8,713.65	8,713.65
c. General Reserve		
As per last Balance Sheet	18.58	18.58
d. Surplus		
As per last Balance Sheet	(14,567.99)	(13,749.91)
Profit/(Loss) for the period	(1,726.41)	(818.08)
Closing Balance	(16,294.41)	(14,567.99)
Total	(7,484.60)	(5,758.19)


Nature & purpose of Reserve:
a) 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

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)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
<u>Secured</u>		
(a) Term loan from Banks		
Rupee Term Loan	8,219.17	8562.44
Refer Note: 18.1 & 18.2		
Pending Loans after assignment	2,548.47	2509.19
Refer Note: 18.1 & 18.2		
(b) Term loan from others		
<u>Other loans and advances (Unsecured)</u>		
Leasehold Liability	4.19	4.16
(c) Preference Share Financial Liability	348.65	322.17
Total non-current borrowings	11,120.48	11397.95

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.

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 ₹ 635.51 lakhs (Previous year ₹ 907.81 lakhs), FITL ₹ 902.86 lakhs (Previous year ₹ 863.58 Lakhs) and C.C. A/C ₹ 9495.98 lakhs (Previous Year ₹ 9495.98 lakhs) totaling to ₹ 11034.36 lakhs (Previous Year ₹ 11267.37 Lakhs) such outstanding amount was taken over by Invent and as per the new repayment schedule a total amount of ₹ 8485.89 lakhs (Previous year ₹ 8758.19 lakhs) is now payable to Invent against the total outstanding amount. The difference of ₹ 2548.47 lakhs (Prevoius Year ₹ 2509.19 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

- a) 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

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securing working capital facilities.

- b) Term Loan shall rank pari-passu interse without any preference or priority of one or the other.
- c) 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.

19 Long-term provisions	(₹ in lakhs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Provision for employee benefits		
Gratuity	111.19	251.60
Leave Benefits	10.00	19.46
Total long-term provisions	121.19	271.05
20 Trade Payables	(₹ in lakhs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
total outstanding dues of micro enterprise and small enterprise		
(a) Principal amount remaining unpaid	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(f) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
total outstanding dues of creditors other than micro enterprise and small enterprise	479.58	873.09
Total trade payables	479.58	873.09
21 Other current liabilities	(₹ in lakhs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Current maturities of long-term debt	266.72	195.75
Interest accrued and due on borrowings (Refer Note: 18.1 & 18.2)	7,450.68	5,737.78
Statutory dues	11.48	32.71
Outstanding Liabilities	26.96	27.77
Advances received for sale of Commercial Units	74.42	125.22
Other payables	40.68	93.08
Employee Benefits Payable (Bonus)	5.08	12.54
Total other current liabilities	7,876.01	6,224.85
22 Short-term provisions	(₹ in lakhs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Provision for employee benefits		
Leave with wages	3.51	6.91
Gratuity Provision	38.93	100.68
Total short-term provisions	42.43	107.59

**SOMA TEXTILES & INDUSTRIES LIMITED**

23	Revenue from operations	(₹ in lakhs)	
	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	a) Sale of products	3,708.52	8,019.32
	b) Other operating revenues		
	(i) Export Incentive	-	9.75
	(ii) Waste and Scrap Sale	137.07	242.25
		137.07	252.01
	Total revenue from operations	3,845.59	8,271.33
	Detail of sales of Products:	(₹ in lakhs)	
	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Cloth	3,708.52	7,978.10
	Yarn	-	19.88
	Garment	-	21.34
	Total	3,708.52	8,019.32
24	Other income	(₹ in lakhs)	
	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Rent	31.63	18.84
	Insurance & Other claims	2.46	123.48
	Profit on Fair Value of Investment	8.37	-
	Profit on Sale of Investment	1.96	2.03
	Profit on Sale of Fixed Assets	239.28	436.58
	Miscellaneous Receipts	0.09	28.04
	Total other income	283.81	608.97
25	Cost of Materials consumed	(₹ in lakhs)	
	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Opening Stock	138.57	96.80
	Add: Purchases	605.36	2,339.04
		743.93	2,435.84
	Less: Closing Stock	-	138.57
	Consumption	743.93	2,297.26
	Imported and Indigeneous Raw materials consumed	Year ended 31st March, 2019	Year ended 31st March, 2018
	Indigenous	743.93	2,297.26
	Total	743.93	2,297.26
	Detail of Raw Material consumed	Year ended 31st March, 2019	Year ended 31st March, 2018
	Cotton Yarn	163.95	591.45
	Polyester Yarn	9.83	92.79
	Cloth Purchases	570.16	1,613.03
	Total	743.93	2,297.26

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26	Changes in Inventories of Finished Goods and Work-In-Progress	(₹ in lakhs)	
	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Opening Stock:		
	Finished Goods	241.20	248.60
	Work-in-progress	262.45	100.30
		503.65	348.90
	Closing Stock:		
	Finished Goods	111.79	241.20
	Work-in-progress	59.69	262.45
		171.48	503.66
	Total	332.17	(154.75)
27	Employee Benefits Expenses	(₹ in lakhs)	
	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Salaries and Wages	923.62	1,339.76
	Contribution to Provident and Other Funds	49.57	100.41
	Staff Welfare Expenses	1.46	2.66
	Total	974.66	1,442.83
28	Finance cost	(₹ in lakhs)	
	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Interest expense	1,343.61	1,341.01
	Other borrowing costs	0.27	4.57
	Total	1,343.88	1,345.59
29	Other expenses	(₹ in lakhs)	
	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Related to Production:		
	Consumption of dyes and Chemicals	920.15	1411.61
	Consumption of stores and spares	154.12	341.55
	Power and Fuel	1,006.72	1,598.48
	Repairs to Machinery	125.55	190.62
	Other expenses:		
	Rent	3.27	1.86
	Insurance	17.23	21.18
	Rates and Taxes	19.93	23.44
	Repairs to Building	4.61	8.23
	Repairs to Others	4.25	0.79
	Payments to Auditors	5.87	8.72
	Miscellaneous expenses	324.03	621.90
	Total	2,585.74	4,228.38

**SOMA TEXTILES & INDUSTRIES LIMITED****29.1 Imported and Indigenous Stores and Spares Parts Consumed: (₹ in lakhs)**

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Imported	113.86	310.67
Indigenous	960.41	1,442.49
Total	1,074.27	1,753.16

29.2 Payments to the auditors (₹ in lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
- As Auditor	4.03	5.08
- For Taxation Matters	0.75	1.05
- For Other services	-	1.50
- For Reimbursement of expenses	1.09	1.09
Total	5.87	8.72

30 Exceptional items represent: (₹ in lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Foreign Exchange fluctuation on loan - Soma Textile FZC	545.62	34.13
Settlement of loans	-	268.02
Earlier year Income Written off	(24.32)	(37.04)
Total	521.31	265.11

31 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	For the year ended 31 March 2019	For the year ended 31 March 2018
i) Contribution to Employees' Provident Fund	25.39	41.69
ii) Contribution to Pension Fund	13.04	28.67
iii) Contribution to Labour Welfare Fund	0.94	2.60
iv) EDLI Charges	0.53	0.06
v) Administration Charges of Provident Fund	1.16	2.60
Total	41.05	75.61

(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

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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.

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.

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
1. Discount rate	7.50%	7.55%
2. Salary escalation	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%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

B. Expenses recognised in Statement of Profit and Loss

Particulars	(₹ in lakhs)	
	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Service cost:		
Current service cost	11.03	21.41
Past service cost	-	31.64
Net Interest cost	22.80	24.96
Components of defined benefit costs recognised in the 'Employee benefits expenses' in the Statement of Profit and Loss	33.82	78.00

**SOMA TEXTILES & INDUSTRIES LIMITED****Net Interest Cost recognised in Statement of Profit and Loss: (₹ in lakhs)**

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Interest Cost	22.80	24.96
Net interest cost recognised in Statement of Profit and Loss	22.80	24.96

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

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Actuarial (Gains)/Losses on Obligation For the Period		
- Due to changes in financial assumptions	0.47	(8.01)
Actuarial (Gains)/Losses on Obligation For the Period		
- Due to experience adjustment	(4.99)	4.43
Net (Income)/Expense For the Period Recognized in OCI	(4.52)	(3.58)

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

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Present Value of Defined Benefit Obligation as at the end of the year	150.12	352.28
Net (asset) /liability recognised in the Balance Sheet	150.12	352.28

Recognised under:	As at 31 st March, 2019	As at 31 st March, 2018
Long term (asset) / provision (Refer note 19)	111.19	251.60
Short term (asset) / provision (Refer note 22)	38.93	100.68
Total	150.12	352.28

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

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Opening defined benefit obligation	352.28	388.98
Current Service Cost	11.03	21.41
Interest cost	22.80	24.96
Past Service Cost	-	31.64
Remeasurement (gains)/losses	(4.52)	(3.58)
Benefits Paid (From the Fund)	(231.46)	(111.13)
Closing defined benefit obligation	150.12	352.28

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

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
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 31 st March, 2019	Estimated for the year ended 31 st March, 2018
1 st Following Year	38.93	100.68
2 nd Following Year	9.19	26.89
3 rd Following Year	9.73	35.75
4 th Following Year	8.11	27.25
5 th Following Year	11.79	27.55
Sum of Years 6 to 10	71.28	145.44
Total expected payments	149.02	363.57

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.

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31 st March, 2019	As at 31 st March, 2018
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	145.55	342.80
Impact of -0.5% Change in Rate of Discounting	154.97	362.35
Impact of +0.5% Change in Rate of Salary Increase	154.15	362.38
Impact of -0.5% Change in Rate of Salary Increase	146.22	342.90
Impact of +0.5% Change in Rate of Employee Turnover	150.88	353.79
Impact of -0.5% Change in Rate of Employee Turnover	149.33	350.71

I. Other Disclosures

- The average outstanding term of obligations (years) as at valuation date is 6.99 years.
- The Company expects to contribute ₹ 38.93 lakhs to the plan during financial year 2019-20.



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

(a) Major component of tax expense / (income): (₹ in lakhs)

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Deferred Tax:		
Deferred Tax	(92.20)	(479.10)
Total Tax expenses	(92.20)	(479.10)

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

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Profit before Tax (i)	(1624.63)	(343.41)
Corporate tax rate as per Income Tax Act, 1961 (ii)	34.94%	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	(92.20)	(479.10)
Total effect of tax adjustments	(92.20)	(479.10)
Tax expense recognised during the year	(92.20)	(479.10)

(c) Movement in Deferred tax balances:

Particulars	For the year ended 31 st March 2019			
	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	(176.83)	0.73	-	(176.11)
Carry forward Tax Loss	1508.81	(92.93)	-	1415.89
Net Tax Asset (Liabilities)	1331.98	(92.20)	-	1239.78

Particulars	For the year ended 31 st 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	1991.69	(482.88)	-	1508.81
Net Tax Asset (Liabilities)	1811.08	(479.10)	-	1331.98

33 Disclosure pursuant to Indian Accounting Standard (Ind AS) - 107 : Financial Instruments: Disclosures Financial instruments and Risk management

33.1 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.

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33.2 Categories of financial instruments

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

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Mutual Fund Investments	112.82	207.93
(ii) Investments in NCD	105.45	-
(b) Measured at amortised cost		
(i) Cash and cash equivalent	467.63	1855.55
(ii) Bank balance other than (a) above	1322.40	400.40
(iii) Trade receivables	21.26	240.63
(iv) Loans	8547.61	7756.15
(v) Other financial assets	37.41	22.78
(c) Measured at FVTOCI		
(a) Investments in equity instruments	34.22	34.22
Total Financial Assets	10648.80	10517.66
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
(a) Measured at amortised cost		
(i) Borrowings	11120.48	11397.95
(ii) Trade payables	479.58	873.09
Total Financial Liabilities	11600.06	12271.04

33.3 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.

33.3.1 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 at the end of the reporting period are as follows:

Nature of Transaction	Currency	31 st March, 2019		31 st March, 2018	
		Hedged	Unhedged	Hedged	Unhedged
FCNR based loan to associate	USD *	-	13638585	-	13705542
	INR	-	8547.61	-	7756.15

* - 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 31st March, 2019 would have increased/decreased by ₹ 1.13 Lakhs (2017-18: increase/decrease by ₹ 2.08 Lakhs) as a result of the changes in fair value of mutual funds.

33.3.2 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
	31 st March, 2019	31 st March, 2018
0 - 6 months past due	12.64	232.05
More than 6 months past due	27.08	27.04
Total Trade receivables	39.72	259.09
Reconciliation of allowance for doubtful debts on Trade Receivables		
Particulars	As at	As at
	31 st March, 2019	31 st March, 2018
Balance as at beginning of the year	18.46	-
Allowance for doubtful debts based on Expected Credit Loss (ECL)	-	18.46
Balance at end of the year	18.46	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.

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33.3.3 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.

33.3.3.1 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 (%)	Upto 1 year	1-5 years	5+ years	Total
March 31, 2019					
Borrowings	13.91%	266.72	10771.83	348.65	11387.20
Trade Payables	-	479.58	-	-	479.58
Total		746.30	10771.83	348.65	11866.78
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

33.4 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, 2019	31st March, 2018		
Investments in Mutual funds at FVTPL	112.82	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.
Investments in NCD	105.45	-	Level 1	Fair value of investments in Non Convertible Debentures is based on market value.

- 34 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.



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35 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 :

(₹ in lakhs)						
Particulars	Associate		Key Management personnel and their relatives		Other parties which significantly influence / are influenced by the Company (either individually or otherwise)	
	2019	2018	2019	2018	2019	2018
Rent Paid	-	-	-	-	1.18	1.54
Water & Electricity Charges	-	-	-	-	1.53	1.99
Repair & Maintance	-	-	-	-	0.24	0.24
Rates & Taxes	-	-	-	-	1.58	1.12
Sale of Fixed asset	-	-	-	-	-	1.10
Remuneration	-	-	69.23	94.10	-	-
Sitting Fee	-	-	0.10	0.08	-	-
Balance outstanding at date of Balance sheet :						
- receivable	8547.61	7,756.15				

- a) No amount has been written off or written back during the year ended 31st March, 2019 (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.

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

(₹ in lakhs)		
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
(i) Contingent Liabilities		
Litigation		
Sales Tax Payment disputed by the Company	27.84	27.84
Excise Duty demand disputed by the Company	33.23	33.23
Employees Provident Fund disputed by the Company	140.11	140.11
Claims against the Company not Acknowledged as debts	50.91	49.46
Disputed Income Tax demand	673.40	673.40
Total	925.48	924.03

37 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.

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

(₹ in lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Stores (including dyes and spares)	30.47	232.39

37.2 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Traveling Expenses	10.20	25.56

37.3 EARNING IN FOREIGN CURRENCY DURING THE YEAR

(₹ in lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
F.O.B.Value of Exports	-	169.93

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

Particulars		Year ended 31 st March, 2019	Year ended 31 st March, 2018
Profit/(Loss) after Tax (₹ in lakhs)	A	(1,726.41)	(818.08)
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	(5.23)	(2.48)



SOMA TEXTILES & INDUSTRIES LIMITED

- 39** Exceptional items for the quarter and year ended 31.03.2019 represent foreign exchange fluctuation on advance to Soma Textiles FZC (Overseas associate company) in earlier years.
- 40** The Company has incurred a loss during the year and has negative net worth as at 31st March, 2019. 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.
- 41 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, 2019 Accordingly, no disclosure are required to be made under said act.
- 42** 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, measuring about 10648 square yards equivalent to 8903 square meters of town planning scheme No.10 (Rakhial).
- 43** The Company has closed Dyeing & Sizing, Weaving and partly Finishing section of the Denim unit w.e.f. closing hours of 31/10/2018 due to continuous EBIDTA loss and high operative cost and other adverse factors. Due intimation has already been given to the stock exchanges as required.
- 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)

For and on behalf of the Board

ASHOK KUMAR JAIN

PARTNER

Membership No. 038521

Place: Ahmedabad

Date: 30th May, 2019

S. K. SOMANY

A. K. SOMANY

M. B. PARAKH

A. K. MISHRA

Chairman

Managing Director

Chief Financial Officer

Company Secretary

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOMA TEXTILES & INDUSTRIES LIMITED

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statement

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Soma Textiles & Industries Limited** ('the Holding Company') and its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the associate the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Company (including its associate) as at 31st March, 2019, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to Going Concern

We draw attention to Note No. 40 to the consolidated Ind AS financial statements regarding preparation of the consolidated Ind AS financial statements on going concern basis for the reason stated therein. The appropriateness of the assumption of the going concern is dependent upon realization of the various initiatives under taken by the Company/or the Company's ability to raise requisite finance / generate cash flows in future to meet its obligations.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw your attention to:

1. Capital Adequacy has not been maintained during the current year as opined by the independent auditor SKM International Chartered Accountants of Soma Textiles FZC (Associate) situated at Umm Al Quwain Free Trade Zone, Umm Al Quwain, U.A.E. However, the management of Soma Textiles FZC confirms that there is no requirement under the laws, rules and regulations of UAQFTZ or memorandum of Association which require the capital adequacy of the share capital in the Company on year to year basis.
2. The company had advanced a loan to the tune of ₹ 8,547.61/- Lakhs (Previous year ₹ 7,756.15/- Lakhs) to Soma Textiles FZC (UAE) out of GDR proceeds, classified as Non-Current Loan. The Company has quasi-equity in addition to the capital contribution to Soma Textiles FZC. When the said loan was given, the said company was a wholly owned subsidiary, however with effect from 31st March, 2010, the company's holding in this company has diluted from 100% to 40%. In the financial statement of Soma Textiles FZC ended as at 31st March, 2019 the accumulated loss reflects at AED 6,24,934 as against the total capital of AED 9,00,000 (including statutory reserves).
3. We draw attention to Note No. 43 of the consolidated Ind AS financial statement, which state that the company had closed down its Dying & Seizing, weaving and partly finishing section of the denim unit w.e.f. closing hours of 31.10.2018 due to continuous EBIDTA loss, high operative costs and other adverse factors.

Our opinion on the consolidated financial results is not modified in respect of these matters with respect to our reliance on the work done by and the reports of the other auditors.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the associate, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated state of affairs (Consolidated financial position), Consolidated profit or loss (Consolidated financial performance including other comprehensive income), Consolidated changes in equity and Consolidated cash flows of the Holding Company and its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors/ Management of the companies and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, management is responsible for assessing the Company's (including its associate) ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's (including its associate) financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

Other Matters

Associate is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in that country and which have been audited by another auditor under generally accepted auditing standards applicable in that country. The Parent's management has converted the financial statements of such associate located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our opinion in so far as it relates to the balances affairs of such associate located outside India, is based on the report of other auditor and the conversion adjustments prepared by the management of the Parent and audited by us.

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditor on separate financial statements and other financial information of the associate, 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 purpose 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 auditor;



SOMA TEXTILES & INDUSTRIES LIMITED

- c) The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
- d) The consolidated Ind AS financial statements dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of consolidated Ind AS financial statements;
- e) In our opinion, the aforesaid consolidated Ind AS financial statements comply with Ind AS specified under Section 133 of the Act;
- f) The matter described in the material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company;
- g) On the basis of the written representations received from the directors of the holding company and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 the Act is not applicable.
- h) With respect to the adequacy of internal financial controls over financial reporting of the consolidated Ind AS financial statements required to report under section 143 (3)(i) of the Act would apply for the respective components only if it is a company incorporated in India under the Companies Act, 2013.

The respective Board of Directors of the Holding Company cannot responsible for establishing and maintaining internal financial controls based on criteria established by the Company considering the essentials components of internal controls stated in Guidance Note on Audit of Internal Financial Controls of Financial Reporting issued by the Institute of Chartered Accountants of India for its associates SOMA TEXTILES FZC (U.A.E.) incorporated outside India.

For internal financial controls over financial reporting of Soma Textiles & Industries Limited refer Annexure A of standalone independent auditor's report.

- i) As required by Section 197(16) of the Act, we report that the Holding Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with schedule V to the Act are not applicable to the associate company, since the associate is not a public company as defined under section 2(71) of the Act.
- j) 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 and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the associate:
 - a. the Consolidated Ind AS financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associate;
 - b. The Company (Including its associate) did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - c. 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 of the same is not applicable.

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

DATE : 30th May, 2019
Place : Ahmedabad

ASHOK KUMAR JAIN
PARTNER
M. No.038521

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in lakhs)

Particulars	Note	As at 31 st March, 2019	As at 31 st March, 2018
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipments	3	2,468.23	2,774.19
(b) Intangible assets	4	7.27	14.23
(c) Intangible assets under development		0.72	-
(d) Financial assets			
(i) Investments	5	142.89	40.32
(ii) Loan	6	8,547.61	7,756.15
(iii) Other financial assets	7	202.92	232.44
(e) Deferred tax assets (net)	8	1,257.88	1,350.07
(f) Income tax assets (net)	9	272.83	206.48
Total non-current assets		12,900.35	12,373.88
2 Current assets			
(a) Inventories	10	314.83	944.83
(b) Financial assets			
(i) Investments	11	112.82	207.93
(ii) Trade receivables	12	21.26	240.63
(iii) Cash and cash equivalents	13(a)	467.63	1,855.55
(iv) Bank balance other than (iii) above	13(b)	1,322.40	400.40
(v) Other financial assets	14	37.41	22.78
(c) Other current assets	15	304.36	399.19
Total current assets		2,580.72	4,071.31
Total Assets		15,481.06	16,445.19
B EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,322.75	3,322.75
(b) Other equity	17	(7,481.39)	(5,752.09)
Total equity		(4,158.64)	(2,429.34)
Liabilities			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	11,120.48	11,397.95
(b) Long-term provisions	19	121.19	271.05
Total non-current liabilities		11,241.67	11,669.01
2 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	20		
- total outstanding dues of micro enterprise and small enterprise		-	-
- total outstanding dues of creditors other than micro enterprise and small enterprise		479.58	873.09
(b) Other current liabilities	21	7,876.01	6,224.85
(c) Short-term provisions	22	42.43	107.59
Total current liabilities		8,398.03	7,205.53
Total liabilities		19,639.70	18,874.53
Total Equity and liabilities		15,481.06	16,445.19

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)

For and on behalf of the Board

ASHOK KUMAR JAIN
PARTNER
Membership No. 038521
Place : Ahmedabad
Date : 30th May, 2019

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



SOMA TEXTILES & INDUSTRIES LIMITED

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

(₹ in lakhs)

Particulars	Note	Year ended 31 st March, 2019	Year ended 31 st March, 2018
I. Revenue from operations	23	3845.59	8271.33
II. Other income	24	283.81	608.97
III. Total Revenue (I + II)		4129.40	8880.30
IV. Expenses:			
Cost of materials consumed	25	743.93	2297.26
Changes in inventories of finished goods and work-in-progress	26	332.17	(154.75)
Employee benefits expense	27	974.66	1442.83
Finance costs	28	1343.88	1345.59
Depreciation and amortisation expense	3 & 4	294.96	329.52
Other expenses	29	2585.74	4228.38
Total expenses		6275.33	9488.83
V. Profit/(Loss) before Exceptional Item and Tax		(2145.94)	(608.52)
VI. Exceptional items	30	521.31	265.11
VII. Profit/(Loss) before tax		(1624.63)	(343.41)
VIII. Tax expense:			
Deferred tax	32	(92.20)	(479.10)
IX. Profit/(Loss) for the period		(1716.83)	(822.51)
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		(9.59)	4.43
Total other comprehensive income for the year		(9.59)	4.43
Total comprehensive income for the year		(1729.30)	(821.34)
X. Earnings per equity share:	38		
(1) Basic		(5.24)	(2.49)
(2) Diluted		(5.24)	(2.49)

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)

For and on behalf of the Board

ASHOK KUMAR JAIN

PARTNER

Membership No. 038521

Place : Ahmedabad

Date : 30th May, 2019

S. K. SOMANY

A. K. SOMANY

M. B. PARAKH

A. K. MISHRA

Chairman

Managing Director

Chief Financial Officer

Company Secretary

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
A Cash flow from operating activities		
Profit/(Loss) before exceptional items & tax	(2,145.94)	(608.52)
Adjustment for:		
- Depreciation	294.96	329.52
- Profit on Sale of Current Investments	(1.96)	(2.03)
- (Profit) / loss on sale of fixed assets (net)	(234.75)	(399.98)
- Interest (Net)	1,343.88	1,345.59
- Other comprehensive income	(9.59)	4.43
	1,392.53	1,277.52
Operating profit/(Loss) before working capital changes	(753.40)	669.00
Adjustment for :		
- Trade receivables	219.37	245.12
- Other receivables	(1,640.34)	633.93
- Inventories	630.00	(189.65)
- Trade payables	(767.72)	(20.62)
	(1,558.69)	668.78
Cash flow before prior period items, exceptional items & extraordinary items	(2,312.10)	1,337.78
- Exceptional items	521.31	(2.91)
Net Cash flow from operating activities	(1,790.79)	1,334.87
B Cash flow from investing activities :		
- Purchase of fixed assets	(182.91)	(214.12)
- Sale of fixed assets	434.90	488.03
- Net off Sales & Purchase of Current investments	(8.37)	(205.90)
- Interest received	406.20	406.02
Net cash from investing activities	649.82	474.03
C Cash flow from financing activities :		
- Total proceeds from borrowings (net of repayments)	(180.05)	(151.18)
- Interest paid	(66.89)	(70.14)
Net cash from financing activities	(246.95)	(221.32)
Net increase in cash and cash equivalents (A+B+C)	(1,387.91)	1,587.58
Cash and cash equivalent as on 01.04.2018 (opening balance)	1,855.55	267.97
Cash and cash equivalent as on 31.03.2019 (closing balance)	467.63	1,855.55

As per our report of even date

For A. K. OSTWAL & CO.

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107200W)

For and on behalf of the Board

ASHOK KUMAR JAIN

PARTNER

Membership No. 038521

Place : Ahmedabad

Date : 30th May, 2019

S. K. SOMANY

A. K. SOMANY

M. B. PARAKH

A. K. MISHRA

Chairman

Managing Director

Chief Financial Officer

Company Secretary

**SOMA TEXTILES & INDUSTRIES LIMITED****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019**

(₹ in lakhs)

A. Equity Share Capital

Balance	Note 16
Balance as at 1st April, 2017	3303.30
Changes in Equity Share Capital during 2017-2018	-
Balance as at 31st March, 2018	3303.30
Changes in Equity Share Capital during 2018-2019	-
Balance as at 31st March, 2019	3303.30

B. Other Equity

(₹ in lakhs)

Particulars	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2017 (a)	77.57	8713.65	18.58	(13740.55)	(4930.75)
Profit for the year (b)	-	-	-	(825.77)	(825.77)
Other Comprehensive Income for the year (c)	-	-	-	4.43	4.43
Total Comprehensive Income for the year (d) = (b) + (c)	-	-	-	(821.34)	(821.34)
Balance as at 31st March, 2018 (e) = (a) + (d)	77.57	8713.65	18.58	(14561.89)	(5752.09)
Profit for the year (f)	-	-	-	(1719.71)	(1719.71)
Other Comprehensive Income for the year (g)	-	-	-	(9.59)	(9.59)
Total Comprehensive Income for the year (h) = (f) + (g)	-	-	-	(1729.30)	(1729.30)
Balance as at 31st March, 2019 (i) = (e) + (h)	77.57	8713.65	18.58	(16291.19)	(7481.39)

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)

For and on behalf of the Board**ASHOK KUMAR JAIN**

PARTNER

Membership No. 038521

Place : Ahmedabad

Date : 30th May, 2019**S. K. SOMANY****A. K. SOMANY****M. B. PARAKH****A. K. MISHRA**

Chairman

Managing Director

Chief Financial Officer

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.
1,3,4,6,7,8,9,10,11,12,13,14,15,16,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,39,40, 41,42,43,44 represent the numbers and required disclosures of the parent and accordingly are best viewed in independent financial statements.



SOMA TEXTILES & INDUSTRIES LIMITED

5 Financial Assets		(₹ in lakhs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018	
Non-current Investment			
Investment in NCD	105.45	-	
Investment in equity shares of associate Company			
Unquoted equity shares			
300 Equity Share of AED 1000 each of Soma Textile FZC.	10.76	13.64	
Goodwill recognized at the time of investment	26.67	26.67	
Investment in equity shares of others			
Unquoted equity shares			
(5 Shares of ₹ 100/- each in Poonam Apt. Association)	0.01	0.01	
Total non-current investments	142.89	40.32	

17 Other equity		(₹ in lakhs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018	
a. Capital Reserves			
As per last Balance Sheet	77.57	77.57	
b. Securities Premium Account			
As per last Balance Sheet	8,713.65	8,713.65	
c. General Reserve			
As per last Balance Sheet	18.58	18.58	
d. Surplus			
As per last Balance Sheet	(14,561.89)	(13,740.55)	
Profit/(Loss) for the period	(1,729.30)	(821.34)	
Closing Balance	(16,291.19)	(14,561.89)	
Total	(7,481.39)	(5,752.09)	

Nature & purpose of Reserve:

- 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
- 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.

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

		Year ended	
		31 st March, 2019	31 st March, 2018
Profit/(Loss) after Tax (₹ in lakhs)	A	(1,729.30)	(821.34)
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	(5.24)	(2.49)

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SOMA TEXTILES & INDUSTRIES LIMITED

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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]

81st Annual General Meeting - 2nd September, 2019

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 81st Annual General Meeting of the Company, to be held on Monday, 2nd September, 2019 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 81ST 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 81st Annual General Meeting of the Company at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Monday, 2nd September, 2019 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

**SOMA TEXTILES & INDUSTRIES LIMITED**

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, 2019 (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. K. Somany (DIN: 00001131), who retires by rotation and being eligible, offers himself for re-appointment.			
	Special Business			
3	Continuation of Directorship of Shri S. K. Somany (DIN: 00001131).			
4	Continuation of Directorship of Shri B. K. Hurkat (DIN 02005896).			
5	Appointment of Shri B. K. Hurkat, as Independent Director(DIN: 02005896).			
6	Appointment of Shri M. H. Shah, as an Independent Director DIN: 01394920).			
7	Appointment of Mrs. N. Singh, as an Independent Director DIN: 07094208).			
8	Re-appointment of Shri A. K. Somany (DIN: 00024903), as Managing Director, being a Key Managerial Personnel.			
9	To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2020.			

Signed this _____ day of _____ 2019

Signature of Member _____

Signature of Proxy holder(s) _____

Affix
₹ 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 81st 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 2018-19 and Notice of the 81st 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 2018-19 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.

This image shows a full page of blank handwriting practice paper. It features approximately 28 evenly spaced horizontal blue lines across the entire page, providing a guide for letter height and placement. The lines are consistent in color and thickness throughout.

