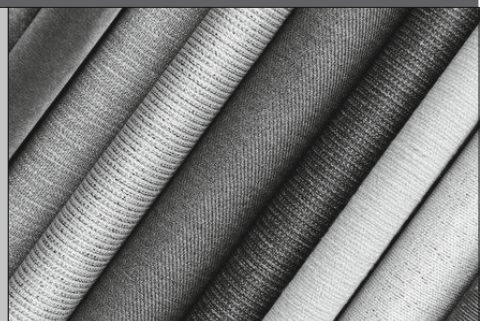


# ANNUAL REPORT

2024-25



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FAITH  
GLOBALLY



**SOMA TEXTILES &  
INDUSTRIES LIMITED**



## 87<sup>th</sup> Annual Report 2024-2025

**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 (upto 28.08.2025)
Shri O.P. Kabra	-	Non-Executive Independent Director (w.e.f 29.08.2025)
Shri M. H. Shah	-	Non-Executive Independent Director (upto 09.02.2025)
Shri A. N. Shah	-	Non-Executive Independent Director (w.e.f 10.02.2025)
Smt. Rita Chatterjee	-	Non-Executive Independent Director (w.e.f 10.06.2024)

**CFO**

Shri Shrikant Bhat

**COMPANY SECRETARY**

Smt. Reena Prasad

**AUDITORS**

Pipara & Co. LLP  
Chartered Accountants  
Pipara Corporate Office,  
Near Bandhan Bank Ltd., Netaji Marg, Law Garden,  
Ahmedabad – 380006.

**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](mailto:investors@somatextiles.com)  
Website: [www.somatextiles.com](http://www.somatextiles.com)

**WORKS**

A-244, 2<sup>nd</sup> Floor  
Suvan Business Park, Near Keval Kanta,  
Nagarvel Hanuman Road, Rakhial,  
Ahmedabad – 380023.

**REGISTRAR & TRANSFER AGENT**

MUFG Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai-400083 Ph. No. : 022-49186270  
E-mail : [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)

**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@in.mpms.mufg.com](mailto:ahmedabad@in.mpms.mufg.com)

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## NOTICE OF THE 87<sup>TH</sup> ANNUAL GENERAL MEETING

### TO THE SHAREHOLDERS

**NOTICE** is hereby given that the Eighty-Seventh (87<sup>th</sup>) Annual General Meeting of the Members of Soma Textiles & Industries Limited will be held on Friday, the 26<sup>th</sup> day of September, 2025 at 03-00 P.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2025 (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. **Appointment of Mr. Pravin Kumar Drolia, Company Secretary in whole time practice as Secretarial Auditor of the Company for a term of five (5) consecutive years and fixation of remuneration thereof**

#### As an Ordinary Resolution

**"RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendation of the Audit Committee and the Board of Directors, approval of the members be and is hereby accorded for the appointment of Mr. Pravin Kumar Drolia (FCS No.2366 and CP No.1362), Company Secretary in whole time practice and having Peer Certificate Review No. 1928/2022, as Secretarial Auditors of the Company for a term of five (5) consecutive years commencing from the Financial Year 2025-26 till Financial Year 2029-30 at such remuneration and on such terms & conditions, as may be determined by the Board of Directors, from time to time, and to avail any other services, certificates, or reports as may be permissible under the applicable laws.

**"RESOLVED FURTHER THAT** Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be required or deem necessary to give effect the aforesaid resolution."

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

#### As a Special Resolution

**"RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and rules made thereunder and any amendments thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), 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, the consent of the Company be and is hereby accorded to the re-appointment of Shri Arvind Kumar Somany (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 22<sup>nd</sup> January, 2026 to 21<sup>st</sup> January, 2029, 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 87<sup>th</sup> Annual General Meeting of the Company ("AGM Notice"), which forms the part of this resolution and Draft of the AGREEMENT, as placed before this meeting and initialed by the Chairman of

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

**“RESOLVED FURTHER THAT** Board may in its absolute discretion pay to Shri 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.”

**5. To approve the sale of Motor Vehicles owned by Company to Sarvopari Investment Private Limited, a Promoter of the Company.**

**As a Special Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the sale or transfer of two motor vehicles, Land Rover Range Roer Sport And Cayenne V6, Chromite Black Metallic owned by company which are no longer required for the business operation of the Company to Sarvopari Investment Private Limited, Promoter and related Party of the Company for a Cash consideration of ₹ 2, 46, 70,000 (Two Crore Forty Six Lakhs Seventy Thousand only) on arm's length basis and in the ordinary course of business.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalize and execute such agreements, documents or deeds and to do all such acts, deeds, matters and things as may be necessary or expedient for giving effect to the above resolution.”

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## 6. Payment of Ex Gratia to Shri Arvind Kumar Somany, Managing Director of the Company.

### As a Special Resolution

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013, and the Articles of Association of the Company, and subject to such other approvals, consents, permissions, and sanctions as may be necessary, the consent of the members of the Company be and is hereby accorded for payment of an ex gratia amount of ₹ 99,40,911/- (Rupees Ninety Nine Lacs Forty thousand Nine Hundred and Eleven Only) to Mr. Arvind Kumar Somany, Managing Director of the Company, in recognition of his exemplary leadership, dedicated service and significant contribution to the performance and growth of the Company during the tenure of his service.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps, execute all such documents, and do all such acts, deeds, and things as may be necessary or desirable to give effect to this resolution.”

**By order of the Board of Directors**

### Registered Office:

2, Red Cross Place,  
Kolkata – 700 001

**(Reena Prasad)**

Company Secretary  
M. No.: A 53284

Dated, the 28<sup>th</sup> July, 2025

### Notes:

1. Explanatory Statement setting out the material facts concerning the item of Special Business to be transacted at the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
2. Pursuant to the General Circular no. 09/2024 dated 19 September 2024 issued by the Ministry of Corporate Affairs (“MCA”) and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the 87<sup>th</sup> AGM of the Company is being held through VC/OAVM on Friday, 26<sup>th</sup> September 2025, at 3:00 P.M. (IST) which does not require the physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency.
4. The Company has engaged the services of MUFG Intime India Private Limited ('MUFG Intim') as the authorized agency for conducting of the e-AGM and providing e-voting facility during the AGM.  
  
The name of the RTA changed from “Link Intime India Private Limited” to “MUFG Intime India Private Limited” (MUFG Intime/RTA) with effect from December 31, 2024 upon acquisition of Link group by Mitsubishi UFJ Trust & Banking Corporation.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

However, pursuant to Section 113 of the Companies Act, 2013, Institutional/Corporate Members (i.e. other than Individuals/HUF, NRI, etc or Trust(s)) can appoint their representatives to attend the AGM through VC/OAVM and vote through e-voting. They are requested to send the scanned copy (PDF/JPG Format) of their Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM to the Scrutinizer by email through its registered email address to [droliapraavin@yahoo.co.in](mailto:droliapraavin@yahoo.co.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

7. In terms of sections 101 and 136 of the Companies Act, 2013 (the 'Act') read with the rules made thereunder, regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the 'SEBI Listing Regulations') and in terms of MCA circular dated 19<sup>th</sup> September, 2024 and SEBI circular dated 3<sup>rd</sup> October 2024, Notice of the AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website i.e. [www.somatextiles.com](http://www.somatextiles.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com).

As per Regulation 36(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations, 2015') as amended, the web-link, including the exact path, where complete details of the Integrated Annual Report are available is required to be sent to those member(s) who have not registered their email address(es) either with the Company or with any Depository or MUFG Intime India Private Limited (Formerly Link Intime India Private Limited), Registrar & Share Transfer Agent (RTA) of the Company.

8. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 16<sup>th</sup> September, 2025 to Friday, the 26<sup>th</sup> September, 2025 (both days inclusive) for the purpose of 86<sup>th</sup> Annual General Meeting of the Company.
10. Members holding shares in electronic form are requested to register / update their postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants, with whom they are maintaining their Demat accounts.
11. Members holding shares in physical form are requested to register / update their postal address, email address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., with the Registrar and Transfer Agent i.e. MUFG Intime India Private Limited ('MUFG Intime'), by sending an email to [rnt.helpdesk@in.mpms.mufg.com.in](mailto:rnt.helpdesk@in.mpms.mufg.com.in) along with request letter, folio no., name of the Member, and scanned copy of the share certificate (front and back), PAN Card (Self-attested scanned copy) and Aadhar Card (Self-attested scanned copy).
12. Non-Resident Indian members are requested to inform MUFG Intime immediately on:
- a.) the change in the residential status on return to India for permanent settlement; and,
  - b.) the particulars of the bank account(s) maintained in India with complete name, branch, and account type, account number and address of the bank, if not furnished earlier.
13. 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 MUFG Intime India Private Limited, the Registrar & Share Transfer Agents, for consolidation into a single folio.
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. Pursuant to the provisions of Section 124 and Section 125 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 Investor Education and Protection Fund (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 31<sup>st</sup> 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 31<sup>st</sup> March, 1999 and up to the year ended 31<sup>st</sup> March, 2025. 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



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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](http://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](http://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.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. MUFG Intime India Private Limited/ Company.
17. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to send an e-mail on [investors@somatextiles.com](mailto:investors@somatextiles.com) from September 14, 2025 to September 19, 2025 (up to 5:00 p.m. IST). The same will be replied by the Company suitably.
18. Relevant documents referred to in the notice and the statement shall be available for inspection by the Members through electronic mode up to the date of the AGM. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, upon request will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to [investors@somatextiles.com](mailto:investors@somatextiles.com).
19. As required under Regulations 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, the relevant information in respect of Director seeking re-appointment at the AGM is provided herein below and forms a part of this Notice.
20. **Instructions for voting through electronic means (e-voting), joining the AGM & other instructions relating thereto are as under:**

### **Voting through electronics means**

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 December 8, 2021, December 14, 2021, May 5, 2022, December 28, 2022 ,September 25, 2023 and September 19, 2024 and the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
- II. The Company has engaged the services of CDSL as the Agency to provide remote e-voting facility and e-voting during the AGM will be provided by MUFG Intime India Private Limited ('MUFG Intime').
- III. The Board of Directors of the Company has appointed Shri Pravin Kumar Drolia (Membership No. 2366, CP No.1362) Practicing Company Secretaries, as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting in a fair and transparent manner.
- IV. Voting rights of the Members for voting through remote e-voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, September, 19, 2025. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting and voting during the AGM.
- V. The remote e-voting facility will be available during the following period:
  - a. Commencement of remote e-voting: 9.00 A.M. (IST) on Tuesday, September 23, 2025.
  - b. End of remote e-voting: 5.00 P.M. (IST) on Thursday, September 25, 2025

- c. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by CDSL upon expiry of aforesaid period.
- VI. Those Members, who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- VII. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
- VIII. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may follow the same procedure as given below for remote e-voting.
- IX. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e- Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ MUFG INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e- Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/Evotinglogin">https://evoting.cdslindia.com/Evoting/Evotinglogin</a> . The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.



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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https:// eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e- Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e- Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e- Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e- Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e- Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738/8542/8543 or on toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

Process and manner for Remote e-voting:

- (i) The shareholders should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" module
- (iii) 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.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at [www.cdslindia.com](http://www.cdslindia.com) from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in our demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both 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).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this AGM Notice.
- (x) Click on Electronic Voting Sequence Number (EVSN) - 250829075 of the "SOMA TEXTILES & INDUSTRIES LIMITED" on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten 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.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like FolioNo., Name of shareholder, scanned copy of the share certificate (frontand back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investors@somatextiles.com](mailto:investors@somatextiles.com) /RTA at [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com).
2. For Demat shareholders - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client masteror copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of AadharCard) to [investors@somatextiles.com](mailto:investors@somatextiles.com)/RTA at [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com).

### INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS ATTENDING THE AGM THROUGH INSTAMEET VC/OAVM ARE AS UNDER:

1. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by MUFG Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
  2. The Shareholders/Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  3. Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual sGeneral Meeting as under:
    1. Open the internet browser and launch the URL for InstaMeet<<[<https://instameet.linkintime.co.in>>](https://instameet.linkintime.co.in)&Click on “Login”.
- Select the “Company” and ‘Event Date’ and register with your following details:-
- A. Demat Account No. or Folio No: Enter your 16-digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
    - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
    - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
  - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/  
Company shall use the sequence number provided to you, if applicable.
  - C. Mobile No.: Enter your mobile number.
  - D. Email ID: Enter your email id, as recorded with your DP/Company.
- Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

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**INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO REGISTER THEMSELVES AS SPEAKERS DURING ANNUAL GENERAL MEETING:**

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
7. Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.
8. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
9. In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : (022-49186175)

**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](http://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](mailto: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](mailto: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.

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- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [droliapravin@yahoo.co.in](mailto:droliapravin@yahoo.co.in) and [investors@somatextiles.com](mailto:investors@somatextiles.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- For queries, if any or issues regarding attending AGM & e-Voting from the e-Voting System, please refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Rakesh Dalvi (022-23058542/43).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## General:

- (a) In case of joint shareholders attending the AGM, only such joint holder who is higher in the order of the names will be entitled to vote.
- (b) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- (c) The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.somatextiles.com](http://www.somatextiles.com) and on the website of CDSL [https:// www.evotingindia.com](https://www.evotingindia.com) immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
- (d) Subject to the receipt of requisite number of votes, the Resolutions set out in the Notice of the 87<sup>th</sup> AGM of the Company, shall deemed to be passed on the date of the AGM i.e. 26<sup>th</sup> September, 2025.
- (e) A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

## **Brief Resume and other information in respect of the Director, retiring by rotation seeking re-appointment at the 87<sup>th</sup> 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 94 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. Shri S. K. Somany holds 36, 65,735 constituting 11.10% of the Equity Share Capital of the Company.

Shri S. K. Somany is holding directorship in (a) Somany Evergreen Knits Ltd., (b) Nav Bharat Refrigeration & Industries Limited, (c) Shreelekha Global Finance Limited (d) Sarvopari Investments Private Ltd. and (e) Textool Mercantile Private Ltd. He is Chairman of Somany Evergreen Knits Limited.

He is not the chairman and member of any Committee of any other Company.

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.

By order of the Board of Directors

## **Registered Office:**

2, Red Cross Place,  
Kolkata – 700 001

Dated, the 28<sup>th</sup> July, 2025

**(Reena Prasad)**  
Company Secretary  
M. No.: A 53284

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

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**Item No. 3**

As per the recent amendment to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), which shall come into effect from April 1, 2025, the appointment of Secretarial Auditor(s) shall be approved by the Shareholders at Annual General Meeting of the Company. The tenure of the Secretarial Auditor in case of an individual Company Secretary in Practice should be for a maximum of one (1) term of five (5) consecutive years; or, in case of a Firm of Company Secretaries in Practice, for a maximum of two (2) terms of five (5) consecutive years. However, any prior association of the individual or the firm as the Secretarial Auditor of the Company before March 31, 2025, shall not be considered for the purpose of calculating the term of five years or ten years, as the case may be.

Mr. Pravin Kumar Drolia FCS No.2366 and CP No.1362), Company Secretary in whole time practice and having Peer Certificate Review No. 1928/2022 and holds a valid Peer Review certificate issued by the Institute of Company Secretaries of India, the Firm is engaged in corporate secretarial services and more particularly in the areas of Secretarial Audit, Corporate Governance Audit, Due Diligence Audit, Annual Return Audit and other certifications and audits under the Companies Act 2013 (the "Act") and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI LODR"). All eligibility and independence criteria have been duly met, and there is no disqualification for appointment as the Secretarial Auditor of the Company. Consent to act as the Secretarial Auditor has been provided, along with confirmation that the appointment, if made, will be in accordance with Section 204 and other applicable provisions of the Companies Act, 2013, then rules made thereunder, and Regulation 24A of SEBI LODR Regulations.

The Board, based on the recommendation of the Audit Committee, has recommended the appointment of Mr. Pravin Kumar Drolia as the Secretarial Auditor of the Company for a term of five (5) consecutive years commencing from the Financial Year 2025-26 till Financial Year 2029-30, at a remuneration mutually agreed upon, with variations from time to time. The remuneration for the remaining term shall be fixed or revised by the Board of the Company based on the recommendation of the Audit Committee.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

**Item No. 4**

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 21<sup>st</sup> January, 2026.

The Board of Directors of the Company ('the Board') at its meeting held on 30<sup>th</sup> May, 2025, have re-appointed Shri Somany as Managing Director for a period of 3 (Three) years, effective from 22<sup>nd</sup> January, 2026, subject however to the approval of the shareholders in the ensuing 87<sup>th</sup> 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 87<sup>th</sup> 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 22<sup>nd</sup> January, 2026 to 21<sup>st</sup> January, 2029
- 2) **Nature of Duties :** Subject to the superintendence, control and direction of the Board, Shri Somany shall perform such duties and exercise such powers as may from time to time be entrusted to or vested in him by the Board and shall devote the whole of his time and attention to his service as the Managing Director of the Company.
- 3) **Remuneration (including maximum limit):**



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Shri A. K. Somany, Managing Director (hereinafter referred to as the appointee), shall be entitled to the following remuneration with effect from 22<sup>nd</sup> January, 2026 for the period of his office from 22<sup>nd</sup> January, 2026 to 21<sup>st</sup> January, 2029 or as may be determined and revised by the Board at its discretion from time to time within the maximum permissible limit.

<b>A) Salary (Basic + D.A)</b>	:	At ₹ 4,08,250/- lacs per month, effective from 22 <sup>nd</sup> January, 2026 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 1 <sup>st</sup> April, 2026 and thereafter from 1 <sup>st</sup> April, each year. Salary may include basic salary, additional salary, special allowances and any other allowances as may be determined by the Board from time to time subject to within and up to a maximum Salary of ₹ 7.50 Lacs per month or ₹ 90 Lacs per annum. Such special allowances or such other allowances or additional salary, will however not be eligible for retrial benefits such as Provident fund, Gratuity/Super Annuation Fund and other perquisites, allowances and benefits.
<b>B) Commission</b>	:	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.
<b>C) Perquisites Allowances &amp; Benefits</b>	:	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 and personal accident insurance and such other benefits, facilities and allowances as may be available and allowed to appointee, as per rules of the Company. These may be provided for as under:-

#### Housing

- 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.
- In case the accommodation is owned by the Company, 10 (Ten) percent of the salary of appointee shall be deducted by the Company.
- 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, 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 nos. 4 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.

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. 4 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.4 of the accompanying Notice.

#### **MEMORANDUM OF INTEREST**

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

#### **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 87<sup>th</sup> 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)	<b>Nature of Industry</b>	:	<b>Trading in Cotton.</b>
(2)	Date or expected date of commencement of commercial production	:	Due to direction of the Hon'ble Gujarat High Court and the decision of the High Court was upheld by Hon'ble Supreme Court of India, the Company has discontinued its core manufacturing operations and engaged in trading of cotton from the month of November, 2022.
(3)	Financial performance on given indicators:		

(₹ in Lacs)

<b>Year ending 31<sup>st</sup> March</b>	<b>Sales</b>	<b>Operating Profit/ (Loss)</b>	<b>Profit/(Loss) before Tax</b>	<b>Net Profit/(Loss) after Tax</b>
2021	1283	(528)	(2251)	(2149)
2022	1455	(474)	(1546)	(1648)
2023	520	497	16726	16546
2024	573	337	2412	2110
2025	949	(579)	6828	6927

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(4)	Export performance and net foreign exchange earnings	:	Due to stiff competition, the Company was able to export for Rs NIL as against the export of Rs NIL achieved in the previous year. Foreign exchange earned and used during the financial year 2024-25 and 2023-24:- (₹ in lacs)		
				2024-25	2023-24
			Foreign Exchange earned	Nil	Nil
			Foreign Exchange used	Nil	Nil
(5)	Foreign Investments or Collaborators, if any	:	Holdings of FIIs/NRIs and other non-residents is 0.0012% in the Company as at 31 <sup>st</sup> March, 2025. The Company has no foreign Collaborator.		

### II. INFORMATION ABOUT THE APPOINTEE:-

(1)	Background details	:	<b>Shri A. K. Somany</b> 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 69 years' is a Science Graduate (B.Sc.) and holds Membership of All India Management Association (MIMA). He has more than 45 years' experience in Textile and Ceramic Industry, to his credit, of which more than 34 years' in Textile Industry as the Managing Director of the Company, appointed since 22 <sup>nd</sup> 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	:	2020-2021: ₹ 5,906,880/- 2021-2022: ₹ 5,906,880/- 2022-2023: ₹ 5,906,880/- 2023-2024: ₹ 5,906,880/- 2024-2025: ₹ 61,56,880/-		
(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)	Remuneration proposed	:	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	:	After taking into the size of the Company, the profile of Shri Shrikant Bhat the responsibilities shouldered by him and the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar level counterparts in other similar Companies.		

		<p>(a) Salary (Basic + DA) at ₹ 4,08,250/- 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,</p> <p>(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,</p> <p>(c) Perquisites, allowances and benefits, as spelt out in the Statement annexed to the Notice convening the 87<sup>th</sup> 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 &amp; benefits, as contemplated under items (a), (b) &amp; (c) above shall not exceed the overall limits prescribed under Sections 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the said Act as may for the time being in force (5% of the net profits in case of one Whole-time Director and 10% of the net profits for more than one Whole-time Director as calculated under Sections 197 of the Companies Act, 2013).</p>
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	: Compared to the remuneration with respect to the Industry, Companies of similar size as that of the Company and persons holding similar position, the remuneration proposed to be paid to Shri Somany as the Managing Director is not adequate. Remuneration for a person of his caliber and position should generally be higher than what is being paid to him.
(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 23,28,217 Equity Shares, constituting 7.05% 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.



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(3)	Expected increase in productivity and profits in measurable terms	:	Steps, as aforesaid, being taken by the Company, would increase the productivity of the Company. The Company continues to undertake constant measures for improvement in its productivity and profits. The Management expects reasonable growth in business, gross revenue and profit of the Company. However it is difficult to predict profits in the measurable terms, in the present business scenario for the coming years.
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### IV. DISCLOSURES :

(1)	The Shareholders shall be informed of the remuneration package of the managerial person	:	Yes, the Remuneration package has been fully disclosed under the Statement, in regard to special resolution set out at item no. 4 of the Notice relating to re-appointment and remuneration payable to Shri A. K. Somany, the Managing Director duly annexed to the Notice convening the 87 <sup>th</sup> 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, commission, bonus, 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 2024-2025.
(3)	Details of fixed components and performance linked incentives along with performance criteria	:	
(4)	Service contracts, notice period, severance fees etc	:	Service Agreement is for a period of Three (3) years from 22 <sup>nd</sup> January, 2026 to 21 <sup>st</sup> January, 2029. 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. 4 of the Notice.

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

### Item No. 5

The Company intends to sell Two Motor vehicles namely Land Rover Range Rover Sport and Cayenne V6, Chromite Black Metallic owned by company to Sarvopari Investment Private Limited, which is a Promoter shareholder and hence a related party as per Section 2(76) of the Companies Act, 2013.

The transaction is being undertaken at prevailing market value and is in the ordinary course of business and at arm's length. However, in accordance with Regulation 23 of SEBI (LODR) Regulations, 2015, since the value of the transaction exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements, it qualifies as a material related party transaction and therefore requires approval of shareholders through an Ordinary Resolution, with the related parties abstaining from voting.

**Disclosures under SEBI (LODR) Regulation 23(4):**

Sl. No.	Particulars	Details
1	Name of the Related Party	Sarvopari Investment Private Ltd, Promoter Shareholder of the Company
2	Relationship	Promoter and related party as per Section 2(76) of the Companies Act, 2013
3	Nature of Transaction	Sale of motor vehicles owned by the Company
4	Details of Assets	Company approved sale or transfer of two motor vehicles owned by company 1. Land Rover Range Rover Sport 2. Cayenne V6, Chromite Black Metallic
5	Total Consideration	Cash consideration of Rs. 2,46,70,000 (Two Crore Forty Six lakhs Seventy Thousand only)
6	Valuation Basis	The sale price has been determined based on fair market value and offers received from different Parties
7	Nature of Interest of Related Party:	Sarvopari Investment Pvt. Ltd. being a promoter, is deemed to be a related party under applicable provisions
8	Whether the transaction is in the ordinary course of business	Yes
9	Whether the transaction is on arm's length basis:	Yes, The sale price has been determined based on fair market value and offers received from different Parties . The transaction is at Arm's length

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested in this resolution, financially or otherwise, except to the extent of their shareholding or directorship in Sarvopari Investment & Finance Private Limited.

The Board recommends the resolution set out at Item No. 5 of the Notice for approval of the shareholders as an Special Resolution.

**Item No. 6**

The Board of Directors of the Company at its meeting held on 28<sup>th</sup> July, 2025 approved, subject to the approval of shareholders at the Annual General Meeting, the payment of ex gratia amounting to ₹ 99,40, 911/- (Rupees Ninety Nine Lacs Forty thousand Nine Hundred and Eleven Only) to Mr. Arvind Kumar Somany, Managing Director of the Company, in recognition of his continued leadership, strategic direction, and valuable contribution made during the tenure of his service.

Under his stewardship, the Company has achieved significant growth and successfully navigated various challenges. The Board, considering his efforts and achievements, recommends the said ex gratia as a token of appreciation.

The payment of ex gratia falls within the provisions of Section 197 of the Companies Act, 2013, and requires approval of the shareholders by way of a Special Resolution.

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. 6 of the Notice.

The Board recommends the passing of the Special Resolution as set out in Item No. 6 of the Notice.

By order of the Board of Directors

**Registered Office:**

2, Red Cross Place,  
Kolkata – 700 001

**(Reena Prasad)**  
Company Secretary  
M. No.: A 53284

Dated, the 28<sup>th</sup> July, 2025

## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting their Eighty-Seventh (87<sup>th</sup>) Annual Report of the Company, together with the audited financial statements for the financial year ended 31<sup>st</sup> March, 2025.

### 1. FINANCIAL PERFORMANCE

The Financial Year 2024-25 remained challenging in the business scenario of the Textile Industry due to combination of global and domestic factors.

The revenue from operations for the year 2024-25 was ₹ 948.75 lakhs as compared to Rs 572.68 lakhs in previous year, an increase of 65.71 %.

The Loss before Exceptional item and Tax was Rs 131.66 lakhs against the previous year profit of Rs 173.05 lakhs.

The net profit for the year was ₹6926.87 lakhs against the previous year net profit of ₹ 2109.23 lakhs.

### 2. DIVIDEND

The Board of directors of your company have not recommended any dividend for the Financial Year ended 31<sup>st</sup> March, 2025, considering the needs for capital conservation and appreciation/ conserving the profit.

### 3. PRESENT STATUS OF THE UNIT

The Company was primarily engaged in the business of manufacturing of Cotton Yarn, Denim Fabrics, Shirtings and Garments. The Hon'ble Gujarat High Court directed to close down the operations of polluting industries in and around Ahmedabad in the state of Gujarat and the decision of the High Court was upheld by Hon'ble Supreme Court of India, due to which the Company has discontinued its core manufacturing operations and disposed of the plant and Machinery of the Company.

In order to sustain the business, preserve shareholder value, and utilize existing expertise, the Company strategically engaged in trading of cotton from the month of November, 2022.

### 4. EXPORT

The FOB value of the exports during the Year under review was Nil against zero export in the previous year due to the closure of the manufacturing operation as detailed in point No 3.

### 5. CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

### 6. ANALYSIS AND REVIEW

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries.

The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The decentralized power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

### 7. OPPORTUNITIES AND CHALLENGES

The future for the Indian textiles industry looks promising. The Indian textile industry has vast potential for growth, buoyed by strong domestic consumption as well as export demand. However, to get maximum advantage of the vast potential of this vibrant industry, the Government and Industry need to work towards addressing key challenges including obsolete machinery and technology, threats to handloom sector, power shortage, illicit markets, labour-related concerns, raw materials shortage.

### 8. EXPANSION AND MODERNISATION

Company is no more in manufacturing activities, hence the Company did not go for expansion and 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 31<sup>st</sup> March, 2025 prepared in accordance with the applicable Accounting Standard, is annexed to the financial statement, which forms part of the Annual Report.

**11. INSURANCE**

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

**12. INTERNAL FINANCIAL CONTROL**

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

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

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

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

**13. FIXED DEPOSITS**

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

**14. SHARE CAPITAL**

There has been no change in the Company's Issued, Subscribed and Paid-up Equity Share Capital in between the end of financial year 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024. On 31<sup>st</sup> March, 2025, the Equity Share Capital stood at ₹ 3303.30 Lacs, divided in to 33033000 Equity Shares of ₹ 10 each.

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

The appointment of Mrs Rita Chatterjee (DIN: 07973942) as an independent Director, not liable to retire by rotation, by the board of Directors, to fill the casual vacancy, caused by resignation of Mrs. Nisha Singh, with effect from June 10, 2024, confirmed and approved to hold office for a term of five consecutive years i.e., from June 10, 2024 till June 09, 2029 in the 86<sup>th</sup> Annual general Meeting of the company held on 7<sup>th</sup> September, 2024.

Shri Omprakash Laxminarayan Kabra (DIN: 10636063), was appointed as an Independent Director (under Non-Executive category) of the Company, to hold office for a term of five consecutive years i.e., from August 29, 2024 till August 28, 2029 in 86<sup>th</sup> Annual general Meeting of the company held on 7<sup>th</sup> September, 2024.

Shri Amit Nandkishore Shah (DIN: 00915449), was appointed as an Independent Director (under Non-Executive category) of the Company, to hold office for a term of five consecutive years i.e., from February 10, 2025 till February 09, 2030 through Postal Ballot on 28<sup>th</sup> march, 2025.

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

**Re-appointment**

The term of Office of Shri Arvind Kumar Somany (Shri Somany) (DIN: 00024903), as a Managing Director, designated as Key Managerial Personnel of the Company, will end owing to efflux of time from the close of business on 21<sup>st</sup> January, 2026.

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Pursuant to Section 196 and 197, read with Schedule V and other relevant provisions of the Act and based on recommendation of the Nomination and Remuneration Committee, the Board of Directors has considered and recommends the re-appointment of Shri Somany, as Managing Director, for further term of three years effective from 22<sup>nd</sup> January, 2026, well in advance to seek Shareholders approval at the forthcoming AGM of the Company. An appropriate resolution, to this effect is being proposed to the Members of the Company at the forth-coming 87<sup>th</sup> AGM.

## **Cessation**

Shri Brij Kishore Hurkat (DIN: 02005896) and Shri Malaybhai Harshad Bhai Shah (DIN: 01394920), Independent Directors of the Company upon completion of their second and final term as Independent Directors, ceased to be the Directors of the Company w.e.f. the close of business hours on August 28, 2024 and February 09, 2025 respectively.

The Board places on record the valuable services rendered by Shri B K Hurkat and Shri M H Shah during their tenure as Director of the company and expresses its deep sense of appreciation and gratitude for the same.

## **Rotation**

At the forthcoming 87<sup>th</sup> 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.

## **Key Managerial Personnel**

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons are the Key Managerial Personnel of the Company as on March 31, 2025 are Shri S. K. Somany, Non-Executive Chairperson, Shri A. K. Somany, Managing Director & CEO, Shri Shrikant Bhairaveshwar Bhat, Whole-time Director & Chief Financial Officer and Mrs. Reena Prasad, Company Secretary & Compliance Officer.

## **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 31<sup>st</sup> March, 2025.

## **19. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY**

The 'Policy on Related Party Transaction', dealing with the review and approval of related party transactions, was amended in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The policy is available on the Company's website at the web link: [www.somatextiles.com/home.php/investors/policies](http://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.

During the year under review, all RPTs entered by the Company were in the ordinary course of business and in respect of transactions with related parties under Section 2(76) of the Act, are at arm's length basis and were approved by

the members of the Audit Committee including Independent Directors. The Company had sought the approval of shareholders through Postal Ballot dated 12<sup>th</sup> November, 2024 pursuant to Sections 110 and 108 of the Companies Act, 2013 for material RPT as per Regulation 23 of the SEBI Listing Regulations. Similarly, the Company intends seeking approval of its Members for material related party transactions for FY 2026 at its ensuing AGM to be held on September 26, 2025.

All related party transactions were in compliance with the applicable provisions of the Companies Act 2013 and SEBI Listing Regulations. Details with respect to transaction(s) with the Related Party(ies) entered into by the Company during the reporting period are disclosed in the accompanying Financial Statements and the details pursuant to clause (h) of Section 134(3) of Act and Rule 8(2) of the Companies (Accounts), Rules 2014 are given in the form AOC-2 which is annexed to this Report and forms an integral part of this Report.

## **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 2025-26.
- (ii) The Calcutta Stock Exchange Association Ltd. has vide its Letter No. CSEA/ID/223/2008 dated 16<sup>th</sup> 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. DELISTING FROM STOCK EXCHANGE**

The Company had vide its application dated 31<sup>st</sup> March, 2021 submitted an application for voluntary delisting of its equity shares from BSE Limited pursuant to applicable regulations under the SEBI (Delisting of Equity Shares) Regulations. However, after careful consideration, the Board of Directors has decided not to pursue the delisting application any further. Accordingly, the Company has withdrawn/dropped the said application, and the equity shares of the Company shall continue to remain listed on BSE Limited.

Further, the Equity Shares of the Company will continue to be listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Limited.

## **22. 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.

## **23. 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.

## **24. 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.



## ANNUAL REPORT 2024-25

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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.

### 25. AUDIT COMMITTEE

The Audit Committee comprises of Four (4) members, Majority of them are Independent Directors namely; Shri O. P. Kabra Chairman, Shri A. N. Shah, Mrs. Rita Chatterjee., 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.

### 26. 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](http://www.somatextiles.com/home.php/investors/policies).

### 27. 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 Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). The salient features of Company's Nomination and Remuneration Policy is stated in the Corporate Governance Report. The Policy is available on the website of the Company viz. [www.somatextiles.com](http://www.somatextiles.com).

### 28. 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

### 29. 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.

### 30. MANAGEMENT DISCUSSION AND ANALYSIS

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

### 31. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of attached Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2025 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 31<sup>st</sup> March, 2025 and of the loss of the Company for the year ended on that day.
- (c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) that they have prepared the attached Annual Accounts on a 'going concern' basis.
- (e) that they had laid down internal financial controls to be followed by the Company and that such internal controls are adequate and were operating effectively.
- (f) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **32. STATUTORY 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 Eighty-fourth (84<sup>th</sup>) Annual General Meeting held on 31<sup>st</sup> August 2022, had appointed M/s. Pipara & Co.LLP, Chartered Accountants (ICAI Registration No. 107929W), as the Statutory Auditors of the Company, to hold office for a term of five (5) consecutive years from the conclusion of the 84<sup>th</sup> Annual General Meeting until the conclusion of the 89<sup>th</sup> Annual General Meeting of the Company.

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

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

### **33. SECRETARIAL AUDITOR**

The Board has appointed M/s. Drolia & Company, Company Secretaries, Kolkata, in practice having Certificate of Practice No. 1362, as the Secretarial Auditors of the Company for carrying out the audit of secretarial and other relevant records of the Company for a term of five years i.e. from the financial year 2025-26 upto the financial year 2029-30.

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

### **34. MANAGERIAL REMUNERATION**

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

### **35. SECRETARIAL AUDIT REPORT**

A Secretarial Audit Report given by the Secretarial Auditors for the financial year ended 31<sup>st</sup> March, 2025, in the prescribed form MR-3 is annexed herewith as Annexure to this Report and forms an integral part of this Report.

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

### **36. INDUSTRIAL RELATIONS**

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

### **37. COST AUDITORS**

Manufacturing unit of the Company at Ahmedabad was closed as per the Order of Supreme Court following the order of High Court, Gujarat. Therefore, there is no requirement to appoint Cost Auditor in terms of the applicable provisions of the Companies Act, 2013, read with the Companies (Cost Records & Audit) Amendment Rules, 2014.

### **38. DEPOSITORY SYSTEMS**

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

## ANNUAL REPORT 2024-25

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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, 2025, 32,547,305 Equity Shares are held in dematerialized form and represent 98.53% of the Company's total paid up Capital.

### 39. SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

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

Disclosure on such cases are as follows:-

- a) Number of complaints of sexual harassment received in the year 2024-25: NIL
- b) Number of complaints disposed off during the year 2024-25: NIL
- c) Number of cases pending for more than 90 days: NIL

### 40. ACCOUNTS OF THE SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

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

### 41. PARTICULARS OF EMPLOYEES

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

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

### 42. EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return in prescribed format may be accessed on the Company's website at [www.somatextiles.com](http://www.somatextiles.com).

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

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

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

### 44. RISK MANAGEMENT

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

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

### 45. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by them from an environmental, social and governance perspective is not applicable to the Company, for the financial year 2024-25 as per the SEBI Notification dated 22<sup>nd</sup> December, 2015 and Frequently Asked Questions issued by SEBI on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 29<sup>th</sup> January, 2016.

**46. CAUTIONARY STATEMENT**

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

**47. VARIATION IN VALUATION**

During the year under review, there was no instance of one-time settlement with any bank or financial institution necessitating disclosure or reporting in respect of difference in valuation done by the Company.

**48. COMPLIANCE OF SECRETARIAL STANDARDS**

The Company complies with all applicable Secretarial Standards as mandated by the Institute of Company Secretaries of India.

**49. 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;

**50. 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 : 30<sup>th</sup> May, 2025

**(S. K. SOMANY)**  
Chairman

### ANNEXURE TO THE DIRECTORS' REPORT

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

**(A) CONSERVATION OF ENERGY:**

- (i) Steps taken or impact on conservation of energy: 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

**(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: Nil

**(C) FOREIGN EXCHANGE EARNING & OUTGO**

Used ₹ Nil lacs (Previous Year ₹ NIL lacs), Earned Rs Nil lacs (Previous Year Nil).

On behalf of the Board

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2025

**(S. K. SOMANY)**  
Chairman

## 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	2024-25	2023-24	Change in %	Reason for Significant change, if any
1	Debtors Turnover	4.00	120.44	-96.68%	Due to the direction of the Gujarat High Court Dt. 23 <sup>rd</sup> September, 2021, the Ahmedabad Municipal Corporation (AMC) has disconnected water and drainage connection of the company and the decision of the High Court was upheld by Hon'ble Supreme Court of India. Hence, the operations of the company are closed with effective from 26 <sup>th</sup> November, 2021.
2	Inventory Turnover	-	-	-	
3	Interest coverage ratio	(4.41)	(0.34)	1178.35%	
4	Current ratio	71.60	1.83	3809.33%	
5	Debt Equity ratio	0.12	0.02	572.36%	
6	Operating Profit Margin (%)	(7.74)	44.68	-117.32%	
7	Net Profit Margin (%)	730.10	181.31	302.68%	
8	Return on Net Worth (%)	56.23	24.15	132.84%	

### 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.



## Form No. MR-3 SECRETARIAL AUDIT REPORT

for the financial year ended on 31<sup>st</sup> March, 2024

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

To,

The Members,

**Soma Textiles & Industries Limited,**

CIN: L51909WB1940PLC010070

2, Red Cross Place,

Kolkata – 700 001

I 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** (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 my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the M/s. Soma Textiles & Industries Limited, and also the information provided by the Company, its officers, agents and authorised representatives, I hereby report that in my opinion the Company has, during the audit period covering the financial year ended 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2025 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 (“SCRA”) and the rules made there under and the circulars, guidelines issued there under by the SEBI from time to time;
- III. Securities and Exchange Board of India (Depositories and Participants) Regulations 2018 and Bye-laws framed there under;
- IV. Foreign Exchange Management Act (FEMA), 1999 and the rules and regulations made thereunder;
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018;
  - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2021;
  - (d) The Securities and Exchange Board of India (Investor Protection and Education Fund) 2009
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with Clients
- VI. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) are not applicable, as the Company did not carry any act under the said regulations for the period under review.
  - (a) SEBI (Share based Employee Benefits and sweat equity) Regulations, 2021;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2021;
  - (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: Factories Act, 1948.
  - (a) Industrial Disputes Act, 1947.
  - (b) The Payment of Wages Act, 1936.

- (c) The payment of Gratuity Act.
- (d) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- (e) The Contract Labour (Regulations and Abolition) Act, 1970.
- (f) The Maternity Benefit Act, 1961.
- (g) Environment Protection Act 1986 and Rules there under.

**EMPLOYEE STATE INSURANCE ACT IS NOT APPLICABLE TO COMPANY DURING YEAR UNDER REVIEW**

I have also examined compliance with the following:

Secretarial Standards on meetings of Board of Directors and General Meetings (SS-1 & SS-2), issued by the Institute of Company Secretaries of India as notified from time to time.

- (a) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors including women Director. The changes in the composition of the Board of Directors, where ever applicable during the year under review were carried out in compliance with the provisions of the Act and Listing Agreement/Listing Regulations, as and when applicable.

Adequate notice has been given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, in compliance with the provisions of Section 173 of the Act and Listing Regulations during the relevant period, 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.

All decisions of the Board and Board Committee Meetings were carried out unanimously and the same was captured and recoded as part of the Minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines as also represented by the management.

During the year under review, Company redeemed all the Preference shares on 12-02-2024.

I 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) buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Foreign technical collaborations.
- (v) Merger /Amalgamation / Reconstruction etc.

During the year company redeemed all the preference shares on 12<sup>th</sup> February, 2024

**FOR PRAVIN KUMAR DROLIA**  
(Company Secretary in whole time practice)

**(Pravin Kumar Drolia)**  
Proprietor

Place: Kolkata  
Date: 22 -05-2025  
UDIN: F002366G000419970

C.P.No.:1362, FCS: 2366  
Peer view no: 1928/2022

**Note:**

This report is to be read with our letter of even date which is annexed as Annexure A.1 and forms an integral part of this report.

## Annexure-A.1

### CS PRAVIN KUMAR DROLIA

(Company Secretary in whole time practice)

Block D, 2<sup>nd</sup> floor, 13, Selimpur Road, Kolkata - 700031

Mobile: 09831196869; Email: [droliapravin12@gmail.com](mailto:droliapravin12@gmail.com)

To,

The Members,

**Soma Textiles & Industries Limited,**

(CIN: L51909WB1940PLC010070)

2, Red Cross Place,

Kolkata 700001.

My 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. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to 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 PRAVIN KUMAR DROLIA**

(Company Secretary in whole time practice)

**(Pravin Kumar Drolia)**

Proprietor

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

Peer view no: 1928/2022

Place: Kolkata

Date: 22 -05-2025

UDIN: F002366E000419970

## 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 ₹)

Sr.No	Name of Associate	SOMA TEXTILE FZC
1.	Latest audited Balance Sheet Date	31.03.2025
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	₹ 34,21,479
6.	Profit/Loss for the year	
	i. Considered in Consolidation	NA
	ii. Not Considered in Consolidation	NA

\*There is no Joint Venture with the Company.

**Note:**

- Name of associates or joint ventures which are yet to commence operations - None
- 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/-

**Shrikant Bhat**  
Chief Financial Officer (CFO)

Sd/-

**Reena Prasad**  
Company Secretary

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2025.

### 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, 2025 the Company's Board of Directors comprised of a judicious mix of Six (6) Directors consisting of Three (3) Non-Executive Independent Directors (including one woman director), One (1) Non-Executive Chairman who is a Promoter Director, and Two (2) Executive Directors of whom one is Managing Director and the other one is Whole-time Director, of this Three (3) Directors are Independent constituting half of the Boards total strength of Six (6), which is in conformity with the stipulation laid on the code of Corporate Governance recommended by Securities & Exchange Board of India (SEBI) through SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (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 Composition of the Board of Directors is as follows:-

Name of Director	Designation	Category of Directorship	No. of Directorship in other Public Companies (*)	No. of Membership/ Chairmanship on other Board Committees other than STIL (**)		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	
Shri S. K. Somany	Chairman	Promoter Non-Executive Non Independent	3	-	-	
Shri A. K. Somany	Managing Director	Promoter Executive Non 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	-	-	-	
Shri O .P. Kabra(#)	Director	Non-Executive Independent	-	-	-	
Shri A. N. Shah(#)	Director	Non-Executive Independent	-	-	-	
Mrs. Rita Chatterjee (#)	Director	Non-Executive Independent	-	-	-	

(#) Shri B K Hurkat, Independent Director of the Company completed his second and final term as an Independent Director on August 28, 2024 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on August 28, 2024.

Shri M. H. Shah, Independent Director of the Company completed his second and final term as an Independent Director on February 09, 2025 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on February 09, 2025.

Mrs. Rita Chatterjee has been appointed as an Independent Director of the Company with effect from June 10, 2024

Shri O .P. Kabra has been appointed as an Independent Director of the Company with effect from August 29, 2024.

Shri A. N. Shah has been appointed as an Independent Director of the Company with effect from February 10, 2025.

(\*) 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 seven 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 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(10) board committees nor are they Chairman of more than five(5) board committees of which they are members across all Companies in which they are Directors as per the declarations received from them.

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## 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 2024-25, Four (4) Board Meetings were held on 22nd May, 2024, 6th August, 2024, 12th November, 2024 and 7th February, 2025. The last 86th Annual General Meeting held on 7th September, 2024. 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	Yes
Shri B. K. Hurkat*	2	NA
Shri O. P Kabra	2	Yes
Shri M. H. Shah**	4	No
Shri A. N. Shah	0	NA
Mrs. Rita Chatterjee***	3	No

(\*) Shri B K Hurkat, Independent Director of the Company completed his second and final term as an Independent Director on August 28, 2024 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on August 28, 2024.

(\*\*) Shri M. H. Shah, Independent Director of the Company completed his second and final term as an Independent Director on February 09, 2025 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on February 09, 2025.

(\*\*\*) Mrs. Rita Chatterjee has been appointed as an Independent Director of the Company with effect from June 10, 2024.

## (c) Details of shares and convertible instruments held by Non-Executive Directors as on 31st March, 2025:

As on 31st March, 2025, 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, 2025.

Name of Non-Executive Director	No. of shares held	% of total share capital
Shri S. K. Somany	36,65,735	11.10



**(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](http://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](http://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:-**

Shri S. K. Somany (DIN: 00001131), Director of the Company retires by rotation at the ensuing 87th Annual General Meeting (AGM) of the Company and is eligible for re-appointment.

The brief profile of Shri S. K. Somany and his other relevant particulars are furnished in the Notice convening the 87th Annual General Meeting of the Company to be held on Friday, the 26th September, 2025.

**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;

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

The details of familiarisation programs 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](http://www.somatextiles.com/soma-pdfs/Policies/Familiarisation_Programme_for_Independent_Directors.pdf).

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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. KEY SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company comprises qualified members who bring in the required skills, expertise, and competence to allow them to make effective contribution to the Board and its Committees. The Board members are committed to ensuring that the Board is in well compliance with the highest standards of corporate governance. In terms of SEBI Listing Regulations, 2015, the Company identified the following list of core skills/expertise/competencies as is required in the context of the Company's business (es) and sector(s) for it to function effectively and those which are actually available with the Board:

Skills/Expertise/ Competencies	Details
Behavioral	Fulfilling a director's duties and responsibilities, putting the organisation's interests before personal interests, acting ethically, active contributor, collaborative, performance oriented and professional.
Financial	Qualifications and/or experience in accounting and / or finance and the ability to analyse key financial statements, Leadership of a financial firm or management of the finance function of an expertise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, auditor or person performing similar functions
Diversity	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of the Company's customers, partners, employees, governments, and other stakeholders worldwide.
Industry	Experience in the financial services sector in which the Company operates. Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities

<b>Skills/Expertise/Competencies</b>	<b>Details</b>
Technology	Significant backgrounds in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models
Strategic Expertise	Ability to understand, critically assess and review business strategies including acquisitions and other business combinations.
Board service and governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices

FURTHER, IN THE TABLE BELOW, THE SPECIFIC AREAS OF SKILLS/EXPERTISE/COMPETENCIES OF INDIVIDUAL BOARD MEMBERS HAVE BEEN HIGHLIGHTED:

Name of the Directors	Skills/Expertise/Competencies						
	Behavioral	Financial	Diversity	Industry	Technology	Strategic Expertise	Board Service and Governance
Shri S. K. Somany	✓	✓	✓	✓	✓	✓	✓
Shri A. K. Somany	✓	✓	✓	✓	✓	✓	✓
Shri S. B. Bhat	✓	✓	✓	✓	✓	✓	✓
Shri O. P. Kabra	✓	✓	✓	✓	-	✓	✓
Shri A. N. Shah	✓	✓	✓	✓	-	✓	✓
Smt. Rita Chatterjee	✓	✓	✓	✓	-	✓	✓

## 6. 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, 2025, 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, 2025, the Audit Committee consisted of Four(4) members, of this, Three(3) 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 O. P. Kabra, 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 and Internal Auditors are also invited to the Committee Meetings. The Chairman of the Audit Committee was attended the 86th AGM held on 7th September, 2024 to answer shareholders queries. Mrs. Reena Prasad, Company Secretary, acts as Secretary to the Committee.

### c) Meetings

During the financial year 2024-25, four (4) Audit Committee meetings were held on 22nd May, 2024, 6th August, 2024, 12th November, 2024 and 7th February, 2025. 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 B. K. Hurkat*	Non-Executive Independent Director	Chairman	2
Shri O. P. kabra	Non-Executive Independent Director	Chairman	2
Shri S. K. Somany	Non-Executive Director – Promoter	Member	4
Shri M. H. Shah**	Non-Executive Independent Director	Member	4
Shri A. N. Shah	Non-Executive Independent Director	Member	0
Smt. Rita Chatterjee***	Non-Executive Independent Director	Member	3

(\*) Shri B K Hurkat, Independent Director of the Company completed his second and final term as an Independent Director on August 28, 2024 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on August 28, 2024.

(\*\*) Shri M. H. Shah, Independent Director of the Company completed his second and final term as an Independent Director on February 09, 2025 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on February 09, 2025.

(\*\*\*) Mrs. Rita Chatterjee has been appointed as an Independent Director of the Company with effect from June 10, 2024.

## 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.

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 2025, the Nomination and Remuneration Committee consisted of 4 (Four) Non-Executive Directors, three of whom, including the Chairman Shri O. P. Kabra, Shri A. N. Shah and Mrs. Rita Chatterjee were Independent Non-Executive Directors and Shri S. K. Somany, was the Non-Executive Chairman & Promotor Director of the Company. Mrs. Reena Prasad, Company Secretary, acts as Secretary to the Committee. During the year under review Two (2) Nomination and Remuneration Committee Meeting were held on 22nd May, 2024 and 7th February, 2025 to review and recommend annual increments to the Whole-time Directors and appointment of Independent Directors.

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 B. K. Hurkat*	Non-Executive Independent Director	Chairman	1
Shri O. P. kabra	Non-Executive Independent Director	Chairman	1
Shri S. K. Somany	Non-Executive Director – Promoter	Member	2
Shri M. H. Shah**	Non-Executive Independent Director	Member	2
Shri A. N. Shah	Non-Executive Independent Director	Member	0
Smt. Rita Chatterjee***	Non-Executive Independent Director	Member	1

(\*) Shri B K Hurkat, Independent Director of the Company completed his second and final term as an Independent Director on August 28, 2024 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on August 28, 2024.

(\*\*) Shri M. H. Shah, Independent Director of the Company completed his second and final term as an Independent Director on February 09, 2025 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on February 09, 2025.

(\*\*\*) Mrs. Rita Chatterjee has been appointed as an Independent Director of the Company with effect from June 10, 2024.

**c) Nomination and Remuneration Policy:**

Salient Features of Nomination and Remuneration Policy:

**POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, NON-EXECUTIVE/ INDEPENDENT DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

The Board of Directors of your Company, based on the recommendation of the Nomination and Remuneration Committee, has devised a Remuneration Policy designed to attract, motivate, improve productivity and retain valuable talent, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement. The Remuneration Policy shall act as a guideline for determining, inter-alia, the qualifications, positive attributes and independence of a Director, and matters relating to the remuneration, appointment, removal and evaluation of performance of Directors, key managerial personnel, senior management and other employees. The Remuneration Policy has been uploaded on the website of your Company at: [www.somatextiles.com](http://www.somatextiles.com).

**General:**

- (1) The remuneration/ compensation/ commission etc. to the Whole-time Director, Non-Executive/ Independent Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
- (2) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/ slabs/ conditions as per the provisions of the Companies Act, 2013, and the Rules made there under.
- (3) Increments to the existing remuneration/ compensation structure linked to performance, should be clear and meet appropriate performance benchmarks and may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- (4) The Committee 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.

**Remuneration to Whole-time Director, KMP and Senior Management Personnel:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals.

**Remuneration to Non- Executive/Independent Director:**

**(1) Remuneration/Commission:**

Non-Executive Directors may receive remuneration by way of profit related commission as may be approved by the shareholders and in such other manner as may be permitted under applicable law. An Independent Director shall not be entitled to any stock option.

**(2) Sitting Fees:**

Non-executive Directors of the Company may be entitled to a sitting fee and reimbursement of expenses for participation in the Board and other meetings, as determined by the Board or the Company in accordance with the provisions of the Companies Act. Sitting fee and reimbursement of expenses for participation in the Board and other meetings will not be considered as a part of remuneration for determining the aggregate managerial remuneration being paid to Directors in accordance with this Policy.

(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	55,69,000	-	5,87,880	-	61,56,880
Shri Shrikant Bhat	25,66,300	10,25,107	2,69,484	-	38,60,891
Shri B. K. Hurkat	-	-	-	5,000	5,000
Shri O.P. Kabra				5,000	5,000
Shri M. H. Shah	-	-	-	10,000	10,000
Shri A.N.Shah	-	-	-	-	-
Smt. Rita chatterjee	-	-	-	7,500	7,500

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 commenced from 22nd January, 2023. 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 commenced from 18th January, 2025. 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 Board of Directors of the Company had, at its meeting held on 25th May, 2023, reconstituted the Stakeholders' Relationship Committee with only three (3) directors by ceasing Shri S.K Somany, Chairman of the committee and Mrs. Nisha Singh, Non-Executive Independent Director from the committee.

During the year under review, there were changes in the composition of the Board of Directors. Consequently, the composition of the Stakeholders Relationship Committee (SRC) was also reconstituted in accordance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Pursuant to provisions of section 178(5) of Companies Act, 2013 the committee is guided under Chairmanship of Shri O. P. Kabra, an Independent Director, and other members of the Committee includes Shri A. N. Shah, an Independent Director and Shri A. K. Somany, Executive Non- Independent Promoter Director. The Committee met four times during the year on 29th June, 2024, 30th September, 2024, 31st December, 2024 and 31st March, 2025. The attendance of members was as follows:

Name of Member	Category of Directorship	Status	No of Meetings attended
Shri B. K. Hurkat*	Non-Executive Independent Director	Chairman	3
Shri O. P. Kabra	Non-Executive Independent Director	Chairman	1
Shri A. K. Somany	Executive Non-Independent Promoter Director	Member	4
Shri M. H. Shah**	Non-Executive Independent Director	Member	3
Shri A. N. Shah	Non-Executive Independent Director	Member	1

(\*) Shri B K Hurkat, Independent Director of the Company completed his second and final term as an Independent Director on August 28, 2024 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on August 28, 2024.

(\*\*) Shri M. H. Shah, Independent Director of the Company completed his second and final term as an Independent Director on February 09, 2025 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on February 09, 2025.

The Company has designated the E-mail ID: [investors@somatextiles.com](mailto: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](http://www.somatextiles.com)

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.

The Board of Directors of the Company had, at its meeting held on 25th May, 2023, reconstituted the Share transfer Committee with only three (3) directors by ceasing Shri S.K Somany, Chairman of the committee and Mrs. Nisha Singh, Non-Executive Independent Director from the committee.

During the year under review, there were changes in the composition of the Board of Directors. Consequently, the composition of the Share Transfer Committee (STC) was also reconstituted in accordance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**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, 2025, the Share Transfer Committee comprised of Two (2) Non-Executive Independent Directors, of this, one Independent Director as Chairman, and One (1) Executive Non-Independent Promoter Director as members of the Committee. During the year under review, the Committee had Twelve (12) Meetings for approval of transfer of shares lodged with the Company and the attendance of members was as under:-

Name of Member	Category of Directorship	Status	No. of Meetings attended
Shri B. K. Hurkat*	Non-Executive Independent Director	Chairman	4
Shri O. P. Kabra	Non-Executive Independent Director	Chairman	8
Shri A. K. Somany	Executive Non-Independent Promoter Director	Member	12
Shri M. H. Shah**	Non-Executive Independent Director	Member	10
Shri A. N. Shah	Non-Executive Independent Director	Member	2

(\*) Shri B K Hurkat, Independent Director of the Company completed his second and final term as an Independent Director on August 28, 2024 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on August 28, 2024.

(\*\*) Shri M. H. Shah, Independent Director of the Company completed his second and final term as an Independent Director on February 09, 2025 and consequently was ceased to be the Director of the Company w.e.f. the close of business hours on February 09, 2025.

There were no valid share transfers pending for registration for more than 15 days as on 31st March, 2025.

**E) SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met on Friday, 7th February, 2025, 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.

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During the year under review, all RPTs entered by the Company were in the ordinary course of business and in respect of transactions with related parties under Section 2(76) of the Act, are at arm's length basis and were approved by the members of the Audit Committee including Independent Directors. The Company had sought the approval of shareholders through Postal Ballot dated 12th November, 2024 pursuant to Sections 110 and 108 of the Companies Act, 2013 for material RPT as per Regulation 23 of the SEBI Listing Regulations. Similarly, the Company intends seeking approval of its Members for material related party transactions for FY 2026 at its ensuing AGM to be held on September 26, 2025.

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](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
2023-24	86th	07.09.2024	11.00 A.M	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").
2022-23	85th	19.09.2023	3.00 P.M.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").
2021-22	84th	31.08.2022	3.30 P.M.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

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

In the AGM held on	Subject matter of the resolution
7th September, 2024	a) Re-appointment of Shri Shrikant Bhat as a Whole-time Director for Three (3) years from 18th January, 2025 b) Appointment of Mrs. Rita Chatterjee (DIN: 07973942), as an Independent Director c) Appointment of Shri Omprakash Laxminarayan Kabra (DIN: 10636063) as an Independent Director
19th September, 2023	a) Borrowing powers of the Board of Directors pursuant to provisions of section 180(1)(c) of the companies act, 2013 b) Sale, lease, transfer or otherwise dispose of or dealing with Company's properties or undertaking and creation of charges/ mortgage/ hypothecation on movable and immovable properties of the Company, both present and future u/s 180(1)(a) of the Companies Act, 2013
31st August, 2022	a) Re-appointment of Shri A. K. Somany (DIN:00024903), as Managing Director, being a Key Managerial Personnel b) Payment of Remuneration by way of Commission to Non-executive Directors of the Company in the event of profits (other than the Managing and Whole-time Directors)

#### B. Extra-Ordinary General Meeting – NIL

#### C. Special Resolution(s) passed through Postal Ballot -

During the e financial year 2024-2025, the Company passed the following Special Resolution by Postal Ballot:

Special Resolutions	Votes cast in favour		Votes cast against		Date of declaration of results
	No. of votes	%	No. of votes	%	
Approval of Material Related Party Transaction with Patodia Overseas Exports LLP	18,89,849	99.85	2855	0.15	28th December, 2024
Appointment of Shri Amit Nandkishore Shah (DIN: 00915449), as an Independent Director	10,38,583	99.98	245	0.02	28th March, 2025

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

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

#### **Procedure for Postal Ballot:**

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

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

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

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

#### **7. GREEN INITIATIVES DRIVE BY THE MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA**

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

#### **8. 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 Ekdin (Bengali), Kolkata.
(iii) Any Web Site, where displayed	The Company has its own website <a href="http://www.somatextiles.com">www.somatextiles.com</a> 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

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(vi) NSE Electronic Application Processing System (NEAPS)	The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance fillings, 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 fillings, 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 87th Annual General Meeting is proposed to be held on Friday, the 26th September, 2025 at 03:00 P.M.(IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

### (ii) Financial Year :

**2025-2026 (1st April to 31st March)**

First Quarterly results	Within 45 days of end of June quarter 2025
Second Quarterly Results	Within 45 days of end of September quarter 2025
Third Quarterly Results	Within 45 days of end of December quarter 2025
Audited Financial Results for the year ending 31.03.2026	Within 60 days of end of Financial Year March, 2026

### (iii) Date of Book Closure:

Tuesday, the 16th September, 2025 to Friday the 26th September, 2025 (both days inclusive).

### (iv) Dividend Payment Date:

No dividend has been declared by the Company for the financial year 2024-25.

### (v) Listing on Stock Exchanges

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

#### (a) BSE Limited (BSE)

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

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

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

NOTE:

- Listing fees have been paid to the Stock Exchanges for the year 2025-26.
- 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.
- The Company vide its application dated 31st March, 2021 applied for Voluntary Delisting of its Equity Shares from BSE Limited in terms of Regulation 6 (a) and Regulation 7 of SEBI (Delisting of Equity Shares) Regulations, 2009. However, confirmation/ approval for the same, from BSE Limited is awaited.

### (vi) Stock Code

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

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

### (vii) Registrar & Share Transfer Agent: (for Physical & Demat)

MUFG Intime India Private Limited

Unit: Soma Textiles & Industries Limited

Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083.

Phone No.: 022-49186270, E-mail: [mt.helpdesk@in.mpms.mufig.com](mailto:mt.helpdesk@in.mpms.mufig.com)

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](mailto:ahmedabad@linkintime.co.in)

**(viii) Share Transfer System**

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

**(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, 2025 is given below:

**(a) (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	15955	89.3537	1825630	5.5267
501	1000	965	5.4043	808759	2.4483
1001	2000	472	2.6434	738031	2.2342
2001	3000	153	0.8569	399748	1.2101
3001	4000	82	0.4592	296421	0.8973
4001	5000	67	0.3752	320806	0.9712
5001	10000	105	0.5880	810192	2.4527
10001	Above	57	0.3192	27833413	84.2594
<b>Total</b>		<b>17856</b>	<b>100.00</b>	<b>33033000</b>	<b>100.00</b>

**(b) Distribution of shareholding by ownership:**

Category	No. of shares held	% shares holding
Promoters	24768058	74.98
Resident Individuals	6775503	20.51
Private Corporate Bodies	1251597	3.79
Financial Institution & Banks, Govt., Insurance Companies and Mutual Funds	12344	0.04
OCBs and NRIs	62846	0.19
Foreign Institutional Investors	400	0.0
Others (LLP, Clearing Members, Trusts & HUF)	162252	0.49
<b>Total</b>	<b>33,033,000</b>	<b>100.00</b>

**(xiv) Dematerialisation of Equity Shares**

At present, 98.53% 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, 2025, 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](mailto:investors@somatextiles.com)

## 10. 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, 2025.

**(ii) Compliance**

There were no instances of non-compliance on any matter related to the 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](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 annexed herewith and forms part of this Annual Report.

**(v) Acceptance of recommendations by the Board**

During the financial year 2024-25, 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, 2025.

**(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 of 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.

**(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.

For and on behalf of the **Board of directors**

Place : Ahmedabad  
Date: 30th May, 2025

**S. K. Somany**  
Chairman

## **DECLARATION OF CODE OF CONDUCT**

The Board of Directors  
**Soma Textiles & Industries Ltd.,**  
2, Red Cross Place,  
Kolkata – 700 001

Dear Sirs,

**Sub: Compliance with Code of Conduct for Board Members and Senior Management Personnel**

I, the undersigned, Managing Director of your Company hereby affirm the compliance with the Code of Conduct for Board Members and Senior Management Personnel during the financial year ended 31st March 2025.

Thanking you,

Yours faithfully,

Place : Ahmedabad  
Date: 1st April, 2025

**Arvind Kumar Somany**  
Managing Director  
DIN : 00024903

## **CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI**

**(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

We, the undersigned in our respective capacities as Managing Director and Chief Financial Officer of Soma Textiles & Industries Limited ("Company"), to the best of our knowledge and belief, certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2025 and that to the best of their knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year 31st March, 2025 which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) we have indicated to the auditors and the Audit committee:
  - i) There are no significant changes in internal control over financial reporting during the year, as Company has good internal controls, if any in future, same will be indicated.
  - ii) There are no changes in accounting policies during the year, hence, same is not disclosed in the notes to the financial statements, and
  - iii) There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the  
**Board of directors of Soma Textiles & Industries Limited**

**A. K. Somany**  
Managing director  
Date: 27th May, 2025

**Shrikant Bhat**  
Chief Financial Officer (CFO)  
Date: 27th May, 2025

**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 – 700001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Soma Textiles & Industries Limited (**CIN: L51909WB1940PLC010070**) having registered office at 2, Red Cross Place, Kolkata–700001 (herein referred to as '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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in), as considered necessary and explanations furnished to me by the Company and its officers digitally, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2025 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 Murlidhar Somany	00001131	01/04/1949
2	Shri Arvind Kumar Surendra Kumar Somany	00024903	29/09/1988
3	Shri Shrikant Bhairaveshwar Bhat	00650380	18/01/2008
4	Mrs Rita Chatterjee	07973942	10/06/2024
5	Shri Amit Nandkishore Shah	00915449	10/02/2025
6	Shri Omprakash Laxminarayan Kabra	10636063	29/08/2024

During the year under review, upon completion of their second and final term as an Independent Directors, Mr B K Hurkat (DIN: 02005896) and Mr M H Shah (DIN: 01394920) ceased to be a Director on the Board of Directors of the Company. Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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 PRAVIN KUMAR DROLIA,**  
(Company Secretary in whole time practice)

**(Pravin Kumar Drolia).**

Proprietor

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

Peer view no: 1928/2022

UDIN: F002366G000397178

Place: Kolkata

Date: 30-05-2025

## **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE LISTING REGULATIONS**

To the Members of,  
**Soma Textiles & Industries Limited,**  
2, Red Cross Place, Kolkata 700001

I have examined the compliance of conditions of corporate governance by M/s. Soma Textiles & Industries Limited (**CIN: L51909WB1940PLC010070**) for the year ended on 31st March 2025, 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. My 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 my opinion and to the best of my information and according to the explanations given to me, I hereby certify that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations.

I 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 PRAVIN KUMAR DROLIA.**  
(Company Secretary in whole time practice)

Place: Kolkata  
Date: 30-05-2025

**(Pravin Kumar Drolia).**  
Proprietor  
C.P.No.:1362, FCS: 2366  
Peer view no: 1928/2022  
UDIN: F002366F000400051

# MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company was primarily engaged in the business of manufacturing of Cotton Yarn, Denim Fabrics, Shirlings and Garments. The Hon'ble Gujarat High Court directed to close down the operations of polluting industries in and around Ahmedabad in the state of Gujarat and the decision of the High Court was upheld by Hon'ble Supreme Court of India, due to which the Company has discontinued its core manufacturing operations.

In order to sustain the business, preserve shareholder value, and utilize existing expertise, the Company strategically engaged in trading of cotton from the month of November, 2022.

### 2. OPPORTUNITIES AND THREATS

The future for the Indian textiles industry looks promising. The Indian textile industry has vast potential for growth, buoyed by strong domestic consumption as well as export demand. Cotton trading involves large volumes and high-value transactions, requiring significant working capital and inventory management. A slowdown in the global textile industry or trade barriers.

### 3. INTERNAL CONTROL SYSTEMS

The Company has an adequate internal control system commensurate with the size of the Company.

### 4. HUMAN RESOURCES:

Employee relations continued to be cordial. Further during the year, the Company reached a compensation settlement with majority of the permanent employees of the Company through a Voluntary Retirement Scheme. The Company recognizes the key role played by the people and we would like to thank each and every member of the Soma Textiles family for their role and contribution towards the company over the years.

### 5. 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.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

**SOMA TEXTILES & INDUSTRIES LIMITED**

### Report on the Audit of Standalone Ind AS Financial Statements

#### Opinion

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, 2025, 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 on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Ind AS Financial Statements").

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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), of the state of affairs (financial position) of the Company as at 31st March 2025, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis of opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind AS Financial Statements.

#### Material Uncertainty Related to Going Concern

We draw attention to the fact that the company has stopped manufacturing operations and sold off plant and machineries and is engaged in trading activities. The company's profit of ₹ 6926.87 Lakhs during the year ended 31st March 2025 and as of date positive net worth of the company stood at ₹15783.66 Lakhs is on account of trading activities as well as exceptional items, as represented in this report under emphasis of matter paragraphs. In the opinion of the management company's assets including cash & bank balance are sufficient to meet the liabilities of the company. These conditions, along with other matter as set forth in aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as going concern. The management has assessed that the company continuous to be going concern.

Our opinion is not modified in respect of the above said matter.

#### Emphasis of Matter

We draw your attention to:

- a) We draw attention to **Note No. 30** of Standalone Ind AS Financial Statements wherein Exceptional items for the year ended 31st March, 2025 represent following components.

Sr. No.	Particulars	Year Ended 31.03.2025 (₹ In lakhs)	Remarks, if any
1.	Foreign Exchange Gain on Loan Given to Soma Textiles FZC (associate)	111.83	-
2.	Liabilities no longer required written back	4.21	
3.	Profit on sale of fixed assets	6,843.79	-
	<b>Total</b>	<b>6,959.83</b>	-



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- b) The holding company had advanced a loan to its associate company 'Soma Textiles FZC' (UAE) out of GDR proceeds, classified as Non-Current Loan. The Closing Balance of the same Loan is ₹ **3780.93/- Lakhs** for the year ended 31st March, 2025 (Previous year ₹ **5255.90/- Lakhs** for year ended 31st March, 2024).

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 draft audited Financial Statement of Soma Textiles FZC ended as at 31st March, 2025 the accumulated loss reflects at **9,65,140 (equivalent to ₹ 224.59/- Lakhs) as against the total capital of AED 9,00,000 (equivalent to ₹ 209.43/- lakhs) (Including statutory reserves).**

Our opinion is not modified in respect of the above 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 following key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Profit on sale of fixed assets The Company has made profit on sale of fixed assets aggregating to ₹ 6,843.79 Lakhs.	The following audit procedures were applied: A. Obtaining and auditing the original documents for purchase and sale of fixed assets such as original invoices, quotation and agreements. B. Audited the receipt on account of sale of fixed assets in the banking operations of the company. C. Audited the appropriateness and correctness of the accounting entries in the books of account.
2.	Foreign Exchange Gain on loan There is a Foreign exchange gain amounting to ₹ 111.83 Lakhs relating to loan given to Associate.	A. Audited original documents for the transactions during the year and at the year end like Loan Agreement, Repayment schedule and document related to exchange rate. B. Audited the receipt on account of principal of loan and its interest in the banking operations of the company. C. Audited the appropriateness and correctness of the accounting entries in the books of account.

### Information other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the Consolidated Ind AS Financial Statements, 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.

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.

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

The Company's and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in

accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and is free from material misstatement, whether due to fraud or error. The Standalone Ind AS Financial Statements are the responsibility of the Company's Management. The accompanying Standalone Ind AS Financial Statements pertain to the period where the Board of Directors holds the responsibility for the financial transactions and to whom any significant exceptions/ adjustments in the statements are solely attributable under the audit. The Audited Standalone Ind AS Financial Statements for the year ended 31st March, 2025 have been prepared by the Management of the Company and have been approved by the Company's Board of Directors.

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 the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 financial 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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

The company has filed application for voluntary delisting of its shares in terms of Regulation 6(a) and Regulation 7 of SEBI (Delisting of Equity Shares) Regulations, 2009, however approval is pending from BSE's. However, the Equity Shares of the company will continue to be listed on National Stock Exchange of India Limited.

Our conclusion is not modified in respect of the above matters.

## 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, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 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) With respect to the other matters to be included in the Auditor's Report accordance with the requirements of section 197(16) of the Act, as amended:

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 39);
    - 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 require to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. There was no proposal of Dividend (Interim or Final) during the Current Financial year as well as during the previous Financial Year.
  - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the period ended 31st March, 25 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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, Pipara & Co. LLP**  
CHARTERED ACCOUNTANTS  
F.R.N. No.: 107929W/W100219

Date: 30th May, 2025  
Place: Ahmedabad

**Suresh Gandhi**  
PARTNER  
M. No.: 046284  
UDIN: 25046284BNQMFG2171

# ANNUAL REPORT 2024-25

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## **Annexure - A to the Independent Auditor's Report of even date on the Financial Statements of SOMA TEXTILES & INDUSTRIES LIMITED, on Standalone IND AS Financial Statements for the year ended 31st March 2025.**

### **Report on Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of Companies Act, 2013:**

We have Audited the Internal Financial Controls over Financial reporting of SOMA TEXTILES & INDUSTRIES LIMITED, as on March 31, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

### **Auditor's Responsibility:**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by Institute of Chartered Accountants of India 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 Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements 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 of our audit opinion on the Company's Internal financial Control System over Financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting:**

A Company's internal financial controls over financial reporting is process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements of external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Controls over Financial Reporting includes those policies and procedures that (1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditure 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 Controls Over Financial reporting:**

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

**Opinion:**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on Internal Control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Pipara & Co. LLP**  
CHARTERED ACCOUNTANTS  
F.R.N. No.: 107929W/W100219

Date: 30th May, 2025  
Place: Ahmedabad

**Suresh Gandhi**  
PARTNER  
M. No.: 046284  
UDIN: 25046284BNQMFG2171

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### ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SOMA TEXTILES & INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2025

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Soma Textiles & Industries Limited of even date)

#### ANNEXURE B

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Ind AS Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

**i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:**

- a)
    - The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
    - The Company has maintained proper records showing full particulars of intangible assets.
  - b) The management has informed that Property, Plant and Equipment have been physically verified by them at reasonable intervals wherein as per their representation no material discrepancies were noticed on such physical verification when compared with the books of accounts.
  - c) According to information and explanation given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - d) According to information and explanation given to us, no proceedings have been initiated during the year or are pending against the company as at 31st March, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988(45 of 1988) and rules made there under.
- ii. a) The Company does not have any inventory (i.e. goods) which requires physical verification. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.
- b) As per the information and explanations given to us and books of accounts and records examined by us, no working capital limits from banks or financial institutions on the basis of security of current assets has been sanctioned. Therefore, the provision of clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. a) The Company has made investments in companies, firms, Limited Liability Partnerships, and granted unsecured Loans to other parties in respect of which:

**Name of Borrower: Soma Textiles FZC**  
**Nature of Loan Granted: Unsecured Loan**  
**Rate of Interest: NIL (Interest Free Loan)**

Particulars	Amount (₹)
Amount outstanding as on 01.04.2024	52,55,89,733
Interest Income during the year*	54,08,008
Amount granted During the year	NIL
Amount received during the year	16,40,87,675
Foreign Exchange Gain	1,11,82,523
Amount Outstanding As on 31.03.2025	37,80,92,589

\*Interest Income During the year is "Interest Income recognized by the company due to the adjustment of Ind AS- 109 "Financial Instrument" for bringing down the Loans and Advances to Amortized cost. However, there is no actual receipt of interest.

- b) There are no terms and conditions set out by the company as on date for the loan provided to Soma Textile FZC. Since there are no other external lenders to the company, investments made by company may not be prejudicial to the company's interest.



- c) As there is no stipulation of repayment of loan by the Associate, we are unable to report on regularity of receipt or repayment of principal.
- d) As there are no set terms and conditions for the repayment or stipulations thereof, overdue amounts in respect of the loan granted to the Associate cannot be ascertained.
- e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or Extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) Company has granted following loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

**Name of Borrower: Soma Textiles FZC**  
**Nature of relation: Associate Company**

Sr. No.	Particulars	Amount
1.	Aggregate amount outstanding of loan granted to Soma Textiles FZC as on 31.03.2025	37,80,92,589
2.	Aggregate amount outstanding of total loans granted as on 31.03.2025	37,80,92,589
3.	Percentage of aggregate amount outstanding for loan granted to Soma Textiles FZC as on 31.03.2025 to the aggregate amount outstanding for total loans granted as on 31.03.2025.	100%

- iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made, guarantees and securities provided, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits (or amount which are deemed to be deposits) from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
- vi. In our opinion company is not required to keep cost record under section 148 of the companies Act, 2013.
- vii. In respect of statutory dues:
  - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, 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, 2025 for a period of more than six months from the date they became payable.
  - b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2025 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount involved (₹ In lakhs)	Amount paid/ Adjusted	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	24.85	-	2002-03	The Dy. Commissioner of C. Excise, Div-III, Ahmedabad
		1.59	-	2004-05	The Dy. Commissioner of C. Excise, Div-I, Ahmedabad.
		0.98	-	2005-06	The Commissioner of C. Excise, (Appeals) Ahmedabad
		5.81	-	2012-13	CESTAT, West Zone Ahmedabad (Appeal)
Gujarat sales tax Act	Sales Tax (VAT)	6.17	-	1997-98, 1998-99, 2000-01	Gujarat Value Added Tax Tribunal.
		21.66	-	2006-07	Gujarat Value Added Tax Tribunal.

## ANNUAL REPORT 2024-25

Name of the Statute	Nature of Dues	Amount involved (₹ In lakhs)	Amount paid/ Adjusted	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	143.25	143.25	2008-09	Commissioner of Income Tax (Appeal)
		1.00	1.00	2008-09	Commissioner of Income Tax (Appeal)
		138.91	78.47	2009-10	Commissioner of Income Tax (Appeal)
		391.25	-	2010-11	Commissioner of Income Tax (Appeal)
		111.30	-	2011-12	Commissioner of Income Tax (Appeal)
		26.57	-	2013-14	Commissioner of Income Tax (Appeal)
		855.52	-	2017-18	Deputy Commissioner of Income Tax
		219.94	-	2018-19	Commissioner of Income Tax (Appeal)
		13.51	-	2019-20	Deputy Commissioner of Income Tax
		340.18	-	2020-21	Commissioner of Income Tax (Appeal)
		92.37	-	2021-22	Commissioner of Income Tax (Appeal)
Employees Provident Fund	P.F	140.11	26.23	09/2012 to 02/2017	ASST. PF Commissioner Ahmedabad.

- viii. As per our audit procedure performed and information and explanation given to us there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) 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 other borrowings or in the payment of interest there on to any lender during the year.
- b) The company is not declared willful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us and on the basis of the books and records examined by us, the company has not taken any term loan during the year. Outstanding term loan at the beginning of the year were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and on the basis of the books and records examined by us, the company has not raised funds on short-term basis during the year and there were no amount outstanding of short term loan at the beginning of the year. Hence reporting under clause 3(ix) (d) of the order is not applicable.
- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The company has not raised loans during the year on the pledge of securities held in associate companies.
- x. a) 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 and hence reporting under clause 3(x) (a) of the Order is not applicable.
- b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x) (b) of the Order is not applicable.

- xi. a) Based on the information and explanations given to us by the management, no material fraud has been noticed or reported by the company or on the company during the year.
- b) Owing to (xi)(a), report under sub-section (12) of section 143 of the Companies Act is not required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to information and explanation given to us. No whistle-blower complaint was received by the company during the year.
- xii. The Company is not a Nidhi Company. hence reporting under clause (xii) of the Order is not applicable.
- xiii. The Company has entered into transactions with related parties in compliance with sections 177 and 188 of the Companies Act 2013. The details of such related party transactions have been disclosed in the financial statements (as per note 37) as required under INDAS 24, Related Party Disclosures specified under section 133 of the Companies Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the Company during the year end till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The company has not incurred cash losses in current financial year and has not incurred cash losses in immediately preceding financial year.
- xviii. There has been no resignation of statutory auditors during the year.
- xix. The Company has earned profit of ₹ 6,926.87 lakhs during the year ended 31st March, 2025 and as of date positive net worth of the Company stood at ₹ 15,783.66 lakhs. However management of the company, on the basis of the fair value of assets and expected dates of realization of financial assets and payment of financial liabilities, expects that company's assets are sufficient to meet its liabilities and based on our knowledge of the Board of Directors and Management plans and our examination of the evidence supporting the assumptions and explanations of management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The company is not required to spend any amount towards Corporate social Responsibility (CSR) and thus there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) or to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under Clause (xx) of the order is not applicable to the company.
- xxi. The list of subsidiaries, joint ventures, associates to be consolidated are as under:

Name of the company	Nature of the Company	Details of qualifications/adverse comments in CARO
Soma Textiles FZC	Associate Company	Not applicable

**For, Pipara & Co. LLP**  
**CHARTERED ACCOUNTANTS**  
**F.R.N. No.: 107929W/W100219**

**Suresh Gandhi**  
**PARTNER**

Date: 30th May, 2025  
Place: Ahmedabad

**M. No.: 046284**  
**UDIN: 25046284BNQMFG2171**

# ANNUAL REPORT 2024-25

## Standalone Balance Sheet as at 31<sup>st</sup> March, 2025

		(₹ in lakhs)	
Particulars	Note	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipments	3	503.66	309.60
(b) Intangible assets	4	7.28	7.43
(c) Financial assets			
(i) Investments	5	259.52	173.69
(ii) Loan	6	3,780.93	5,255.90
(iii) Other financial assets	7	69.29	69.43
(d) Deferred tax assets (net)	8	1,030.24	931.53
Income tax assets (net)	9	488.94	429.60
(e) Other non-current assets	10	-	50.00
<b>Total non-current assets</b>		<b>6,139.84</b>	<b>7,227.17</b>
<b>2 Current assets</b>			
(a) Inventories			
(b) Financial assets			
(i) Investments	11	9,063.83	2,306.17
(ii) Trade receivables	12	302.36	171.80
(iii) Cash and cash equivalents	13(a)	182.01	1,197.34
(iv) Bank balance other than (iii) above	13(b)	266.00	-
(v) Other financial assets	14	2.21	2.68
(c) Other current assets	15	112.07	115.92
(d) Assets classified as held for sale		103.91	128.96
<b>Total current assets</b>		<b>10,032.40</b>	<b>3,922.87</b>
<b>Total Assets</b>		<b>16,172.24</b>	<b>11,150.04</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	3,322.75	3,322.75
(b) Other equity	17	12,460.91	5,529.97
<b>Total equity</b>		<b>15,783.66</b>	<b>8,852.72</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	223.54	131.71
(ii) Lease liabilities		4.45	4.40
(b) Long-term provisions	19	20.47	19.33
<b>Total non-current liabilities</b>		<b>248.46</b>	<b>155.45</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	62.92	26.29
(ii) Trade payables	21		
- total outstanding dues of micro enterprise and small enterprise		-	-
- total outstanding dues of creditors other than micro enterprise and small enterprise		9.32	17.59
(b) Other current liabilities	22	42.39	2,072.16
(c) Short-term provisions	23	25.49	25.84
<b>Total current liabilities</b>		<b>140.13</b>	<b>2,141.87</b>
<b>Total liabilities</b>		<b>388.58</b>	<b>2,297.32</b>
<b>Total equity and liabilities</b>		<b>16,172.24</b>	<b>11,150.04</b>

The accompanying notes 1 to 46 are an integral part of these standalone financial statements

As per our report of even date attached

**For PIPARA & CO. LLP**

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107929W/W100219)

**For and on behalf of the Board**

**SURESH GANDHI**

PARTNER

Membership No. 046284

Place : Ahmedabad

Date : 30th May, 2025

**S. K. SOMANY**

Chairman

**A. K. SOMANY**

Managing Director

**SHRIKANT BHAT**

Chief Financial Officer

**REENA PRASAD**

Company Secretary

**Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2025**

(₹ in lakhs)

Particulars		Note	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
I.	Revenue from Operations	24	<b>948.75</b>	572.68
II.	Other income	25	<b>505.61</b>	592.52
III.	<b>Total Income (I + II)</b>		<b>1,454.36</b>	1,165.20
IV.	<b>Expenses:</b>			
	Cost of materials consumed		---	---
	Purchases of Stock-in-Trade	26	<b>932.60</b>	570.97
	Changes in inventories of finished goods and work-in-progress		---	---
	Employee benefits expense	27	<b>149.49</b>	143.74
	Finance costs	28	<b>16.66</b>	50.66
	Depreciation	3 & 4	<b>41.58</b>	32.16
	Other expenses	29	<b>445.70</b>	194.62
	<b>Total expenses</b>		<b>1,586.03</b>	992.15
V.	<b>Profit/(Loss) before Exceptional Item and Tax</b>		<b>(131.66)</b>	173.05
VI.	Exceptional items	30	<b>6,959.83</b>	2,238.32
VII.	<b>Profit/(Loss) before tax</b>		<b>6,828.17</b>	2,411.37
VIII.	Tax expense:			
	Deferred tax		<b>98.70</b>	(302.15)
	Tax in respect of earlier years		---	---
IX.	<b>Profit/(Loss) for the period</b>		<b>6,926.87</b>	2,109.23
	<b>Other Comprehensive Income</b>			
	<b>A. Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods:</b>			
	Re-measurement gains/(losses) on defined benefit plans		<b>4.07</b>	3.40
	<b>Total other comprehensive income for the year</b>		<b>4.07</b>	3.40
	<b>Total comprehensive income for the year</b>		<b>6,930.94</b>	2,112.63
X.	<b>Earnings per equity share:</b>	40		
	(1) Basic		<b>20.98</b>	6.40
	(2) Diluted		<b>20.98</b>	6.40

The accompanying notes 1 to 46 are an integral part of these standalone financial statements

As per our report of even date attached

**For PIPARA & CO. LLP**

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107929W/W100219)

**SURESH GANDHI**

PARTNER

Membership No. 046284

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2025

**For and on behalf of the Board**
**S. K. SOMANY**

Chairman

**A. K. SOMANY**

Managing Director

**SHRIKANT BHAT**

Chief Financial Officer

**REENA PRASAD**

Company Secretary

# ANNUAL REPORT 2024-25

## Standalone Statement of Cash Flow for the year ended 31<sup>st</sup> March, 2025

		(₹ in lakhs)	
Particulars	As at		As at
	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024	
<b>A Cash flow from operating activities</b>			
Profit/(Loss) before exceptional items & tax	(131.66)	173.05	
Adjustment for:			
- Depreciation	41.58	32.16	
- Profit on Sale of Current Investments	(103.48)	(6.03)	
- (Profit) / loss on sale of fixed assets (net)	(6,843.79)	(2,148.30)	
- Interest (Net)	(61.08)	(769.75)	
- Other comprehensive income	4.07	3.40	
	(6,962.70)	(2,888.52)	
Operating profit/(Loss) before working capital changes	(7,094.36)	(2,715.47)	
Adjustment for :			
- Trade receivables	(130.56)	16.65	
- Other receivables	1,707.32	664.30	
- Trade payables	(8.92)	471.80	
- Other current liabilities	(2,029.77)	1,917.34	
	(461.93)	3,070.09	
Cash generated from operations	(7,556.29)	354.62	
- Direct Taxes paid	-	-	
	-	-	
<b>Cash flow before prior period items, exceptional items &amp; extraordinary items</b>	(7,556.29)	354.62	
- Exceptional items	6,959.83	2,238.32	
<b>Net Cash flow from operating activities</b>	(596.46)	2,592.94	
<b>B Cash flow from investing activities :</b>			
- Purchase of fixed assets	(275.15)	(234.67)	
- Sale of fixed assets	6,883.44	2,321.61	
- Net off Sales & Purchase of Current investments	(6,740.01)	(2,274.82)	
- Interest received	77.88	541.57	
<b>Net cash from investing activities</b>	(53.83)	353.69	
<b>C Cash flow from financing activities :</b>			
- Total proceeds from borrowings (net of repayments)	(349.84)	(791.02)	
- Interest paid	(15.20)	(50.66)	
- Redemption of Preference Share	-	(975.00)	
<b>Net cash from financing activities</b>	(365.04)	(1,816.68)	
Net increase in cash and cash equivalents (A+B+C)	(1,015.34)	1,129.95	
Cash and cash equivalent as on 01.04.2024 (opening balance)	1,197.34	67.39	
Cash and cash equivalent as on 31.03.2025 (closing balance)	182.01	1,197.34	
Cash and cash equivalent comprise of:			
a) Balances with banks [Refer note 13a]			
In current accounts	56.50	416.54	
In deposit accounts (maturity less than 3 months at inception)	125.00	780.00	
b) Cash on hand [Refer note 13a]	0.51	0.80	
<b>Total</b>	<b>182.01</b>	<b>1,197.34</b>	

The accompanying notes 1 to 46 are an integral part of these standalone financial statements

**Note:** The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

As per our report of even date attached

**For PIPARA & CO. LLP**

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107929W/W100219)

**SURESH GANDHI**

PARTNER

Membership No. 046284

Place : Ahmedabad

Date : 30th May, 2025

**For and on behalf of the Board**

**S. K. SOMANY**

Chairman

**A. K. SOMANY**

Managing Director

**SHRIKANT BHAT**

Chief Financial Officer

**REENA PRASAD**

Company Secretary

## Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2025

### A. Equity Share Capital

(₹ in lakhs)			
Particulars	Note	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Balance as at the beginning of the year</b>	16	3,303.30	3,303.30
Changes in equity share capital due to prior period errors		-	-
<b>Restated balance at the beginning of the year</b>		3,303.30	3,303.30
Changes in equity share capital during the year		-	-
<b>Balance as at the end of the year</b>	16	3,303.30	3,303.30

### B. Other Equity

(₹ in lakhs)						
Particulars	Equity component of compound financial instruments	Reserves and Surplus				Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	-	77.57	8,713.65	18.58	(5,392.45)	3,417.35
Changes in accounting policy or prior period item	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	77.57	8,713.65	18.58	(5,392.45)	3,417.35
Profit/(loss) for the year	-	-	-	-	2,109.23	2,109.23
Other Comprehensive Income for the year						
- Remeasurement of net defined benefit plans	-	-	-	-	3.40	3.40
<b>Total Comprehensive Income for the year</b>	-	-	-	-	2,112.63	2,112.63
<b>Balance as at 31<sup>st</sup> March, 2024</b>	-	77.57	8,713.65	18.58	(3,279.83)	5,529.97
Changes in accounting policy or prior period item	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	77.57	8,713.65	18.58	(3,279.83)	5,529.97
Profit/(loss) for the year	-	-	-	-	6,926.87	6,926.87
Redemption of Preference Share	-					-
Other Comprehensive Income for the year						
- Remeasurement of net defined benefit plans	-	-	-	-	4.07	4.07
<b>Total Comprehensive Income for the year</b>	-	-	-	-	6,930.94	6,930.94
<b>Balance as at 31<sup>st</sup> March, 2025</b>	-	77.57	8,713.65	18.58	3,651.11	12,460.91

The accompanying notes 1 to 46 are an integral part of these standalone financial statements

As per our report of even date attached

**For PIPARA & CO. LLP**

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107929W/W100219)

**SURESH GANDHI**

PARTNER

Membership No. 046284

Place : Ahmedabad

Date : 30th May, 2025

**For and on behalf of the Board**

**S. K. SOMANY**

Chairman

**A. K. SOMANY**

Managing Director

**SHRIKANT BHAT**

Chief Financial Officer

**REENA PRASAD**

Company Secretary



# ANNUAL REPORT 2024-25

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## Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2025

### 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. The Company is currently engaged in Trading of Cotton. The address of its registered office is 2, Red Cross Place, Kolkata, West Bengal - 700001.

### 2 MATERIAL 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 Rupees (₹) which is the Company's functional and presentation currency.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in lakhs (upto two decimals), except share data and as otherwise stated as per the requirement of Schedule III of the Companies Act, 2013.

The financial statements were approved by the Board of Directors on 30th May, 2025.

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 to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements". 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 from the sale of the Company is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

- a) The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer.
- b) Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

#### **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 atleast at each financial year end and adjusted prospectively.

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

Capital Subsidy under TUFS from Ministry of Textiles on specified processing machinery has been deducted from the respective Fixed Assets and is represented at their Net off values.

#### **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.

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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
  - (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 purchases (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.

**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 Non-current Assets held for sale:**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at their carrying amount as current market valuation is not available. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

## **2.19 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.

## **2.20 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.

## **2.21 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 judgments, 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 judgments, 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.

### 2.22 Recent Accounting Developments:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**3 Property, Plant and Equipments**

(₹ in lakhs)

Particulars	Land		Building		Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
	Free hold	Lease hold	Free hold	Lease hold					
<b>Gross Block</b>									
<b>Balance as at 1<sup>st</sup> April, 2023</b>	<b>20.78</b>	<b>144.89</b>	<b>31.46</b>	<b>9.31</b>	<b>230.88</b>	<b>0.00</b>	<b>255.06</b>	<b>14.91</b>	<b>3,613.09</b>
Additions	-	-	-	-	-	19.00	212.68	2.99	234.67
Disposals	0.38	15.93	2.47	-	230.76	-	77.20	0.25	326.99
Transfer to assets held for sale (Refer Note below)	-	128.96	-	-	-	-	-	-	128.96
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>20.40</b>	<b>0.00</b>	<b>28.99</b>	<b>9.31</b>	<b>0.13</b>	<b>19.00</b>	<b>390.54</b>	<b>17.64</b>	<b>3,391.80</b>
Additions	-	-	67.66	-	-	-	205.37	2.12	275.15
Disposals	-	-	27.07	-	0.13	-	175.75	-	202.94
Transfer to assets held for sale (Refer Note below)	-	-	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>20.40</b>	<b>0.00</b>	<b>69.58</b>	<b>9.31</b>	<b>0.00</b>	<b>19.00</b>	<b>420.16</b>	<b>19.76</b>	<b>558.21</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1<sup>st</sup> April, 2023</b>	-	-	13.51	2.42	217.38	0.00	181.73	11.98	2,510.29
Additions	-	-	0.66	0.15	0.07	0.26	29.86	1.02	32.01
Disposals	-	-	0.66	-	217.33	-	64.41	0.24	282.63
Transfer to assets held for sale (Refer Note below)	-	-	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2024</b>	-	-	<b>13.52</b>	<b>2.57</b>	<b>0.13</b>	<b>0.26</b>	<b>147.18</b>	<b>12.76</b>	<b>2,259.67</b>
Additions	-	-	0.92	0.15	-	1.80	37.49	1.07	41.44
Disposals	-	-	12.56	-	0.12	-	150.61	-	163.29
Transfer to assets held for sale (Refer Note below)	-	-	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2025</b>	-	-	<b>1.88</b>	<b>2.72</b>	<b>0.01</b>	<b>2.06</b>	<b>34.06</b>	<b>13.84</b>	<b>54.56</b>
<b>Net Block</b>									
<b>Balance as at 1<sup>st</sup> April, 2023</b>	<b>20.78</b>	<b>144.89</b>	<b>17.95</b>	<b>6.89</b>	<b>13.50</b>	<b>-0.00</b>	<b>73.33</b>	<b>2.92</b>	<b>1,102.79</b>
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>20.40</b>	<b>0.00</b>	<b>15.47</b>	<b>6.74</b>	<b>0.00</b>	<b>18.74</b>	<b>243.36</b>	<b>4.88</b>	<b>309.60</b>
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>20.40</b>	<b>0.00</b>	<b>67.70</b>	<b>6.59</b>	<b>-0.01</b>	<b>16.94</b>	<b>386.10</b>	<b>5.93</b>	<b>503.66</b>

**Note:** Net block of ₹ Nil (As at 31<sup>st</sup> March, 2024 - ₹ 128.96) is transferred to assets held for sale.

**4 Intangible Assets**

(₹ in lakhs)

Particulars	Computer Software
<b>Gross Block</b>	
<b>Balance as at 1<sup>st</sup> April, 2023</b>	<b>150.33</b>
Additions	-
Disposals	-
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>150.33</b>
Additions	-
Disposals	-
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>150.33</b>
<b>Accumulated Depreciation</b>	
<b>Balance as at 1<sup>st</sup> April, 2023</b>	<b>142.76</b>
Additions	0.15
Disposals	-
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>142.90</b>
Additions	0.15
Disposals	-
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>143.05</b>
<b>Net Block</b>	
<b>Balance as at 1<sup>st</sup> April, 2023</b>	<b>7.57</b>
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>7.43</b>
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>7.28</b>



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5	Financial Assets	(₹ in lakhs)	
	Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
	<b>Non-current Investment</b>		
	Investment in NCD	-	173.68
	Nil (31 <sup>st</sup> March, 2024: 100) units in Samasta Micro Finance Ltd.		
	<b>Investment in Bond</b>		
	200 (31 <sup>st</sup> March, 2024: Nil) Bonds of Edelcap Securities Limited-Leap Awe PP	200.00	-
	<b>Investment in equity shares of others</b>		
	<b>Unquoted equity shares</b>		
	300 Equity Share of AED 1000 each of Soma Textile FZC.	34.21	34.21
	Less: Provision for Diminution in the value Investment	(34.21)	(34.21)
	<b>Investment in equity shares of others</b>		
	<b>Unquoted equity shares</b>		
	(5 Shares of ₹ 100/- each in Poonam Apt. Association )	0.01	0.01
	3500 Shares of ₹ 1700.33/- each in Textool Mercantile Pvt Ltd	59.51	-
	<b>Total non-current investments</b>	<b>259.52</b>	<b>173.69</b>

6	Loan	(₹ in lakhs)	
	Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
	<b>Loan to Associate</b>		
	Soma Textiles FZC Loan Account (Refer note 33.3.1)	3,780.93	5,255.90
	<b>Note: Disclosures Pursuant To Regulation 34(3) and 53(f) of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 186 Of the Companies Act, 2013</b>		
	Balance as at the beginning of the year	5,255.90	6,083.89
	Loan given	-	-
	Loan repaid (Refer note 6.4)	1,474.97	828.00
	Balance as at the end of the year	3,780.93	5,255.90
	Maximum amount outstanding at any time during the year	5,255.90	6,083.89
	<b>Total loan</b>	<b>3,780.93</b>	<b>5,255.90</b>

**Note :**

6.1	Break-up of security details	(₹ in lakhs)	
	Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
	Loan considered good - secured	-	-
	Loan considered good - unsecured	3,780.93	5,255.90
	Loan which have significant increase in credit risk	-	-
	Loan - credit impaired	-	-
	<b>Total</b>	<b>3,780.93</b>	<b>5,255.90</b>
	Loss allowance	-	-
	<b>Total loan</b>	<b>3,780.93</b>	<b>5,255.90</b>

**6 Loan (Contd..)**
**6.2 Loans and advances in the nature of Loans to Promoters, Directors, KMPs & the related parties (as defined under the Companies Act, 2013):**

(₹ in lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	3,780.93	100%
<b>Total loan</b>	<b>3,780.93</b>	<b>100%</b>

6.3 The above loan has been given for business purpose.

6.4 During the year ended 31st March, 2025, the company has recognised a Foreign Exchange fluctuation gain/(loss) of ₹ 111.83 Lakhs (Previous year ₹ 87.37 Lakhs) and interest on fair value adjustment as per Ind AS 113 is ₹ 54.08 Lakhs (Previous year ₹ 202.73 Lakhs) with respect to loan given to Soma Textiles FZC. Actual repayment of loan during the year ₹ 1640.88 Lakhs (Previous year ₹ 1118.10 Lakhs). So, net repayment of loan during the year ₹ 1583.13 Lakhs (Previous year ₹ 1233.46 Lakhs)

**7 Other financial assets**

(₹ in lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest Accrued	1.07	1.22
Security Deposits	67.82	67.81
Bank deposits with original maturity of more than twelve months	0.40	0.40
<b>Total other financial assets</b>	<b>69.29</b>	<b>69.43</b>

Note:

7.1 The management has assessed that carrying value of the investments to the fair value.

7.2 The Company out of the GDR issue proceeds had made an investment of USD 1,79,00,054 in 2006-07, out of which USD 1,34,72,787 has been repaid by Soma Textiles FZC till 31st March, 2025 leading balance of USD 44,27,267 as on 31st March, 2025 which is equivalent to ₹ 3780.93 Lakhs (Previous Year ₹ 5255.90 Lakhs) , by way of long term loan and also invested in the Equity Share capital i.e 300 equity shares equivalent to ₹ 34.21 Lakhs (Previous Year ₹ 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, 2025	As at 31st March, 2024
<b>Deferred Tax Assets</b>		
Unabsorbed Business losses and depreciation	946.32	866.18
Defined benefit obligations	11.57	11.37
Deferred Tax Liabilities	27.72	-
<b>Related to Fixed Assets</b>	<b>(44.63)</b>	<b>(53.98)</b>
<b>Total deferred tax assets (net)</b>	<b>1,030.24</b>	<b>931.53</b>

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9 Income tax assets (net)		(₹ in lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
Income Tax Receivable	488.94	429.60	
<b>Total income tax assets (net)</b>	<b>488.94</b>	<b>429.60</b>	
10 Other non-current assets		(₹ in lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
Advance to Suppliers	50.00	50.00	
Less: Allowance for doubtful debts	(50.00)		
<b>Total other non-current assets</b>	<b>-</b>	<b>50.00</b>	
11 Current Investment		(₹ in lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
<b>Current Investment</b>			
<b>Investment in Mutual Fund</b>			
Quoted			
29,998.50 (31 <sup>st</sup> March, 2024: Nil) units in ASK Absolute Return Fund	307.55	-	
2,99,985.00 (31 <sup>st</sup> March, 2024: Nil) units in Alpha Alternatives Msar LLP Fund	304.37	-	
5,62,723.14 (31 <sup>st</sup> March, 2024: Nil) units in Bajaj Finserv Flexi Cap Fund Regular Growth	73.11	-	
11,32,481.14 (31 <sup>st</sup> March, 2024: 9,63,837.11) units in Edelweiss Arbitrage Fund - Regular Plan Growth	216.11	171.34	
Nil (31 <sup>st</sup> March, 2024: 884.30) units in Edelweiss Liquid Fund - Regular Plan Growth	-	27.07	
1,31,370.09 (31 <sup>st</sup> March, 2024: Nil) units in Edelweiss Mid Cap Fund Regular Growth	118.03	-	
4,82,198.45 (31 <sup>st</sup> March, 2024: Nil) units in Franklin India Multi Cap Fund Regular Growth	18.43	-	
14,386.37 (31 <sup>st</sup> March, 2024: Nil) units in Franklin India Opportunities Fund Growth	32.67	-	
13,82,443.94 (31 <sup>st</sup> March, 2024: Nil) units in HDFC Arbitrage Fund WP Growth	416.96	-	
2,92,082.48 (31 <sup>st</sup> March, 2024: Nil) units in HDFC Asset Allocator FoF Regular Growth	50.40	-	
9,122.82 (31 <sup>st</sup> March, 2024: Nil) units in HDFC Low Duration Fund Growth	5.16	-	
2,82,403.73 (31 <sup>st</sup> March, 2024: Nil) units in HDFC Multi Cap Fund Regular Growth	48.46	-	
18,564.24 (31 <sup>st</sup> March, 2024: Nil) units in HSBC Low Duration Fund Regular Growth	5.16	-	
2,87,355.42 (31 <sup>st</sup> March, 2024: Nil) units in HSBC Multi Cap Fund Regular Growth	48.07	-	
2,43,194.63 (31 <sup>st</sup> March, 2024: Nil) units in ICICI Pru Asset Allocator Fund (FOF) Growth	276.35	-	
1,67,083.21 (31 <sup>st</sup> March, 2024: Nil) units in ICICI Pru Business Cycle Fund Regular Growth	37.26	-	
3,01,835.40 (31 <sup>st</sup> March, 2024: Nil) units in ICICI Pru Energy Opp Fund Regular Growth	28.25	-	
1,85,272.21 (31 <sup>st</sup> March, 2024: Nil) units in ICICI Pru Focused Equity Fund Regular Growth	154.79	-	

11 Current Investment (Contd..)		(₹ in lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
26,943.01 (31st March, 2024: Nil) units in ICICI Pru Multi Asset Fund Growth	193.93	-	
1,99,990.00 (31st March, 2024: Nil) units in ICICI Pru Rural Opp Fund Regular Growth	20.16	-	
1,861.30 (31st March, 2024: Nil) units in ICICI Pru Ultra Short Term Fund Regular Growth	0.51	-	
8,72,942.97 (31st March, 2024: 15,13,714.14) units in ICICI Prudential Equity Arbitrage Fund - Growth	294.68	475.99	
2,89,026.13 (31st March, 2024: Nil) units in ICICI Prudential India Opportunities Fund Growth	95.64	-	
Nil (31st March, 2024: 21,215.36) units in ICICI Prudential Liquid Fund - Growth	-	75.18	
26,236.00 (31st March, 2024: Nil) units in Kotak Bluechip Fund Growth	139.16	-	
32,96,901.51 (31st March, 2024: 7,21,397.22) units in Kotak Equity Arbitrage Fund - Growth - Regular Plan	1,299.52	247.47	
48,471.93 (31st March, 2024: Nil) units in Kotak Equity Opportunities Fund Growth	150.74	-	
Nil (31st March, 2024: 807.73) units in Kotak Liquid Fund Regular Plan Growth	-	39.09	
7,81,002.33 (31st March, 2024: Nil) units in Kotak Multi Asset Allocation Fund Regular Growth	267.14	-	
2,80,698.81 (31st March, 2024: Nil) units in Kotak Multicap Fund Growth	226.56	-	
12,277.09 (31st March, 2024: Nil) units in Kotak Savings Fund Growth	5.17	-	
12,57,564.05 (31st March, 2024: Nil) units in Kotak Equity Savings Regular Growth	313.24	-	
4,00,596.27 (31st March, 2024: Nil) units in Kotak Special Opportunities Fund Regular Growth	34.74	-	
7,80,557.06 (31st March, 2024: Nil) units in Mirae Asset Balanced Advantage Fund Regular Growth	104.27	-	
3,80,015.97 (31st March, 2024: Nil) units in Mirae Asset Mid Cap Fund Regular Growth	119.08	-	
47,96,100.99 (31st March, 2024: 9,99,950.00) units in Mirae Asset Multi Asset Allocation Fund Regular Growth	521.61	101.75	
8,54,886.43 (31st March, 2024: Nil) units in Mirae Asset Nifty 200 Alpha 30 E T F FoF Regular Growth	66.91	-	
14,84,078.68 (31st March, 2024: 9,36,440.45) units in Nippon India Arbitrage Fund - Growth Plan	387.95	228.45	
98,288.02 (31st March, 2024: Nil) units in Nippon India Balanced Advantage Fund Growth	165.18	-	
1,68,237.60 (31st March, 2024: Nil) units in Nippon India Large Cap Fund Growth	140.42	-	
Nil (31st March, 2024: 617.56) units in Nippon India Liquid Fund - Growth Plan - Growth Option	-	36.09	
5,21,641.89 (31st March, 2024: Nil) units in Nippon India Multi-Asset Allocation Fund Regular Growth	104.16	-	
75,151.35 (31st March, 2024: Nil) units in Nippon India Multi Cap Fund Growth	202.33	-	
91.20 (31st March, 2024: Nil) units in Nippon India Ultra Short Duration Fund Growth	3.61	-	
22,67,463.07 (31st March, 2024: 22,16,171.09) units in Parag Parikh Arbitrage Regular Plan Growth	250.34	228.31	
1,55,054.00 (31st March, 2024: Nil) units in Parag Parikh Flexi Cap Fund Regular Growth	122.31	-	

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11 Current Investment (Contd..)		(₹ in lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
Nil (31 <sup>st</sup> March, 2024: 2,704.67) units in Parag Parikh Liquid Fund Regular Plan Growth	-	36.08	
1,33,043.07 (31 <sup>st</sup> March, 2024: Nil) units in Quant Flexi Cap Fund Growth	121.29	-	
4,59,547.92 (31 <sup>st</sup> March, 2024: Nil) units in Quant Large Cap Fund Regular Growth	63.04	-	
1,89,962.31 (31 <sup>st</sup> March, 2024: 11,03,328.08) units in Quant Liquid Fund Regular Plan-Growth	77.22	418.92	
6,83,287.02 (31 <sup>st</sup> March, 2024: 6,14,259.62) units in SBI Arbitrage Opportunities Fund - Regular Plan - Growth	227.23	190.35	
9,86,929.76 (31 <sup>st</sup> March, 2024: Nil) units in SBI Balanced Advantage Fund Regular Growth	144.78	-	
12,499.55 (31 <sup>st</sup> March, 2024: Nil) units in SBI Contra Fund Regular Growth	44.81	-	
23,126.83 (31 <sup>st</sup> March, 2024: Nil) units in SBI Large & Midcap Fund Regular Growth	132.11	-	
Nil (31 <sup>st</sup> March, 2024: 802.88) units in SBI Liquid Fund Regular Growth	-	30.07	
5,91,203.17 (31 <sup>st</sup> March, 2024: Nil) units in Tata Arbitrage Fund Regular Growth	83.56	-	
7,78,565.39 (31 <sup>st</sup> March, 2024: Nil) units in Tata Balanced Advantage Fund Growth	152.52	-	
6,79,354.90 (31 <sup>st</sup> March, 2024: Nil) units in Tata Business Cycle Fund Regular Growth	118.78	-	
2,49,987.50 (31 <sup>st</sup> March, 2024: Nil) units in Tata India Innovation Fund Regular Growth	22.34	-	
18,34,599.68 (31 <sup>st</sup> March, 2024: Nil) units in WhiteOak Capital Balanced Advantage Fund Regular Growth	246.97	-	
19,40,555.53 (31 <sup>st</sup> March, 2024: Nil) units in WhiteOak Capital Multi Asset Allocation Fund Regular Growth	258.17	-	
Investment in Share			
10 (31 <sup>st</sup> March, 2024: Nil) of Siemens Limited	0.53	-	
<b>Total current investments</b>	<b>9,063.83</b>	<b>2,306.17</b>	
12 Trade receivables		(₹ in lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
Unsecured, considered good (Refer note 33.3.2 & 36)	302.36	171.80	
Doubtful	25.92	18.46	
Less: Allowance for doubtful debts	(25.92)	(18.46)	
<b>Total trade receivables</b>	<b>302.36</b>	<b>171.80</b>	
13 (a) Cash and cash equivalents		(₹ in lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
<b>Cash and cash equivalents</b>			
Balances with Banks	56.50	416.54	
Cash on hand	0.51	0.80	
	<b>57.01</b>	<b>417.34</b>	
<b>Other Bank Balances:</b>			
Bank Deposits with original maturity of less than three months	125.00	780.00	
<b>Total cash and cash equivalents</b>	<b>182.01</b>	<b>1,197.34</b>	

<b>13</b>	<b>(b) other bank balance</b>	<b>(₹ in lakhs)</b>	
	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
	Deposits with original maturity of more than three months but less than twelve months	<b>266.00</b>	-
	<b>Total other bank balance</b>	<b>266.00</b>	-
<b>14</b>	<b>Other financial assets</b>	<b>(₹ in lakhs)</b>	
	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
	Advances recoverable in cash or in kind or for value to be received	<b>2.21</b>	2.68
	<b>Total other financial assets</b>	<b>2.21</b>	2.68
<b>15</b>	<b>Other current assets</b>	<b>(₹ in lakhs)</b>	
	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
	Advance to Suppliers	-	2.21
	Duties, Claims & Other Receivables	<b>112.07</b>	113.71
	<b>Total other current assets</b>	<b>112.07</b>	115.92
<b>16</b>	<b>Equity share capital</b>	<b>(₹ in lakhs)</b>	
	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
	<b>Authorised</b>		
	5,00,00,000 (Previous year 5,00,00,000) Equity Shares of ₹ 10 each	<b>5,000.00</b>	5,000.00
	<b>Issued</b>		
	3,34,18,300 (Previous year 3,34,18,300) Equity Shares of ₹10 each	<b>3,341.83</b>	3,341.83
	<b>Subscribed &amp; Paid up</b>		
	3,30,33,000 (Previous year 3,30,33,000) Equity Shares of ₹10 each	<b>3,303.30</b>	3,303.30
	<b>Add:</b>		
	<b>Subscribed and not paid up</b>		
	3,85,300 (previous year 3,85,300) equity shares of ₹ 10 each partly paid up ₹ 5 each forfeited in the year 1996-97*	<b>19.45</b>	19.45
	<b>Total</b>	<b>3,322.75</b>	3,322.75
<b>16.1</b>	<b>Reconciliation of the number of shares outstanding as at the beginning and at the end of the year is set out below:-</b>		
	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
	Shares at the beginning of the Year	<b>3,30,33,000</b>	3,30,33,000
	Add: Shares issued during the year	-	-
	Less: Shares bought back during the year	-	-
	Shares at the end of the Year	<b>3,30,33,000</b>	3,30,33,000

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

Name of Shareholder	As at 31 <sup>st</sup> March, 2025		As at 31 <sup>st</sup> March, 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Sarvopari Investment Private Limited	1,65,12,996	49.99	1,65,12,996	49.99
Surendra Kumar Somany	36,65,735	11.10	36,65,735	11.10
Arvind Kumar Somany	23,28,217	7.05	23,28,217	7.05

## 16.3 Shares Held By Promoters At The End Of Year

Name of Shareholder	As at 31 <sup>st</sup> March, 2025		As at 31 <sup>st</sup> March, 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Promoters</b>				
Surendra Kumar Somany	36,65,735	11.10	36,65,735	11.10
Surendra Kumar Somany Karta for Surendra Kumar Somany HUF	14,02,579	4.25	14,02,579	4.25
Arvind Kumar Somany	23,28,217	7.05	23,28,217	7.05
Arvind Kumar Somany Karta for Arvind Kumar Somany HUF	1,26,631	0.38	1,26,631	0.38
Prasann Arvindkumar Somany	7,31,900	2.22	-	-
<b>Total</b>	<b>82,55,062</b>	<b>24.99</b>	<b>75,23,162</b>	<b>22.78</b>
<b>Promoters group</b>				
Sarvopari Investment Private Limited	1,65,12,996	49.99	1,65,12,996	49.99
<b>Total</b>	<b>1,65,12,996</b>	<b>49.99</b>	<b>1,65,12,996</b>	<b>49.99</b>
<b>Grand Total</b>	<b>2,47,68,058</b>	<b>74.98</b>	<b>2,40,36,158</b>	<b>72.77</b>

### 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 shareholder 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 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>a. Capital Reserves (Other than Capital Contribution)</b>		
As per last Balance Sheet	77.57	77.57
<b>b. Equity Component of Compound Financial Instruments - Preference Share capital</b>		
As per last Balance Sheet	-	-
<b>c. Securities Premium Account</b>		
As per last Balance Sheet	8,713.65	8,713.65
<b>d. General Reserve</b>		
As per last Balance Sheet	18.58	18.58
<b>e. Retained Earnings</b>		
As per last Balance Sheet	3651.11	(3,279.83)
As per last Balance Sheet	(3279.82)	(5,392.45)
Adjustment of Ind AS	-	-
Profit/(Loss) for the period	6930.94	2,112.63
<b>Closing Balance</b>	<b>3651.11</b>	<b>(3,279.83)</b>
<b>Total</b>	<b>12460.91</b>	<b>5,529.97</b>

**Nature & purpose of Reserve:**
**a) Capital Reserves (Other than Capital Contribution)**

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

**b) Equity Component of Compound Financial Instruments**

Equity Component of Compound Financial Instruments represent residual amount after deducting liability component from the fair value of the compound financial instrument.

**c) 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.

**d) 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 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Secured Borrowings</b>		
<b>(a) From Banks</b>		
Bank of India (Refer note 18.1)	<b>103.00</b>	131.71
Kotak Mahindra Prime Ltd (Refer note 18.2)	<b>24.03</b>	-
Bank of Maharashtra (Refer note 18.3)	<b>96.50</b>	-
<b>Total non-current borrowings</b>	<b>223.54</b>	131.71

18.1 Sr. No.	Name of the Lender	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	Details of Borrowing
1	<b>Bank of India - Vehicle Loan</b>	<b>103.00</b>	131.71	Sanctioned: ₹ 158 Lakhs Interest : 8.85% Tenure: 60 Months Security: Hypothecation of respective Vehicle (1 Car)
2	<b>Kotak Mahindra Prime Ltd - Vehicle Loan</b>	<b>24.03</b>	-	Sanctioned: ₹ 31.34 Lakhs Interest : 9.31% Tenure: 60 Months Security: Hypothecation of respective Vehicle (1 Car)
3	<b>Bank of Maharashtra - Vehicle Loan</b>	<b>96.50</b>	-	Sanctioned: ₹ 131.01 Lakhs Interest : 8.90% Tenure: 48 Months Security: Hypothecation of respective Vehicle (1 Car)



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## 18.2 Preference Share:

### a) Details of Preference Share:

#### 0.01% Non -convertible Cumulative Redeemable Preference Shares (NCRPS)

	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Shares at the beginning of the Year	-	9,75,000
Add: Shares issued during the year	-	-
Less: Shares Redeemed during the year	-	9,75,000
Preference Shares at the end of the Year	-	0

## 19 Long-term provisions (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Provision for employee benefits</b>		
Gratuity	18.47	17.23
Leave Benefits	2.01	2.10
<b>Total long-term provisions</b>	<b>20.47</b>	<b>19.33</b>

## 20 Borrowings (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Current maturities of long-term debt	62.92	26.29
<b>Total borrowings</b>	<b>62.92</b>	<b>26.29</b>

## 21 Trade Payables (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Trade Payables (Refer note 35)		
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	9.32	17.59
<b>Total trade payables</b>	<b>9.32</b>	<b>17.59</b>

## 22 Other current liabilities (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Interest accrued and due on borrowings (Refer note 18.1)	1.45	-
Earnest money against Land Development	-	-
Statutory dues	5.22	6.21
Outstanding Liabilities	4.53	7.81

<b>Particulars</b>		<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
Advances received for sale of Right to Use Assets		-	2,000.00
Advances received for sale of Commercial Units		13.91	28.98
Advance from Customers		-	11.90
Other payables		17.28	17.25
Employee Benefits Payable (Bonus)		-	-
<b>Total other current liabilities</b>		<b>42.39</b>	<b>2,072.16</b>
<b>23</b>	<b>Short-term provisions</b>	<b>(₹ in lakhs)</b>	
<b>Particulars</b>		<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
<b>Provision for employee benefits</b>			
Leave with wages		4.35	4.39
Gratuity Provision		21.15	21.45
<b>Total short-term provisions</b>		<b>25.49</b>	<b>25.84</b>
<b>24</b>	<b>Revenue from Operations</b>	<b>(₹ in lakhs)</b>	
<b>Particulars</b>		<b>Year ended 31<sup>st</sup> March, 2025</b>	<b>Year ended 31<sup>st</sup> March, 2024</b>
a) Sale of products		948.75	572.68
<b>Total revenue</b>		<b>948.75</b>	<b>572.68</b>
<b>Detail of sales of Products:</b>		<b>(₹ in lakhs)</b>	
<b>Particulars</b>		<b>Year ended 31<sup>st</sup> March, 2025</b>	<b>Year ended 31<sup>st</sup> March, 2024</b>
Cotton & Cotton Yarn		948.75	572.68
<b>Total</b>		<b>948.75</b>	<b>572.68</b>
<b>25</b>	<b>Other income</b>	<b>(₹ in lakhs)</b>	
<b>Particulars</b>		<b>Year ended 31<sup>st</sup> March, 2025</b>	<b>Year ended 31<sup>st</sup> March, 2024</b>
Rent		14.76	14.76
Profit on Fair Value of Investment		304.88	20.61
Profit on Sale of Investment		103.48	6.03
Miscellaneous Receipts		4.75	8.33
Interest Income		77.73	542.78
<b>Total other income</b>		<b>505.61</b>	<b>592.52</b>
<b>26</b>	<b>Purchases of Stock-In-Trade</b>	<b>(₹ in lakhs)</b>	
<b>Particulars</b>		<b>Year ended 31<sup>st</sup> March, 2025</b>	<b>Year ended 31<sup>st</sup> March, 2024</b>
Cotton		932.60	570.97
<b>Total</b>		<b>932.60</b>	<b>570.97</b>
<b>27</b>	<b>Employee Benefits Expenses</b>	<b>(₹ in lakhs)</b>	
<b>Particulars</b>		<b>Year ended 31<sup>st</sup> March, 2025</b>	<b>Year ended 31<sup>st</sup> March, 2024</b>
Salaries and Wages		137.56	131.39
Contribution to Provident and Other Funds		11.48	11.66
Staff Welfare Expenses		0.45	0.70
<b>Total</b>		<b>149.49</b>	<b>143.74</b>

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28	Finance cost	(₹ in lakhs)	
	Particulars	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
	Interest expense	16.03	50.32
	Other borrowing costs	0.63	0.34
	<b>Total</b>	<b>16.66</b>	<b>50.66</b>

29	Other expenses	(₹ in lakhs)	
	Particulars	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
	<b>Other expenses:</b>		
	Power and Fuel	3.50	5.54
	Repairs to Machinery	-	-
	Rent	2.90	3.64
	Insurance	0.80	2.84
	Rates and Taxes	8.95	33.52
	Repairs to Building	0.64	0.48
	Repairs to Others	5.80	6.69
	Remuneration to Auditors (Refer note 29.1)	5.80	13.23
	Miscellaneous expenses	417.31	128.69
	<b>Total</b>	<b>445.70</b>	<b>194.62</b>

29.1	Remuneration to the auditors (excluding GST)	(₹ in lakhs)	
	Particulars	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
	- As Auditor	3.55	3.55
	- For Taxation Matters	2.25	9.68
	- For Reimbursement of expenses	-	-
	<b>Total</b>	<b>5.80</b>	<b>13.23</b>

30	Exceptional items represent:	(₹ in lakhs)	
	Particulars	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
	Foreign Exchange fluctuation on loan - Soma Textile FZC	111.83	87.37
	Allowance for Obsolete Inventory	-	0.00
	Investment written off Provision	-	0.00
	Liabilities no longer required written back	4.21	2.66
	Profit on Assignment of Lease Right of Land	-	-
	Profit on Sale of Buildings	-	-
	Profit on Sale of Fixed Assets	6,843.79	2,148.30
	Secured Term Loan Balance not repayable	-	-
	Term Loan Interest Liability no longer required written off	-	-
	<b>Total</b>	<b>6,959.83</b>	<b>2238.32</b>

### 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 :

		(₹ in lakhs)	
Particulars		Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
i)	Contribution to Employees' Provident Fund	9.66	9.67
ii)	Contribution to Pension Fund	0.60	0.63
iii)	Contribution to Labour Welfare Fund	0.45	0.65
iv)	EDLI Charges	-	0.05
v)	Administration Charges of Provident Fund	0.45	0.45
<b>Total</b>		<b>11.16</b>	<b>11.45</b>

**(2) Defined Benefit Plans:**

The Defined Benefit Plan is as below:

**Gratuity (unfunded)**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognised in the same manner as gratuity.

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.

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The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31<sup>st</sup> March, 2024 by an independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

### A. Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations are as follows. (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
1. Discount rate	6.55%	7.15%
2. Salary escalation	3.00%	5.00%
3. Rate of Employee Turnover	age 25 & below = 5% age 25-35 = 4% age 35-45 = 3% age 45-55 = 2% age 55 & above = 1%	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 (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table

### B. Expenses recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2025	For the year ended 31 <sup>st</sup> March, 2024
Service cost:		
Current service cost	0.24	0.23
Past service cost	-	-
Net Interest cost	2.00	1.92
<b>Components of defined benefit costs recognised in the 'Employee benefits expenses' in the Statement of Profit and Loss</b>	<b>2.24</b>	<b>2.15</b>

### Net Interest Cost recognised in Statement of Profit and Loss:

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2025	For the year ended 31 <sup>st</sup> March, 2024
Interest Cost	2.00	1.92
(Interest Income)	-	-
<b>Net interest cost recognised in Statement of Profit and Loss</b>	<b>2.00</b>	<b>1.92</b>

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

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2025	For the year ended 31 <sup>st</sup> March, 2024
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	(0.25)	0.00
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(0.12)	0.04
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	(0.93)	(0.96)
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(1.30)</b>	<b>(0.92)</b>

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

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Present Value of Defined Benefit Obligation as at the end of the year	39.61	38.67
Fair Value of plan assets	-	-
<b>Net (asset) /liability recognised in the Balance Sheet</b>	<b>39.61</b>	<b>38.67</b>
<b>Recognised under:</b>	<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
Long term (asset) / provision (Refer note 19)	18.47	17.23
Short term (asset) / provision (Refer note 23)	21.15	21.45
<b>Total</b>	<b>39.61</b>	<b>38.67</b>

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

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Opening defined benefit obligation	38.67	37.44
Current Service Cost	0.24	0.23
Interest cost	2.00	1.92
Past Service Cost	-	-
Remeasurement (gains)/losses	(1.30)	(0.92)
Benefits Paid	0.00	0.00
<b>Closing defined benefit obligation</b>	<b>39.61</b>	<b>38.67</b>

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

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
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
<b>Closing fair value of plan assets</b>	<b>NIL</b>	<b>NIL</b>

**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 <sup>st</sup> March, 2025	Estimated for the year ended 31 <sup>st</sup> March, 2024
1 <sup>st</sup> Following Year	21.15	21.45
2 <sup>nd</sup> Following Year	0.51	0.74
3 <sup>rd</sup> Following Year	19.09	0.74
4 <sup>th</sup> Following Year	0.11	18.34
5 <sup>th</sup> Following Year	0.08	0.17
Sum of Years 6 to 10	0.42	0.59
<b>Total expected payments</b>	<b>41.35</b>	<b>42.03</b>

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## H. Sensitivity Analysis

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

	(₹ in lakhs)	
<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>	<b>As at 31<sup>st</sup> March, 2025</b>	<b>As at 31<sup>st</sup> March, 2024</b>
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	39.26	38.28
Impact of -0.5% Change in Rate of Discounting	39.98	39.08
Impact of +0.5% Change in Rate of Salary Increase	39.75	38.80
Impact of -0.5% Change in Rate of Salary Increase	39.49	38.55
Impact of +0.5% Change in Rate of Employee Turnover	39.64	38.72
Impact of -0.5% Change in Rate of Employee Turnover	39.58	38.62

## I. Other Disclosures

- a) The average outstanding term of obligations (years) as at valuation date is 1.56 years.

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

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

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2025</b>	<b>Year ended 31<sup>st</sup> March, 2024</b>
<b>Current Tax:</b>		
Current Tax (MAT)	-	-
Tax Refund / reversal pertaining to earlier years	-	-
	-	-
<b>Deferred Tax:</b>		
Deferred Tax	98.70	(302.15)
Tax Refund / reversal pertaining to earlier years	-	-
	98.70	(302.15)
<b>Total Tax expenses</b>	<b>98.70</b>	<b>(302.15)</b>

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

<b>Particulars</b>	<b>For the Year ended 31<sup>st</sup> March, 2025</b>	<b>For the Year ended 31<sup>st</sup> March, 2024</b>
<b>Profit before Tax (i)</b>	<b>6828.17</b>	<b>2411.37</b>
Corporate tax rate as per Income Tax Act, 1961 (ii)	25.17%	25.17%
<b>Tax on Accounting profit (iii) = (i) * (ii)</b>	<b>-</b>	<b>-</b>
Tax difference on account of:		
(A) Deferred tax Adjustment but no Current tax during the year	98.70	(302.15)
(B) Tax Refund / reversal pertaining to earlier years	-	-
<b>Total effect of tax adjustments</b>	<b>98.70</b>	<b>(302.15)</b>
<b>Tax expense recognised during the year</b>	<b>98.70</b>	<b>(302.15)</b>

(c) **Movement in Deferred tax balances:** (₹ in lakhs)

Particulars	For the Year ended Make: 31 <sup>st</sup> March, 2025			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets / (liabilities)</b>				
Property, Plant and Equipment	53.98	(9.35)	-	44.63
Defined benefit obligations	11.37	0.20	-	11.57
Carry forward Tax Loss	866.18	80.14	-	946.32
Provision for Bad Debts	-	27.72	-	27.72
<b>Net Tax Asset (Liabilities)</b>	<b>931.53</b>	<b>98.70</b>	-	<b>1,030.24</b>

(₹ in lakhs)

Particulars	For the Year ended Make: 31 <sup>st</sup> March, 2024			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets / (liabilities)</b>				
Property, Plant and Equipment	60.02	(6.04)	-	53.98
Defined benefit obligations	11.02	0.34	-	11.37
Carry forward Tax Loss	1,162.63	(296.45)	-	866.18
<b>Net Tax Asset (Liabilities)</b>	<b>1,233.68</b>	<b>(302.15)</b>	-	<b>931.53</b>

**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.

**33.2 Categories of financial instruments**

The following table provides categorisation of all financial instruments at carrying value. (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Financial assets</b>		
(a) Measured at fair value through profit or loss (FVTPL)		
(i) Mutual Fund Investments	9,063.83	2,306.17
(ii) Investments in Share	0.53	-
(iii) Investments in NCD	-	173.68
(iv) Investments in Bond	200.00	-
(b) Measured at amortised cost		
(i) Cash and cash equivalent	182.01	1,197.34
(ii) Bank balance other than (a) above	266.00	-
(iii) Trade receivables	302.36	171.80
(iv) Loans	3,780.93	5,255.90
(v) Other financial assets	71.50	72.11



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Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
(c) Measured at FVTOCI		
(i) Investments in equity instruments	59.52	0.01
<b>Total Financial Assets</b>		
<b>Financial liabilities</b>	<b>13,926.14</b>	<b>9,177.00</b>
Measured at fair value through profit or loss (FVTPL)		
(a) Measured at amortised cost		
(i) Borrowings	290.91	136.12
(ii) Trade payables	9.32	17.59
<b>Total Financial Liabilities</b>	<b>300.23</b>	<b>153.71</b>

### 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, 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	(₹ in lakhs)			
		As at 31 <sup>st</sup> March, 2025		As at 31 <sup>st</sup> March, 2024	
		Hedged	Unhedged	Hedged	Unhedged
FCNR based loan to associate	USD *	-	44,27,267	-	63,72,597
	INR	-	3,780.93	-	5,255.90

\* - Denotes amounts in full figures.

##### A.1 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 funds 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.

### C.1 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, 2025 would have increased/decreased by ₹ 90.64 lakhs (2022-23: increase/decrease by ₹ 23.06 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 consist 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)	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024
0 - 6 months past due	328.28	190.26
More than 6 months past due	-	-
<b>Total Trade receivables</b>	<b>328.28</b>	<b>190.26</b>

Reconciliation of allowance for doubtful debts on Trade Receivables (₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024
<b>Balance as at beginning of the year</b>	<b>18.46</b>	<b>18.46</b>
Allowance for doubtful debts based on Expected Credit Loss (ECL)	-	-
<b>Balance at end of the year</b>	<b>18.46</b>	<b>18.46</b>

#### B. Other Financial Assets

The Company maintains exposure in cash and cash equivalents, time deposits with banks, investments in mutual funds and Non Convertible Debentures. 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.

### 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.

	Weighted average effective interest rate (%)	Upto 1 year	1-5 years	5+years	Total
<b>31<sup>st</sup> March, 2025</b>					
Borrowings	8.88%	62.92	227.98	-	290.91
Trade Payables	-	9.32	-	-	9.32
<b>Total</b>		<b>72.25</b>	<b>227.98</b>	<b>-</b>	<b>300.23</b>

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	Weighted average effective interest rate (%)	Upto 1 year	1-5 years	5+years	Total
31 <sup>st</sup> March, 2024					
Borrowings	8.85%	26.29	136.12	-	162.40
Trade Payables	-	17.59	-	-	17.59
<b>Total</b>		<b>43.88</b>	<b>136.12</b>	<b>-</b>	<b>179.99</b>

### 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)
	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024		
Investments in Mutual funds at FVTPL	<b>9,063.83</b>	2,306.17	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	<b>0.00</b>	173.68	Level 1	Fair value of investments in Non Convertible Debentures is based on market value.
Investments in Bond	<b>200.00</b>	-	Level 1	Fair value of investments in Bond is based on market value.
Investments in Share	<b>0.53</b>	-	Level 1	Fair value of investments in Share is based on market value.

### 34 Financial Ratios

Sr. No.	Particulars	Numerator	Denominator	Ratios		Variance (%)	Change in ratio in excess of 25% compared to preceding year
				For the year ended			
				31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024		
1	Current Ratio (in times)	Current Assets	Current Liabilities	71.60	1.83	3809%	Due to the direction of the Gujarat High Court Dt. 23rd September, 2021, the Ahmedabad Municipal Corporation (AMC) has disconnected water and drainage connection of the company and the decision of the High Court was upheld by Hon'ble Supreme Court of India. Hence, the operations of the company are closed with effective from 26.11.2021.

2	Debt-Equity Ratio (in times)	Total Borrowings (i.e. Non-current borrowings + Current borrowings)	Total Equity	0.02	0.02	2%	
3	Debt Service Coverage Ratio (in times)	Profit before tax + Depreciation and amortisation expenses + interest on term loans	Interest on term loans + scheduled principal repayments of term loans during the year	0.22	(0.34)	-164%	
4	Return on Equity Ratio (%)	Net profit after tax	Average Network	56.23	25.77	118%	
5	Inventory Turnover (no. of days)	Average Inventory	(Fuel Cost + Consumption of Stores & Spares)	#	#	-	
6	Debtors Turnover (no. of days)	Average Trade Receivables * No of days in the reporting year	Revenue from operations	91.46	115.12	-21%	
7	Payables Turnover (no. of days)	Average Trade payables * No of days in the reporting year	Cost of goods sold	5.28	13.79	-62%	
8	Net Capital Turnover (in times)	Revenue from operations	Working capital	0.10	0.32	-70%	
9	Net Profit Margin (%)	Net profit for the year	Total Income	476.56	181.31	163%	
10	Return on Capital Employed (%)	Profit before tax plus Interest on long term loans	Net worth + Total borrowings + Deferred Tax	(0.77)	2.76	-128%	
11	Return on Investment (%)	Profit generated on sale of investment	Cost of investment	(0.56)	10.29	-105%	Decrease in return on investment from Mutual funds are on account of fluctuation in market yields.

# The company does not have any inventory during the year ended on 31st March, 2025 and 31st March, 2024.

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### 35 Trade Payables Ageing Schedule

#### (i) Current trade payables:

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less then 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>Undisputed dues</b>							
- MSME	-	-	-	-	-	-	-
- Others	4.10	-	5.23	-	-	-	9.32
<b>Disputed dues</b>							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>4.10</b>	<b>-</b>	<b>5.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.32</b>

Particulars	As at 31 <sup>st</sup> March, 2024						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less then 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>Undisputed dues</b>							
- MSME	-	-	-	-	-	-	-
- Others	6.46	-	11.14	-	-	-	17.59
<b>Disputed dues</b>							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>6.46</b>	<b>-</b>	<b>11.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.59</b>

### 36 Trade Receivables Ageing Schedule

#### (i) Current trade receivables:

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025						
	Outstanding for following periods from due date of payment						
	Not due	Less then 6 months	6 months to 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>Undisputed dues</b>							
- Considered good	-	302.36	-	-	-	-	302.36
- Considered doubtful	-	-	-	-	-	-	-
<b>Disputed dues</b>							
- Considered good	-	-	-	-	-	7.46	7.46
- Considered doubtful	-	-	-	-	-	18.46	18.46
<b>Total</b>	<b>-</b>	<b>302.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.92</b>	<b>328.28</b>

Particulars	As at 31 <sup>st</sup> March, 2024						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months to 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>Undisputed dues</b>							
- Considered good	-	164.34	-	-	-	-	164.34
- Considered doubtful	-	-	-	-	-	-	-
<b>Disputed dues</b>							
- Considered good	-	-	-	-	-	7.46	7.46
- Considered doubtful	-	-	-	-	-	18.46	18.46
<b>Total</b>	-	<b>164.34</b>	-	-	-	<b>25.92</b>	<b>190.26</b>

### 37 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.  
Kechak Credit & Finvest Pvt. Ltd.  
Sarvopari Investments Pvt. Ltd.  
Shree Prakash Textile (Gujarat) Pvt. Ltd.  
Patodia Overseas Exports LLP
- 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 & Chief Financial Officer
- 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)	
	2025	2024	2025	2024	2025	2024
Sales	-	-	-	-	834.06	-
Purchase	-	-	-	-	18.48	-
Rent Paid	-	-	-	-	1.32	1.44
Water & Electricity Charges	-	-	-	-	0.66	0.72
Repair & Maintenance	-	-	-	-	0.24	0.00
Rates & Taxes	-	-	-	-	1.58	1.58
Remuneration	-	-	100.18	95.26	-	-
Sitting Fee	-	-	0.10	0.10	-	-
Repayment of Loan	-	-	-	-	-	(450.00)
Interest on loan	-	-	-	-	-	18.70
Redemption of Non -convertible Cumulative Redeemable Preference Shares(NCRPS)	-	-	-	50.00	-	925.00
<b>Balance outstanding at date of Balance sheet :</b>						
- payable	-	-	-	-	-	-
- receivable	3,780.93	5,255.90				

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- a) No amount has been written off or written back during the year ended 31<sup>st</sup> March, 2025 (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.

### 38 Disclosure of Contingent liabilities and commitments (to the extent not provided for) (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2023
<b>(i) Contingent Liabilities</b>		
<b>Litigation</b>		
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	113.88	113.88
Claims against the Company not Acknowledged as debts	49.34	83.50
Disputed Income Tax demand	2,425.55	1,901.25
<b>Total</b>	<b>2,649.84</b>	<b>2,159.70</b>

- 39 The company is mainly engaged in trading in cotton & cotton yarn and has identified 'Textile' Business as its only reportable primary business segment as per Ind AS 108 "Indian Accounting Standard on Operating Segments". Accordingly, no separate segment information has been provided.

### 40 Disclosure pursuant to Indian Accounting Standard (Ind AS) - 33 : Earnings Per Share (₹ in lakhs)

Particulars		Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
Profit/(Loss) after Tax (₹ in lakhs)	A	6,930.94	2,112.63
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 Earnings /(loss) per share (in ₹)	D = A/B	20.98	6.40

- 41 Exceptional items for the year ended 31<sup>st</sup> March, 2025 represent foreign exchange fluctuation on advance to Soma Textiles FZC (Overseas associate company) in earlier years, Profit on Sale of Assets & Balance Written off for Receivables and Payables.

### 42 Other statutory information

- i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

- v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
  - vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
  - vii) The Company is not declared wilful defaulter by and bank or financial institutions or lender during the year.
  - viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - ix) The Company does not have borrowings from banks/financial institutions on the basis of security of current assets during the year ended 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024.
  - x) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
  - xi) The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024.
  - xii) The Company has not entered into any scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 which has an accounting impact during the year ended 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024.
  - xiii) The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since there is no average profit in the last 3 years calculated as per the provisions of the Act.
- 43** 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 31<sup>st</sup> March, 2024. Accordingly, no disclosure is required to be made under said act.
- 44** Company has entered into a Registered Development Agreement on 20th November, 2012, with Shayona Land Corporation for development of Part Leasehold Land owned by Company, by putting up construction of commercial units on the said land situated at Rakhial (sim), Taluka City, in the Registration District , Ahmedabad and Sub District, Ahmedabad No. 7 (Odhav), bearing final Plot No.80, admeasuring about 10648 square yards equivalent to 8903 square meters of town planning scheme No.10 (Rakhial).
- 45** The Code on Social Security, 2020('Code') relating to employee benefits during employment and post - employment benefits received Indian Parliament approval and Presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 46** The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year.

As per our report of even date attached

**For PIPARA & CO. LLP**

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107929W/W100219)

**SURESH GANDHI**

PARTNER

Membership No. 046284

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2025

**For and on behalf of the Board**

**S. K. SOMANY**

Chairman

**A. K. SOMANY**

Managing Director

**SHRIKANT BHAT**

Chief Financial Officer

**REENA PRASAD**

Company Secretary



**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF SOMA TEXTILES & INDUSTRIES LIMITED****Report on the Audit of the Consolidated 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 (the Company and its associate together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at **31st March 2025**, 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 (hereinafter referred to as the "Consolidated Ind AS Financial Statements").

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 (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 consolidated state of affairs (consolidated financial position) of the Company (including its associate) as at 31st March 2025, and its consolidated profit (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 of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 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 the fact that the company has stopped manufacturing operations and sold off plant and machineries and is engaged in trading activities. The company's profit of Rs. 6926.87 Lakhs during the year ended 31st March 2025 and as of date positive net worth of the company stood at Rs. 15783.66 Lakhs is on account of trading activities as well as exceptional items, as represented in this report under emphasis of matter paragraph. In the opinion of the management company's assets including cash & bank balance are sufficient to meet the liabilities of the company. These conditions, along with other matter as set forth in aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as going concern. The management has assessed that the company continuous to be going concern.

Our opinion is not modified in respect of the above said matter.

**Emphasis of Matter**

We draw your attention to:

- a) We draw attention to **Note No. 30** of Consolidated Ind AS Financial Statements wherein Exceptional items for the year ended 31st March, 2025 represent following components.

Sr. No.	Particulars	Year Ended 31.03.2025 (₹ In lakhs)	Remarks, if any
1.	Foreign Exchange Gain on Loan Given to Soma Textiles FZC (associate)	111.83	-
2.	Liabilities no longer required written back	4.21	-
3.	Profit on sale of fixed assets	6843.79	-
	<b>Total</b>	<b>6959.83</b>	-

- b) The holding company had advanced a loan to its associate company 'Soma Textiles FZC' (UAE) out of GDR proceeds, classified as Non-Current Loan. The Closing Balance of the same Loan is **Rs. 3780.93/- Lakhs** for the year ended 31st March, 2025 (Previous year **Rs. 5255.90/- Lakhs** for year ended 31st March, 2024). 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 audited Financial Statement of Soma Textiles FZC ended as at 31st March, 2025 the accumulated loss reflects at **9,65,140 (equivalent to Rs. 224.59/- Lakhs)** as against the total capital of **AED 9,00,000 (equivalent to Rs. 209.43/- lakhs) (Including statutory reserves)**.

Our opinion is not modified in respect of the above matters.

### 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 following key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<b>Profit on sale of fixed assets</b> The Company has made profit on sale of fixed assets aggregating to Rs. 6,843.79 Lakhs.	The following audit procedures were applied: A. Obtaining and auditing the original documents for purchase and sale of fixed assets such as original invoices, quotation and agreements. B. Audited the receipt on account of sale of fixed assets in the banking operations of the company. C. Audited the appropriateness and correctness of the accounting entries in the books of account.
2.	<b>Foreign Exchange Gain on loan</b> There is a Foreign exchange gain amounting to Rs. 111.83 Lakhs relating to loan given to Associate.	A. Audited original documents for the transactions during the year and at the year end like Loan Agreement, Repayment schedule and document related to exchange rate. B. Audited the receipt on account of principal of loan and its interest in the banking operations of the company. C. Audited the appropriateness and correctness of the accounting entries in the books of account.

### Information other than the Consolidated Ind AS 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, Standalone 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.

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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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS 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 (including its associate) or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Group.

### **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 skepticism throughout the audit. We also:

- 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Ind AS Financial Statements.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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**

- a) Share of losses of Associate exceeds its interest in the Associate, the Holding company discontinues recognising its share of further losses. The amount of investment has been fully impaired, hence there is no impact in Consolidated Financial Result. If the associate subsequently reports profits, the entity will resume recognizing its share of those profits only after its share of the profits equals the share of losses not recognized. Our conclusion on the Consolidated Ind AS Financial Statements, and our report in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended), read with SEBI Circular, in so far as it relates to the aforesaid associate, are based solely on such audited Financial Statements. According to the information and explanations given to us by the management, these audited Financial Statements is not material to the Holding Company.
- b) 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 Holding Company's management. 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 Ind AS Financial Statement 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.

- c) The Holding Company has filed application for voluntary delisting its share in terms of Regulation 6(a) and Regulation 7 of SEBI (Delisting of Equity Shares) Regulations, 2009, however approval is pending on the BSE's part. Further, the Equity Shares of the Company will continue to be listed on National Stock Exchange of India Limited.

#### **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;
  - c) 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;
  - d) In our opinion, the aforesaid Consolidated 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 (including its associate);
  - f) 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 2025 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.
  - g) 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 be 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.

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

- h) 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.
- 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 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:
- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associate;
  - ii. The Company (Including its associate) did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. Associate entity is incorporated outside India so reporting of the same is not applicable.
  - iv.
    - a) The management of the Holding Company, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b) The management of the Holding Company, have represented to us that to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. There was no proposal of Dividend (Interim or Final) During the Current Financial year as well as during the previous Financial Year.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company included in the Standalone Ind AS Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

Date: 30th May, 2025  
Place: Ahmedabad

**For, Pipara & Co. LLP**  
CHARTERED ACCOUNTANTS  
F.R.N. No.: 107929W/W100219

**Suresh Gandhi**  
PARTNER  
M. No.: 046284  
UDIN: 25046284BNQMF14243

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**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SOMA TEXTILES & INDUSTRIES LIMITED, ON CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025****Report on Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of Companies Act, 2013:**

We have Audited the Internal Financial Controls over Financial reporting of **SOMA TEXTILES & INDUSTRIES LIMITED**, as on **March 31, 2025** in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by Institute of Chartered Accountants of India 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 Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements 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 of our audit opinion on the Company's Internal financial Control System over Financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting:**

A Company's internal financial controls over financial reporting is process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements of external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Controls over Financial Reporting includes those policies and procedures that (1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditure 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 Controls Over Financial reporting:**

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

## ANNUAL REPORT 2024-25

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### Opinion:

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on Internal Control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Pipara & Co. LLP**  
CHARTERED ACCOUNTANTS  
F.R.N. No.: 107929W/W100219

Date: 30th May, 2025  
Place: Ahmedabad

**Suresh Gandhi**  
PARTNER  
M. No.: 046284  
UDIN: 25046284BNQMFI4243



## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2025

		(₹ in lakhs)	
Particulars	Note	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipments	3	503.66	309.60
(b) Intangible assets	4	7.28	7.43
(c) Financial assets			
(i) Investments	5	259.52	173.69
(ii) Loan	6	3,780.93	5,255.90
(iii) Other financial assets	7	69.29	69.43
(d) Deferred tax assets (net)	8	1,030.24	931.53
(e) Income tax assets (net)	9	488.94	429.60
(f) Other non-current assets	10	-	50.00
<b>Total non-current assets</b>		<b>6,139.84</b>	<b>7,227.17</b>
<b>2 Current assets</b>			
(a) Inventories			
(b) Financial assets			
(i) Investments	11	9,063.83	2,306.17
(ii) Trade receivables	12	302.36	171.80
(iii) Cash and cash equivalents	13(a)	182.01	1,197.34
(iv) Bank balance other than (iii) above	13(b)	266.00	-
(v) Other financial assets	14	2.21	2.68
(c) Other current assets	15	112.07	115.92
(d) Assets classified as held for sale		103.91	128.96
<b>Total current assets</b>		<b>10,032.40</b>	<b>3,922.87</b>
<b>Total Assets</b>		<b>16,172.24</b>	<b>11,150.04</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	3,322.75	3,322.75
(b) Other equity	17	12,460.91	5,529.97
<b>Total equity</b>		<b>15,783.66</b>	<b>8,852.72</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	223.54	131.71
(ii) Lease liabilities		4.45	4.40
(b) Long-term provisions	19	20.47	19.33
<b>Total non-current liabilities</b>		<b>248.46</b>	<b>155.45</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	62.92	26.29
(ii) Trade payables	21	-	-
- total outstanding dues of micro enterprise and small enterprise		-	-
- total outstanding dues of creditors other than micro enterprise and small enterprise		9.32	17.59
(b) Other current liabilities	22	42.39	2,072.16
(c) Short-term provisions	23	25.49	25.84
<b>Total current liabilities</b>		<b>140.13</b>	<b>2,141.87</b>
<b>Total liabilities</b>		<b>388.58</b>	<b>2,297.32</b>
<b>Total equity and liabilities</b>		<b>16,172.24</b>	<b>11,150.04</b>

The accompanying notes 1 to 47 are an integral part of these Consolidated financial statements

As per our report of even date

**For PIPARA & CO. LLP**

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107929W/W100219)

**For and on behalf of the Board**

**SURESH GANDHI**

PARTNER

Membership No. 046284

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2025

**S. K. SOMANY**

Chairman

**A. K. SOMANY**

Managing Director

**SHRIKANT BHAT**

Chief Financial Officer

**REENA PRASAD**

Company Secretary



# ANNUAL REPORT 2024-25

## Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2025

		(₹ in lakhs)	
Particulars	Note	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
I. Revenue from Operations	24	948.75	572.68
II. Other income	25	505.61	592.52
III. <b>Total Revenue (I + II)</b>		<b>1,454.36</b>	1,165.20
IV. <b>Expenses:</b>			
Cost of materials consumed			
Purchases of Stock-in-Trade	26	932.60	570.97
Changes in inventories of finished goods and work-in-progress			
Employee benefits expense	27	149.49	143.74
Finance costs	28	16.66	50.66
Depreciation	3 & 4	41.58	32.16
Other expenses	29	445.70	194.62
<b>Total expenses</b>		<b>1,586.03</b>	992.15
V. <b>Profit/(Loss) before Exceptional Item and Tax</b>		<b>(131.66)</b>	173.05
VI. Exceptional items	30	6,959.83	2,238.32
VII. <b>Profit/(Loss) before tax</b>		<b>6,828.17</b>	2,411.37
VIII. Tax expense:			
Deferred tax		98.70	(302.15)
Tax in respect of earlier years		---	---
IX. <b>Profit/(Loss) for the period</b>		<b>6,926.87</b>	2,109.23
<b>Other Comprehensive Income</b>			
A. Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods: Re-measurement gains/(losses) on defined benefit plans		4.07	3.40
<b>Total other comprehensive income for the year</b>		<b>4.07</b>	3.40
<b>Total comprehensive income for the year</b>		<b>6,930.94</b>	2,112.63
X. <b>Earnings per equity share:</b>	0		
(1) Basic		20.98	6.40
(2) Diluted		20.98	6.40

The accompanying notes 1 to 47 are an integral part of these Consolidated financial statements.

As per our report of even date  
**For PIPARA & CO. LLP**  
 CHARTERED ACCOUNTANTS  
 (Firm Reg. No. 107929W/W100219)

**SURESH GANDHI**  
 PARTNER  
 Membership No. 046284  
 Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2025

**For and on behalf of the Board**

<b>S. K. SOMANY</b> Chairman	<b>A. K. SOMANY</b> Managing Director
<b>SHRIKANT BHAT</b> Chief Financial Officer	<b>REENA PRASAD</b> Company Secretary


**Consolidated Statement of Cash Flow for the year ended 31<sup>st</sup> March, 2025**

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>A Cash flow from operating activities</b>		
Profit/(Loss) before exceptional items & tax	(131.66)	173.05
Adjustment for:		
- Depreciation	41.58	32.16
- Profit on Sale of Current Investments	(103.48)	(6.03)
- (Profit) / loss on sale of fixed assets (net)	(6,843.79)	(2,148.30)
- Interest (Net)	(61.08)	(769.75)
- Other comprehensive income	4.07	3.40
	<u>(6,962.70)</u>	<u>(2,888.52)</u>
Operating profit/(Loss) before working capital changes	(7,094.36)	(2,715.47)
Adjustment for :		
- Trade receivables	(130.56)	16.65
- Other receivables	1,707.32	664.30
- Trade payables	(8.92)	471.80
- Other current liabilities	<u>(2,029.77)</u>	<u>1,917.34</u>
	<u>(461.93)</u>	<u>3,070.09</u>
Cash generated from operations	(7,556.29)	354.62
- Direct Taxes paid	-	-
	<u>-</u>	<u>-</u>
<b>Cash flow before prior period items, exceptional items &amp; extraordinary items</b>	<u>(7,556.29)</u>	<u>354.62</u>
- Exceptional items	6,959.83	2,238.32
<b>Net Cash flow from operating activities</b>	<u>(596.46)</u>	<u>2,592.94</u>
<b>B Cash flow from investing activities :</b>		
- Purchase of fixed assets	(275.15)	(234.67)
- Sale of fixed assets	6,883.44	2,321.61
- Net off Sales & Purchase of Current investments	(6,740.01)	(2,274.82)
- Interest received	77.88	541.57
<b>Net cash from investing activities</b>	<u>(53.83)</u>	<u>353.69</u>
<b>C Cash flow from financing activities :</b>		
- Total proceeds from borrowings (net of repayments)	(349.84)	(791.02)
- Interest paid	(15.20)	(50.66)
- Redemption of Preference Share	-	(975.00)
<b>Net cash from financing activities</b>	<u>(365.04)</u>	<u>(1,816.68)</u>
Net increase in cash and cash equivalents (A+B+C)	<u>(1,015.34)</u>	<u>1,129.95</u>
Cash and cash equivalent as on 01.04.2024 (opening balance)	1,197.34	67.39
Cash and cash equivalent as on 31.03.2025 (closing balance)	<u>182.01</u>	<u>1,197.34</u>
<b>Cash and cash equivalent comprise of:</b>		
a) Balances with banks [Refer note 13a]		
In current accounts	56.50	416.54
In deposit accounts (maturity less than 3 months at inception)	125.00	780.00
b) Cash on hand [Refer note 13a]	0.51	0.80
<b>Total</b>	<u>182.01</u>	<u>1,197.34</u>

The accompanying notes 1 to 47 are an integral part of these Consolidated financial statements.

Note: The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

As per our report of even date

**For PIPARA & CO. LLP**

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107929W/W100219)

**SURESH GANDHI**

PARTNER

Membership No. 046284

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2025

**For and on behalf of the Board**

**S. K. SOMANY**

Chairman

**A. K. SOMANY**

Managing Director

**SHRIKANT BHAT**

Chief Financial Officer

**REENA PRASAD**

Company Secretary

# ANNUAL REPORT 2024-25

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2025

### A. Equity Share Capital

(₹ in lakhs)			
Particulars	Note	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Balance as at the beginning of the year</b>	16	3,303.30	3,303.30
Changes in equity share capital due to prior period errors		-	-
<b>Restated balance at the beginning of the year</b>		3,303.30	3,303.30
Changes in equity share capital during the year		-	-
<b>Balance as at the end of the year</b>	16	3,303.30	3,303.30

### B. Other Equity

(₹ in lakhs)						
Particulars	Equity component of compound financial instruments	Reserves and Surplus				Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1st April, 2022</b>	-	77.57	8,713.65	18.58	(5,392.45)	3,417.35
Changes in accounting policy or prior period item	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	77.57	8,713.65	18.58	(5,392.45)	3,417.35
Profit/(loss) for the year	-	-	-	-	2,109.23	2,109.23
Other Comprehensive Income for the year	-	-	-	-	-	-
- Remeasurement of net defined benefit plans	-	-	-	-	3.40	3.40
<b>Total Comprehensive Income for the year</b>	-	-	-	-	2,112.63	2,112.63
<b>Balance as at 31<sup>st</sup> March, 2024</b>	-	77.57	8,713.65	18.58	(3,279.83)	5,529.97
Changes in accounting policy or prior period item	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	77.57	8,713.65	18.58	(3,279.83)	5,529.97
Profit/(loss) for the year	-	-	-	-	6,926.87	6,926.87
Redemption of Preference Share	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-
- Remeasurement of net defined benefit plans	-	-	-	-	4.07	4.07
<b>Total Comprehensive Income for the year</b>	-	-	-	-	6,930.94	6,930.94
<b>Balance as at 31<sup>st</sup> March, 2025</b>	-	77.57	8,713.65	18.58	3,651.11	12,460.91

The accompanying notes 1 to 47 are an integral part of these Consolidated financial statements.

As per our report of even date

**For PIPARA & CO. LLP**

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107929W/W100219)

**For and on behalf of the Board**

**SURESH GANDHI**

PARTNER

Membership No. 046284

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2025

**S. K. SOMANY**

Chairman

**A. K. SOMANY**

Managing Director

**SHRIKANT BHAT**

Chief Financial Officer

**REENA PRASAD**

Company Secretary

## Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2025

### 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.

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. 1,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40&41 represent the numbers and required disclosures of the parent and accordingly are best viewed in independent standalone financial statements.

### 42 Other statutory information

- i) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.
- ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of The Group (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

## ANNUAL REPORT 2024-25

- iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- vii) The Group is not declared willful defaulter by any bank or financial institutions or lender during the year.
- viii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) The Group does not have borrowings from banks/financial institutions on the basis of security of current assets during the year ended 31st March, 2025 and 31st March, 2024.
- x) The title deeds of all the immovable properties, (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the financial statements included in property, plant and equipment are held in the name of the Group as at the balance sheet date.
- xi) The Group does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended 31st March, 2025 and 31st March, 2024.
- xii) The Group has not entered into any scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 which has an accounting impact during the year ended 31st March, 2025 and 31st March, 2024.
- xiii) The Group is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since there is no average profit in the last 3 years calculated as per the provisions of the Act.

### 43 Disclosure of additional information as required by Division II of Schedule III to the Companies Act, 2013

(₹ in lakhs)

Name of the entity in the group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
1. Parent								
Soma Textiles & Industries Ltd.	100.00%	15783.66	100.00%	6926.87	100.00%	4.07	100.00%	6930.94
2. Associate (Investment accounted as per the Equity Method)								
Foreign								
Soma Textiles FZC	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Total	100.00%	15783.66	100.00%	6926.87	100.00%	4.07	100.00%	6930.94

- 44 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, 2025. Accordingly, no disclosure is required to be made under said act.
- 45 Company has entered into a Registered Development Agreement on 20th November, 2012, with Shayona Land Corporation for development of Part Leasehold Land owned by Company, by putting up construction of commercial units on the said land situated at Rakhial (sim), Taluka City, in the Registration District, Ahmedabad and Sub District, Ahmedabad No. 7 (Odhav), bearing final Plot No.80, admeasuring about 10648 square yards equivalent to 8903 square meters of town planning scheme No.10 (Rakhial).

- 46** The Code on Social Security, 2020('Code') relating to employee benefits during employment and post - employment benefits received Indian Parliament approval and Presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 47** The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year.

As per our report of even date

**For PIPARA & CO. LLP**

CHARTERED ACCOUNTANTS

(Firm Reg. No. 107929W/W100219)

**SURESH GANDHI**

PARTNER

Membership No. 046284

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2025

**For and on behalf of the Board**

**S. K. SOMANY**

Chairman

**A. K. SOMANY**

Managing Director

**SHRIKANT BHAT**

Chief Financial Officer

**REENA PRASAD**

Company Secretary

## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



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