



SOMI CONVEYOR BELTINGS LTD.

4 F-15, "Oliver House", New Power House Road, JODHPUR - 342 001 INDIA
Tel.: +91 - 291 - 2765400 to 09, 2610472, 2637564/65 Fax: +91 - 291 - 2765410, 2432307
E-mail : sales@somiconveyor.com • Visit us at : www.somiconveyor.com

MFG ALL TYPE OF FABRIC, STEEL CORD & BUCKET ELEVATOR BELTS

OUR CIN NO. L25192RJ2000PLC016480

SOMI/LEGAL & SECRETARIAL/NSE/2016/09
FAX/REGD.A.D/COURIER/E-MAIL/E-FILING
DATE: 05/09/2016

To,
The National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
BandraKurla Complex,
Bandra (East), Mumbai-400 051
Phones: +91-22-2659 8151/65/68

NSE Symbol: SOMICONVEY

Sir,

Subject: SIXTEENTH ANNUAL REPORT 2015-16.

In pursuance of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Sixteenth Annual Report 2015-16 of Somi Conveyor Beltings Limited.

FOR SOMI CONVEYOR BELTINGS LIMITED



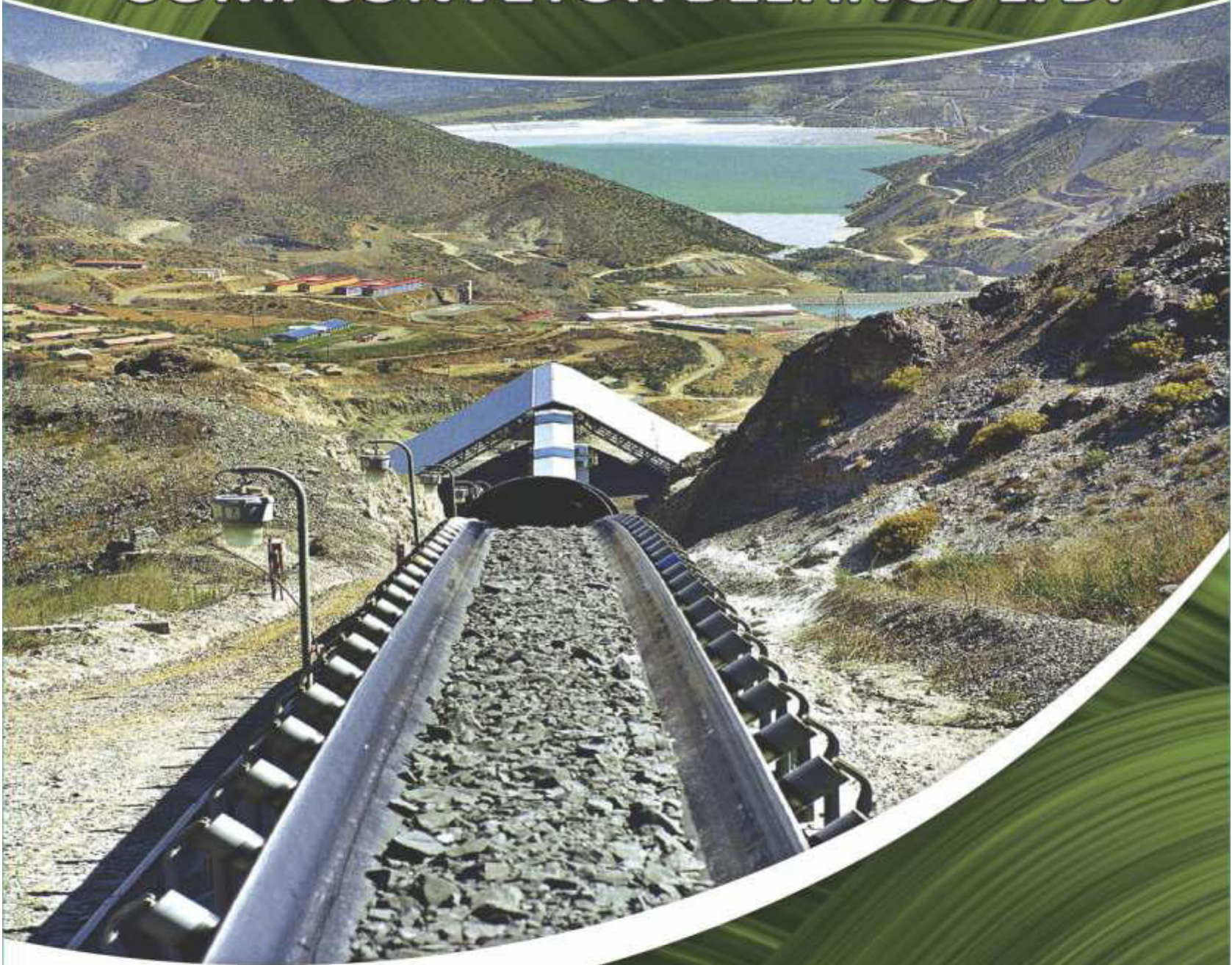
AMIT BAXI
(Company Secretary and Compliance Officer)
Enclosure: As Above



CIN : L25192RJ2000PLC016480



SOMI CONVEYOR BELTINGS LTD.



Powered to Move the World

16th Annual Report

OUR MISSION

We at **Somi Conveyor Beltings Limited**, Create integral and comprehensive solutions for Bulk Material Handling System with innovations and continuous excellence in field of Research & Development to offer our business partners profits through productivity and energy saving on **Somiflex** Range of Conveyor Belts. Our Mission is to achieve TQM by Year 2015 by Improved 5-S activities and Waste Resource Management and Customer Satisfaction Index to Level of 100% through Service Back Up.

CORE VALUES

EXCELLENCE : Excellence is achieved in everything we do. It is the driving force of continual improvements and permanent development.

CREATIVITY : We develop a stimulating working environment that releases creativity and enables the further development of employee abilities.

KNOWLEDGE : Our employees are motivated to be successful and acquire and apply their knowledge, with teamwork being a priority.

INTEGRITY : We act honestly and ethically, respecting agreements.

RESPONSIBILITY : With a responsible attitude to our goals, associates and the natural and social environment we implement the principles of sustainable development.



L TO R : **VIMAL BHANSALI** , **O.P. BHANSALI** & **GAURAV BHANSALI**
(Whole Time Director) (Chairman & Managing Director) (Whole Time Director)

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. O P Bhansali	Chairman & Managing Director
Mr. Vimal Bhansali	Whole Time Director
Mr. Gaurav Bhansali	Whole Time Director
Mr. Mahendra Rakecha	Independent & Non-Executive Director
Mr. Yogesh Maheshwari	Independent & Non-Executive Director
Mr. Sharad Gyanmal Nahata	Independent & Non-Executive Director
Ms. Surbhi Rathi	Independent Woman & Non-Executive Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Amit Baxi

CHIEF FINANCIAL OFFICER

Mr. Manish Bohra

AUDITORS

M/s. P. Singhvi & Associates
Chartered Accountants,
Jodhpur

BANKERS

Punjab National Bank,
Pal Road Branch, Kesav Nagar,
Opp. Ashok Udhyan, Jodhpur

REGISTERED OFFICE

4 F-15, "Oliver House",
New Power House Road, Jodhpur-342003
Web : www.somiinvestor.com

WORKS

- H-2, 463-466, Sangaria Industrial Area, Jodhpur.
- K.No.-58, 58/5, 58/56, Village Tanawara, Tehsil Luni, District Jodhpur.

REGISTRAR AND TRANSFER AGENT

Universal Capital Securities Pvt Ltd.
(Formerly: Mondkar Computers Pvt. Limited)
21, Shakil Niwas, Opp. Satya Sai Baba Temple,
Mahakali Caves Road, Andheri (East), Mumbai - 400 093
Tel: (+91 22) 28257641, 28366620 Fax: (+91 22) 28262920
Web: www.unisec.in

TABLE OF CONTENTS

Page Nos	Contents
I	Notice
VII	Proxy Form & Attendance Slip
1	Message from the Chairman
3	Director's Report
14	Annexure-I - Extract of Annual Return
26	Annexure-II - Secretarial Audit Report
30	Annexure-III - Annual Report on CSR Activities
31	Corporate Governance Report
47	Management Discussion and Analysis
50	Certificate on Corporate Governance
50	Declaration
51	CEO/CFO Certification
52	Auditors Report
58	Balance Sheet
59	Profit & Loss Account
60	Notes on Financial Statements
72	Significant Accounting Policies
75	Cash Flow Statement

NOTICE

NOTICE is hereby given that the **SIXTEENTH Annual General Meeting** of the members of the Company will be held on , FRIDAY, 30th September, 2016 at 11:30 A.M at its registered office at 4F-15, "Oliver House", New Power House Road, Jodhpur-342003 transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2016, the Profit & Loss Account for the year ended on that date and the Reports of the Director's and Auditor's thereon.
2. To declare dividend on equity shares for the financial year 2015-16.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in terms of recommendation of Board of Directors of the company, the approval of the members of the company be and is hereby granted for payment of dividend @ Re. 1.00 per share (i.e. 10%) on the fully paid up equity shares of Rs. 10/- each of the company for the year 2015-16 and same be paid to all the members whose name appear in the register of members and in case of the shares held in the electronic mode to those members whose name appears in the records of the depository participant as on September 23, 2016."

3. Ratification of Appointment of Statutory Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of P Singhvi & Associates, Chartered Accountants (Firm's Registration No. 113602W), as Auditors of the Company for a term of three years i.e. till the conclusion of the 17th Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 17th AGM of the Company to be held in the year 2017, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee."

BY ORDER OF THE BOARD
For **SOMI CONVEYOR BELTINGS LIMITED**

Place: Jodhpur
Date: 3rd September, 2016

(**AMIT BAXI**)
Company Secretary

Registered Office
4F-15, "Oliver House"
New Power House Road
Jodhpur-342 003

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
 - a. As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights.

Provided that a member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
 - b. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.
 - c. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.
 - d. A Proxy form is annexed to this Report, Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as may be applicable
2. A shareholder or his proxy will be required to produce at the entrance of the Meeting Hall, the Attendance Slip sent herewith duly completed and signed. Neither photocopies nor torn/mutilated Attendance Slips will be accepted. The Validity of the Attendance Slip will, however, be subject to the Shareholder continuing to hold shares on the date of meeting.
3. A Member or his Proxy is required to bring his copy of Annual Report to the Meeting as extra copies will not be provided.
4. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September, 2016 to Friday, 30th September, 2016 (both days inclusive) for annual closing and determining the names of members eligible for dividend on equity shares for the financial year ended 31st March, 2016, if declared at the meeting.
6. Dividend, if sanctioned at the meeting will be payable to the members whose names appear on the Company's Register of Members as on the close of the day before start of the Book Closure date and to those members who hold the shares in demat form as per the record of Depositories, National Securities Depository Ltd. (NSDL) and Central Depository System (India) Ltd. (CDSL), as on the close of the day before start of Book Closure dated from 24.09.2016 to 30.09.2016 both days inclusive.
7. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on September 23, 2016. The dividend is Re. 1.00 per equity share.

Annual Report 2016

8. Documents referred to in the Notice are open for Inspection at the Registered Office of the Company on all working days between 11:00 AM to 1:00 PM up to the date of Annual General Meeting and will also be available for inspection at the meeting.
9. Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Private Limited) is our Registrar and Share Transfer Agent. All the investor related communication may be addressed to them at their following address:

UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED

21, Shakil Niwas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East),
Mumbai - 400 093. Tel: +91-22-28257641, 28 Fax: +91-22-28262920

10. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same.
11. The copies of the Annual Report will also be available on Company's website and at the registered office of the company for inspection during normal business hours on working days.
12. Members are requested to notify the change in their address to the company and always quote their Folio Number or DP Id and Client Id Numbers in all correspondence with the company. In respect of Shares held in electronic form, members are requested to notify any change of address to their respective Depository Participant.
13. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotions of Green initiative has introduced enabling provisions for sending notice of the meeting and other shareholder correspondence through electronic mode. Members holding shares in physical mode are requested to register their e-mail ID's with the company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants(DPs), if there is any change in the e-mail ID already registered with the Company.
14. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
15. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 23, 2016
16. **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 23, 2016 only shall be entitled to avail the facility of remote e-voting / through Poll Paper at the Annual General Meeting.**



Somi Conveyor Belting Ltd.

- (i) The voting period begins on Tuesday, 27.09.2016 (9.00 a.m.) and ends on Thursday, 29.09.2016 (05.00 p.m.). The e-voting module shall be displayed by CDSL for voting thereafter. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date of 23.09.2016 may cast their vote electronically.
- (ii) The Shareholders should Log on to the e-voting website <http://www.evotingindia.com>
- (iii) Click on "Shareholders" tab.
- (iv) Now, select "Somi Conveyor Beltings Limited" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on "Login".
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below for login:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
USER ID	For NSDL : 8 Character DP ID followed by 8 Digits Client ID For CDSL : 16 digits beneficiary ID	Folio Number Registered with the Company
Permanent Account Number (PAN)	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and last 8 digits of the folio number or demat account number in the PAN field. - In case folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters e.g. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.	
Date of Birth (DOB)	Enter the DOB as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in the PAN column above	

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Company / Depository Participant, please enter the client id / folio number in the Dividend Bank details field.

Annual Report 2016

- (ix) After entering these details appropriately, click on SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly to 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the Electronic Voting Sequence Number (EVSN) of SOMI CONVEYOR BELTINGS LIMITED to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians:
 - a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - b) Institutional shareholders should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - c) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) Institutional shareholders should upload a scanned copy of the Board Resolution and Power of



Somi Conveyor Belting Ltd.

Attorney (POA) which they have issued in favour of the Custodian. if any, in PDF Format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

17. The Board of Directors of the Company has appointed Mrs. Ira Baxi (FCS: 5456; PCS: 4712), Practising Company Secretary, to act as the Scrutinizer to scrutinize the Polling taking place at annual general meeting and remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
18. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three (3) days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman of the Company who shall countersign the same and declare the result of the voting forthwith.
19. The Results shall be declared after the receipt of the Scrutinizer's Report from conclusion of the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.somiinvestor.com. The results shall also be immediately forwarded to the stock exchanges BSE Limited and NSE of India Limited, Mumbai.
20. To ensure correct identity of the members for the smooth conduct of the Annual General Meeting, each Member and Proxy Holder attending the meeting is requested to bring with him/her an appropriate photo ID document like a Driving License, Passport, and Voter ID Card.

BY ORDER OF THE BOARD
For **SOMI CONVEYOR BELTINGS LIMITED**

(AMIT BAXI)
Company Secretary

Place: Jodhpur
Date: 3rd September, 2016

Registered Office
4F-15, "Oliver House"
New Power House Road
Jodhpur-342 003



SOMI CONVEYOR BELTINGS LIMITED

Registered Office: 4 F-15 "Oliver House", New Power House Road, Jodhpur - 342003

CIN : L25192RJ2000PLC016480, Website : www.somiinvestor.com

PROXY FORM

[FORM MGT - 11]

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

16th ANNUAL GENERAL MEETING, 30TH SEPTEMBER, 2016

CIN : L25192RJ2000PLC016480

Name of Company : **SOMI CONVEYOR BELTINGS LIMITED**

Registered Office : **4 F-15 "Oliver House", New Power House Road, Jodhpur - 342003**

Name of the member (s) :

Registered address :

E-mail ID :

Folio No./Client ID :

DP ID:

I/We, being the member (s) ofshares of the above named company, hereby appoint

1- Name : Address :

E-mail ID : Signature :, of failing him

2- Name : Address :

E-mail ID : Signature :, of failing him

3- Name : Address :

E-mail ID : Signature :, of failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the SIXTEENTH ANNUAL GENERAL MEETING of the company, to be held on the Friday, 30th day of September, 2016 at 11:30 AM. at 4F-15, "Oliver House" New Power House Road, Jodhpur-342003 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. Adoption of Directors' Report, Audited Financial Statements for the Year ended 31st March, 2016 and Auditors' Report thereon.
2. To declare dividend on equity share for the financial year 2015-16.
2. Ratification of Appointment of Auditor and fixing their remuneration.

Signed thisday of20.....

Signature of shareholder

Signature of Proxy holder (s)

Affix Rs. 1
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



SOMI CONVEYOR BELTINGS LIMITED

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CIN : L25192RJ2000PLC016480, Website : www.somiinvestor.com

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Registered Office : **4 F-15 "Oliver House", New Power House Road, Jodhpur - 342003**

Name of the member (s) :

Registered address :

E-mail ID :

Folio No./Client ID :

DP ID:

I/We, being the member (s) ofshares of the above named company, hereby appoint

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2- Name : Address :

E-mail ID : Signature :, of failing him

3- Name : Address :

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Revenue
Stamp

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SOMI CONVEYOR BELTINGS LIMITED

Registered Office: 4 F-15 "Oliver House", New Power House Road, Jodhpur - 342003

CIN : L25192RJ2000PLC016480

Website : www.somiinvestor.com

ATTENDANCE SLIP

16th ANNUAL GENERAL MEETING, 30th SEPTEMBER, 2016

Joint Shareholders may obtain additional Attendance Slip on request. (Folio No. , DP ID No. , Client ID & Name of Shareholder / Joint Holders / Proxy, to be furnished below).

Name & Address of Shareholder :

Reg. Folio No. DP ID No. # Client ID No. #.

Applicable for Member holding Shares in electronic form

I certify that I am a registered Member / Proxy for registered member of the Company.

I hereby record my presence at the **SIXTEENTH ANNUAL GENERAL MEETING** of the company on Friday. September, 30TH, 2016 at 11:30 AM at 4F-15, "Oliver House", New Power House Road, Jodhpur-342003.

Members / Proxy's name in BLOCK Letters

Members / Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the entrance of the hall.



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.



MESSAGE FROM THE CHAIRMAN

Dear Stakeholder,

Namaskar!

It gives me great pleasure to share with you an update on the overall performance of your Company. With a deep understanding of consumer insights, your Company continued to drive innovation across brands and operations and adapted the go-to-market strategies and the evolving channels of distribution. We remained committed to our purpose of making sustainable living common place across the value chain.

In Financial Year 2015-16, our company has demonstrated its ability to perform in a resilient manner, ensuring that we can provide our shareholders with value creation and growth. Keeping in mind the performance of our company, it is also important to highlight the adverse conditions of the market witnessed in the Financial Year 2015-16. This influenced our financial performance and brought our attention back to basics, in terms of controlling our costs and bottom line.

Demand for conveyor belt is profoundly dependent on increase in industrial investments in a region. Therefore, macroeconomic factors such as GDP growth are among major growth drivers for conveyor belt market. Growth in infrastructure activities such as malls, airports, etc. is also among foremost factors driving growth for conveyor belt market. Economic turmoil is among major factors restraining demand for conveyor belts during the financial year 2015-2016.

Coming to the financial results, there has been a decline in revenue of the Company by 23.04% resulting in decline of 46.50 % in the net profit of the Company. In light of this, I am hopeful that we will close FY17 with better numbers. I have no doubt that certain positive developments will augur well and set us on a growth trajectory for the entire year. We are confident that the next quarter numbers will be much better since we have a backlog of pending orders as well as future orders which are in pipeline.

At this point we are not unduly concerned with the pressure on our margins due to problems currently faced by various business segments – coal, cement etc. While we expect this to continue for the next one or two quarters, we continue to remain optimistic of higher margins in FY17.

More importantly, the management believes that the demand for Conveyor Belts will grow at a faster pace in near future as day-by-day conveyor belts are interestingly changing the criteria of conveying and replacing other optional instruments or vehicles with suitable mechanism.

Corporate governance and ethical management are critical aspects of modern business. Your company not only seeks to pursue efficient management and ensure global competitiveness, but also fulfill its social responsibility through ethical and sustainable management. To this end, the Board has adopted a number of policies to support good corporate citizenship that is important for our long-term success and creating value for our shareholders.

I would like to take this opportunity to thank all the Board Members, our dedicated and motivated employees who are the greatest asset of the Company and who have with their passion, hard work and commitment taken it to this level. We also thank our stakeholders and partners in growth for reposing their confidence and faith in the Company. It is your trust and commitment that inspires us to set high standards of growth and performance and continue to deliver high returns to our stakeholders. We look forward to continuing on the path of excellence and profitable growth into the coming years.

In the last I would like to say that, if we can execute our strategy, and do the things we must learn to do, the year, and the years, ahead of us could be deeply rewarding, and I look forward to a great journey ahead, together.

Many thanks and kind regards,

OP BHANSALI

Chairman and Managing Director

DIRECTOR'S REPORT

To,
The Members,
Somi Conveyor Beltings Limited,
Jodhpur.

The Directors of your company have pleasure in presenting the 16th` Annual Report together with the audited statement of accounts for the year ended on 31st March, 2016.

(Rs. in Lakhs)

SUMMARISED FINANCIAL RESULTS	2015-16	2014-15
Total Sales	5748.37	7469.66
Profit Before Interest, Depreciation and Taxation	1332.06	1312.13
Interest	284.11	212.05
Depreciation	679.39	513.12
Profit Before Tax	368.56	586.95
Provision for Tax	(195.34)	(171.13)
Add/(Less) Deferred Tax	55.63	11.89
Profit After Tax	228.84	427.71
Add: Balance Brought Forward	2059.13	1631.42
Less : Proposed Dividend	117.80	--
Less : Proposed Dividend Tax	23.98	--
Balance Carried Forward	2146.19	2059.13

OPERATIONS

During the Financial Year under review, the Company has achieved Turnover of **Rs. 5748.37 Lakhs** as against **Rs. 7469.66 Lakhs** in the previous year and the Net Profit after Tax of **Rs. 228.84 Lakhs** as against **Rs. 427.71 Lakhs** in the previous year, resulting in decrease by **23.04 %** and **46.50%** respectively. The Board is confident of higher growth in the current year.

The Company does not have any Subsidiary Company, Associate Company or any other Joint Venture, therefore it is not required to prepare Consolidated Financial Statements.

DIVIDEND

Your directors recommended a dividend of Re. 1.00/- per equity share of Rs. 10/- each (i.e. 10%) for the financial year ended March 31, 2016. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on September 23, 2016 and in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

TRANSFER TO RESERVE

The Board of Directors does not propose to transfer any amount to Reserves.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of sections 92(3) and 134(3)(a) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this Board's Report in Form MGT-9 as Annexure - I.

MEETINGS OF THE COMPANY

During the current financial year, the Board of Directors of the Company duly met Ten times on 23.04.2015, 30.05.2015, 30.06.2015, 31.07.2015, 14.08.2015, 04.09.2015, 14.11.2015, 18.01.2016, 12.02.2016 and 30.03.2016 of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book as required by the Articles of Association of the Company and the Act. Detail information is given in the Corporate Governance Report.

The Gap between two consecutive meetings did not exceed one hundred twenty days.

DETAILS OF COMMITTEE OF DIRECTORS

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Stakeholder Relationship Committee of Directors, Corporate Social Responsibility Committee of Directors number of meetings held of each Committee during the financial year 2015-16 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forms part of the report.

The recommendation(s) by the Audit Committee as and when made to the Board have been accepted by it.

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

(Changes in the composition of the Board of Directors and other Key Managerial Personnel)

As reported previously, Ms. Surbhi Rathi was appointed as an additional director in the category of non-executive, independent director of the Company, in the meeting of the Board held on 28th March, 2015. Thereafter, at the fifteenth annual general meeting of the Company held on 30th September, 2015, the members of the Company appointed, Ms. Surbhi Rathi as an Independent Director under the Companies Act, 2013 for a period of 5 years effective from 30th September, 2015.

Mr. Mahendra Kumar Rakecha and Mr. Yogesh Maheshwari non –executive Directors of the Company, who were liable to retire by rotation had submitted declaration of Independence as provided in Section 149(6) of the Act had been appointed as Independent director at the fifteenth annual general meeting of the Company held on 30th September, 2015 on the Board of the Company for the period of Five years effective from 30th September, 2015.

The details of training and familiarization programmes and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in sub-section (6) of Section 149 of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Director under the provisions of Companies Act, 2013 and the relevant rules.

Annual Report 2016

DIRECTORS RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) of section 134 of Companies Act, 2013 directors, to the best of their knowledge and belief, state that -

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently 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 at 31st March, 2016 and of the profit or loss of the Company for the year ended on that date;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178

Information regarding Directors' Remuneration Policy and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 are provided in the Corporate Governance Report.

KEY MANAGERIAL PERSONNEL

Mr. O.P. Bhansali, Managing Director, Mr. Vimal Bhansali, Whole-time Director, Mr. Gaurav Bhansali, Whole-time Director, Mr. Amit Baxi, Company Secretary and Mr. Manish Bohra, CFO, continue to function as Key Managerial Personnel of the Company during the year under review.

RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS

The Auditors, P. Singhvi & Associates, Chartered Accountants were re-appointed as the Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 to hold office for a period of three years upto the conclusion of the 17th Annual General Meeting in 2017. They are eligible for re-appointment for the financial year 2016-17. Your Board recommends ratification of their appointment as the Statutory Auditors at the ensuing Annual General Meeting for a period upto the conclusion of the 17TH Annual General Meeting of the Company.

AUDITOR'S REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanations or comments.

There are no qualifications, reservations or adverse remarks or disclaimer made in the Auditors' Report which requires any clarification or explanation.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of its Board, appointed FCS Ira Baxi (FCS: 5456; CP: 4712), Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2016. The Secretarial Audit Report is annexed herewith as Annexure - II. There are no qualifications, reservation or adverse remark or disclaimer made by the Secretarial auditor in the report save and except disclaimer made by them in discharge of their professional obligation.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Information regarding loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are detailed in the Financial Statements.

RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and as such provisions of Section 188(1) of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All Related Party Transactions were placed before the Audit Committee and also to the Board for approval.

As required under Clause 23 of the SEBI (LODR) Regulations, 2015, the Company has formulated a policy on dealing with Related Party Transactions. The Policy has been uploaded on to the Company website www.somiinvestor.com

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

RISK MANAGEMENT

The Company follows well-established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The Senior Management assists the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Directors and employees, to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's

Annual Report 2016

Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases. Whistle Blower Policy has been uploaded on Company's Website www.somiinvestor.com.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

INTERNAL FINANCIAL CONTROL

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's) and audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from B P Bang & Co, Jodhpur, the Internal Auditors and various transaction auditors. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board. During the year the Internal auditors have also been engaged for providing assistance in improvising IFC framework (including preparation of Risk & Control Matrices for various processes) and deployment of Self Assessment Tool.

CORPORATE SOCIAL RESPONSIBILITY

Sustainable development has always been an integral part of our Company's business strategy. Corporate Social Responsibility (CSR) being an integral part encompasses social, economic, and environmental actions. While philanthropy is one aspect of it, we also lend our support to building institutions, and supporting the preservation of our depleting natural resources by finding new technology that can offer safeguards against the global risks of climate change.

As per the Companies Act, 2013, all companies having a net worth of Rs.500 crore or more, or a turnover of Rs.1,000 crore or more or a net profit of Rs.5 crore or more during any financial year are required to constitute a CSR committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director. All such companies are required to spend at least 2% of the average net profits of their three immediately preceding financial years on CSR-related activities.

Pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder, your Directors have constituted the Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises of Mr. Om Prakash Bhansali who serves as Chairman of the Committee and Mr. Vimal Bhansali and Mr. Mahendra Kumar Rakecha as its members. The composition, terms of reference etc. of the CSR Committee are laid out in the Corporate Governance Report which forms part of this Annual Report. The said Committee has been entrusted with the responsibility and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The CSR policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment and lowering its resource footprint. Further, the CSR policy of the Company has been uploaded on to the Company website www.somiinvestor.com.

A few of the projects undertaken by the Company are multi-year projects ensuring benefit for long run and are align with Company's CSR Policy.

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the Company was not able to spend 2% of average net profit of last three years. The CSR Committee has ensure the Board of the Company that the CSR activities are scalable which coupled with new initiatives that may be considered in future, moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits. The Annual Report on CSR activities is provided in Annexure – III to this Report.

CORPORATE GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting the best practices.

Your Company's Board of Directors has developed a robust corporate governance framework to ensure we conduct our business responsibly. The nomination and remuneration committee of the Board is responsible for appointments to the Board. For this, the committee follows a set of criteria based on the belief that an active, diverse, well-informed and independent Board will ensure the highest standards of corporate governance. In line with our principles of corporate governance, the Board oversees how the Management serves and protects the long-term interests of our stakeholders. As on March 31, 2016, the majority of our Board members — Four out of Seven — are independent members. We follow the practice of nominating an independent director as the chairperson of our committees, namely, the audit, nomination and remuneration and stakeholders relationship and finance and investment committees.

A separate report on Corporate Governance Compliance as stipulated in regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included and forms part of the Annual Report along with the requisite Certificate regarding compliance of the conditions of Corporate Governance as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annual Report 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance with the requirements of the Listing agreement, a report on the Management's Discussion and Analysis(MDA) which forms part of this Annual Report deals with Company's Operational performance – industry trends and other material changes with respect to company and also current and future outlook of the Company.

SHARE REGISTRY ACTIVITIES

All work related to share registry is handled by Universal Capital Securities Pvt Ltd. (Formerly known as Mondkar Computers Private Limited), a Registrar and Share Transfer Agent registered with SEBI.

LISTING WITH STOCK EXCHANGE

Equity shares of your company have been listed on National Stock Exchange of India Limited with effect from 18th July, 2016 and the company continues to remain listed with Bombay Stock Exchange Limited. There are no arrears in payment of listing fees and the stipulated listing fee for financial year 2016-17 has been paid.

DEMATERIALIZATION OF SHARES

The shares of your company are traded in dematerialized form and are available for trading either with the National Securities Depository Limited (NSDL) or the Central Depository Services (India) Limited (CDSL).

INSURANCE

Assets of your Company remain adequately insured against various perils.

HEALTH, SAFETY AND ENVIRONMENT

The Company has maintained Health and Safety policy, which has been implemented across all its locations. Health, Safety and Environment policies involve identifying the risks involved in daily activities of the company so that it causes no harm to employees, environment and the public. The Company has taken all possible steps to promote the well-being of its employees. Our core principles of 'reuse', 'recycle' and 'replenish' are aimed at:

- Pollution Control
- Minimizing Waste
- Reduced Effluent Discharge

In pursuance to this Policy Your Company's management has devoted their all efforts to protect and maintain safety environment in the Company. The Company has taken all possible measures to segregate Hazardous and non-hazardous substance. Health, Safety and Environment involves proactive approach to create safe working environment, continuous safety education and training, periodic review of programs and evaluation of incidents.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

- a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non-Executive Directors	Ratio to Median Remuneration
Mr. Mahendra Kumar Rakecha	NIL
Mr. Yogesh Maheshwari	NIL
Mr. Sharad Gyanmal Nahata	NIL
Ms. Surbhi Rathi	NIL
Executive Directors	
Mr. Om Prakash Bhansali	4.87 : 1
Mr. Vimal Bhansali	3.41 : 1
Mr. Gaurav Bhansali	3.41 : 1

- b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% Increase in remuneration
Mr. Mahendra Kumar Rakecha	-
Mr. Yogesh Maheshwari	-
Mr. Sharad Gyanmal Nahata	-
Ms. Surbhi Rathi	-
Mr. Om Prakash Bhansali, MD & CEO	-
Mr. Vimal Bhansali	-
Mr. Gaurav Bhansali	-
Mr. Manish Bohra, Chief Financial Officer	1.91%
Mr. Amit Baxi, Company Secretary	23.47%

Percentage in brackets represents negative percentage.

- c) **the percentage increase in the median remuneration of employees in the financial year 2.03%**
- d) **the number of permanent employees on the rolls of company : 92**
- e) **the explanation on the relationship between average increase in remuneration and company performance;**
 There is no direct relation between the average remuneration of the employees vis-à-vis Company Performance
- f) **comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**

Particulars	Rs.(in lakhs)
Remuneration of Key Managerial Personnel (KMP) during financial year 2015-16 (aggregated)	24.21
Revenue from operations	5748.37
Remuneration (as % of revenue)	0.42%
Profit before tax (PBT)	368.56
Remuneration (as % of PBT)	6.57%

- g) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 31 st Mar 16	As at 31 st Mar 15	Variation
Closing rate of share at BSE	Rs.	42.00	49.00	7.00
EPS (Consolidated)	Rs.	1.94	3.63	1.69
Market Capitalization	Rs. (in lakhs)	4947.46	5772.03	824.57
Price Earning Ratio	Ratio	21.65	13.50	8.15

Percentage in brackets represents negative percentage.

- h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Not Applicable as there has been no increase in the Managerial Remuneration

- i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

Particulars	Om Prakash Bhansali Managing Director	Vimal Bhansali Whole-Time Director	Gaurav Bhansali Whole-Time Director	Chief Financial Officer	Company Secretary
	Rs.(in lakhs)	Rs.(in lakhs)	Rs.(in lakhs)	Rs.(in lakhs)	Rs.(in lakhs)
Remuneration	6.00	4.20	4.20	6.21	3.60
Revenue	5748.37	5748.37	5748.37	5748.37	5748.37
Remuneration (as % of revenue)	0.10%	0.07%	0.07%	0.11%	0.06%
Profits before tax (PBT)	368.56	368.56	368.56	368.56	368.56
Remuneration (as % of PBT)	1.63%	1.14%	1.14%	1.68%	0.98%

j) the key parameters for any variable component of remuneration availed by the directors;

No variable remuneration is provided to the executive directors.

k) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; 1.035: 1

l) affirmation that the remuneration is as per the remuneration policy of the Company

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

POLICY ON SEXUAL HARASSMENT OF EMPLOYEES

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

The policy aims at educating employees on conduct that constitutes sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence. Internal Complaints Committee (ICC) has been constituted in accordance with the Act.

The ICC is responsible for redressal of complaints related to sexual harassment of women at the workplace in accordance with procedures, regulations and guidelines provided in the Policy.

During the year under review there were no complaints referred to the ICC.

RESEARCH AND DEVELOPMENT

Research and developments are ongoing activities which have a significant role in providing inputs for developing new products, devising energy saving measures, upgrading methods of production and quality of products. These activities have helped the company in attaining leadership in its conveyor beltings products and substantial qualitative change in other operational areas. Raw material cost is continuously rising and is critical to the sustainability of manufacturers. Therefore, our R&D department seeks to maximize utilization of raw material.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

(A) CONSERVATION OF ENERGY

a. Energy Conservation Measures taken

Continuous and substantial efforts were made to ensure optimum consumption of fuel and electricity at all the plants of the company. These efforts resulted in general improvement in energy consumption in the business.

b. Capital Investment on energy conservation equipments

NIL

FORM A**I. Disclosure of Particulars with respect to Conservation of Energy**

Power & Fuel Consumption	Unit of Measurement	Current Year (2015-16)	Previous Year (2014-15)
1. Electricity	KWH/MWH	-	-
a) Purchased			
Unit		2,533,176.00	2,729,930.00
Total Amount		19,920,085.00	18,300,355.00
Rate/ Unit		7.86	6.70
b) Own Generation	NIL	NIL	NIL
2. Coal	NIL	NIL	NIL
3. Furnace oil	NIL	NIL	NIL
4. Others / internal generation	NIL	NIL	NIL

II. Consumption per unit of Production – unit (KMH/MT)

S. No.	Product	Standard Budget Norms (2015-16) (Rs)	Current Year (2015-16) (Rs)	Previous Year (2014-15) (Rs)
1	Conveyor Belt	90	88.27	61.29

(A) TECHNOLOGY ABSORPTION**FORM B****Disclosure of Particulars with respect to Technology Absorption****TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

Your company continues to upgrade its technology to ensure that it remains a frontrunner in its field of operations.

FOREIGN EXCHANGE EARNINGS AND OUTGO**(Rs. In Lakhs)**

FOREIGN EXCHANGE	2015-16	2014-15
Foreign Exchange Earnings	439.51	623.54
Foreign Exchange Outgo	1124.33	2061.27

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the assistance and co-operation received from the governmental authorities, companies, bankers, customers, vendors, investors and all other stake holders during the year. Your Directors are also pleased to record their appreciation for the dedication and contribution made by employees at all levels, their competence and hard work have enabled your company to pass through difficult times. It looks forward to their support and co-operation in the future as well.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
SOMI CONVEYOR BELTINGS LIMITED**

Place : Jodhpur
Date : 3rd September, 2016

O P BHANSALI
(Managing Director)
DIN : 00351846

GAURAV BHANSALI
(Whole time Director)
DIN : 00351860

Annexure-I
FORM NO. MGT - 9
Extract of Annual Return

As on the financial year ended on 31/03/2016

[Pursuant to Section 92(3) of the Companies Act, 2013

And

Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. Registration and other details:-

i. CIN	L25192RJ2000PLC016480
ii. Registration Date	16/06/2000
iii. Name of the Company	SOMI CONVEYOR BELTINGS LIMITED
iv. Category/Sub-Category of the Company	Public Company Limited by Shares
v. Address of the Registered office & contact details	4F-15, OLIVER HOUSE, NEW POWER HOUSE ROAD, NEAR BANK OF INDIA, JODHPUR (RAJASTHAN) - 342003 Tel: 0291-2765400 to 09 Email: cmd@somiconveyor.com Website: www.somiinvestor.com and www.somiconveyor.com
vi. Whether listed company	Yes
vii. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Universal Capital Securities Pvt Ltd. (Formerly: Mondkar Computers Pvt. Limited) 21, Shakil Niwas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Tel: (+91 22) 28257641, 28366620 Fax: (+91 22) 28262920 Web: www.unisec.in

II. Principal business activities of the company

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Conveyor Belt	25192	97.34%

III. Particulars of holding, subsidiary & associate companies

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	-	-	-	-	-
2	-	-	-	-	-
3	-	-	-	-	-

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6905607	50180	6955787	59.05	6905607	50180	6955787	59.05	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	6905607	50180	6955787	59.05	6905607	50180	6955787	59.05	-

(2) Foreign									
(a) NRI - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Bank/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6905607	50180	6955787	59.05	6905607	50180	6955787	59.05	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1662030	822000	2484030	21.09	1445254	822000	2267254	19.25	-1.84
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1114907	10	1114917	9.46	1188902	10	1188912	10.09	0.63
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1045017	-	1045017	8.87	1333431	-	1333431	11.32	2.45
c) Others (specify)									
a) Clearing Members	154926	-	154926	1.32	9978	-	9978	0.08	- 1.23
b) Trusts	-	-	-	-	-	-	-	-	-
b) NRI/OCBs	24979	-	24979	0.21	24294	-	24294	0.21	- 0.01
Sub-total (B)(2)	4001859	822010	4823869	40.95	4001859	822010	4823869	40.95	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	4001859	822010	4823869	40.95	4001859	822010	4823869	40.95	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10907466	872190	11779656	100.00	10907466	872190	11779656	100.00	

(ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	GAURAV BHANSALI	572335	4.86	—	572335	4.86	—	—
2	J M MEHTA	180	0.00	—	180	0.00	—	—
3	MADHU MEHTA	50000	0.42	—	50000	0.42	—	—
4	OM KUMARI BHANSALI	1041041	8.84	—	1041041	8.84	—	—
5	OM PRAKASH BHANSALI HUF	135000	1.15	—	135000	1.15	—	—
6	OM PRAKASH BHANSALI	4417011	37.50	—	4417011	37.50	—	—
7	PRIYA BHANSALI	68691	0.58	—	68691	0.58	—	—
8	RUCHI BHANSALI	72689	0.62	—	72689	0.62	—	—
9	VIMAL BHANSALI	598840	5.08	—	598840	5.08	—	—
	Total	6955787	59.05	—	6955787	59.05	—	—

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

S. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	1. GAURAV BHANSALI	572335	4.86		
	2. J M MEHTA	180	0.00		
	3. MADHU MEHTA	50000	0.42		
	4. OM KUMARI BHANSALI	1041041	8.84		
	5. OM PRAKASH BHANSALI HUF	135000	1.15		
	6. OM PRAKASH BHANSALI	4417011	37.50		
	7. PRIYA BHANSALI	68691	0.58		
	8. RUCHI BHANSALI	72689	0.62		
	9. VIMAL BHANSALI	598840	5.08	6955787	59.05

	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/ sweat equity etc)	NO CHANGE			
	At the end of the year				
	1. GAURAV BHANSALI	572335	4.86		
	2. J M MEHTA	180	0.00		
	3. MADHU MEHTA	50000	0.42		
	4. OM KUMARI BHANSALI	1041041	8.84		
	5. OM PRAKASH BHANSALI HUF	135000	1.15		
	6. OM PRAKASH BHANSALI	4417011	37.50		
	7. PRIYA BHANSALI	68691	0.58		
	8. RUCHI BHANSALI	72689	0.62		
	9. VIMAL BHANSALI	598840	5.08	6955787	59.05

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

S. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	TRANSLAND SHARES PRIVATE LIMITED				
	At the beginning of the year	456183	3.87	456183	3.87
	19/02/2016 (Market Sell)	-233832	-1.99	222351	1.89
	11/03/2016 (Market Purchase)	233832	1.99	456183	3.87
	At the end of the year			456183	3.87
2.	ROYAL JAISAL FINANCIAL CONSULTANTS PRIVATE LIMITED				
	At the beginning of the year	382553	3.25	382553	3.25
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			382553	3.25
3.	MANISH TRADECOM PRIVATE LIMITED				
	At the beginning of the year	301732	2.56	301732	2.56
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			301732	2.56
4.	SINA CHEMTRADE PRIVATE LIMITED				
	At the beginning of the year	298000	2.53	298000	2.53
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			298000	2.53

5.	JOSHNA TRADING PRIVATE LIMITED				
	At the beginning of the year	286000	2.43	286000	2.43
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			286000	2.43
6.	RAJENDRAKUMAR S BHIMRAJKA				
	At the beginning of the year	275000	2.33	275000	2.33
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			275000	2.33
7.	SAJOY RUBBER PRIVATE LIMITED				
	At the beginning of the year	238000	2.02	238000	2.02
	Change During the Year	Nil	Nil	Nil	Nil
	At the end of the year			238000	2.02
8.	GIRISH GULATI (HUF)				
	At the beginning of the year	464469	3.94	464469	3.94
	10/04/2015 (Market Sell)	-16831	-0.14	447638	3.80
	17/04/2015 (Market Sell)	-12730	-0.11	434908	3.69
	24/04/2015 (Market Sell)	-114230	-0.97	320678	2.72
	01/05/2015 (Market Sell)	-5632	-0.05	315046	2.67
	08/05/2015 (Market Sell)	-9532	-0.08	305514	2.59
	15/05/2015 (Market Sell)	-5051	-0.04	300463	2.55
	22/05/2015 (Market Sell)	-6759	-0.06	293704	2.49
	29/05/2015 (Market Sell)	-2400	-0.02	291304	2.47
	05/06/2015 (Market Sell)	-1502	-0.01	289802	2.46
	12/06/2015 (Market Sell)	-13191	-0.11	276611	2.35
	19/06/2015 (Market Sell)	-6626	-0.06	269985	2.29
	26/06/2015 (Market Sell)	-2000	-0.02	267985	2.27
	30/06/2015 (Market Sell)	-800	-0.01	267185	2.27
	03/07/2015 (Market Sell)	-1500	-0.01	265685	2.26
	10/07/2015 (Market Sell)	-6000	-0.05	259685	2.20
	24/07/2015 (Market Sell)	-3000	-0.03	256685	2.18
	31/07/2015 (Market Sell)	-5487	-0.05	251198	2.13
	07/08/2015 (Market Sell)	-2000	-0.02	249198	2.12
	21/08/2015 (Market Sell)	-51315	-0.44	197883	1.68
	30/10/2015 (Market Sell)	-3000	-0.03	194883	1.65
	20/11/2015 (Market Sell)	-5000	-0.04	189883	1.61
	04/12/2015 (Market Sell)	-3000	-0.03	186883	1.59
	15/01/2016 (Market Sell)	-3000	-0.03	183883	1.56
	05/02/2016 (Market Sell)	-280	0.00	183603	1.56
	At the end of the year			183603	1.56

Annual Report 2016

9.	RELIGARE FINVEST LTD				
	At the beginning of the year	135000	1.15	135000	1.15
	29/05/2015 (Market Sell)	-571	0.00	134429	1.14
	26/06/2015 (Market Sell)	-3758	-0.03	130671	1.11
	10/07/2015 (Market Sell)	-1	0.00	130670	1.11
	17/07/2015 (Market Sell)	-4000	-0.03	126670	1.08
	16/10/2015 (Market Sell)	-1670	-0.01	125000	1.06
	30/10/2015 (Market Sell)	-2500	-0.02	122500	1.04
	27/11/2015 (Market Sell)	-941	-0.01	121559	1.03
	At the end of the year			121559	1.03
10.	RAHUL DHRUV				
	At the beginning of the year	0	0.00	0	0.00
	20/11/2015 (Market Purchase)	5000	0.04	5000	0.04
	27/11/2015 (Market Purchase)	9270	0.08	14270	0.12
	04/12/2015 (Market Purchase)	7730	0.07	22000	0.19
	11/12/2015 (Market Purchase)	18909	0.16	40909	0.35
	18/12/2015 (Market Purchase)	3207	0.03	44116	0.37
	25/12/2015 (Market Purchase)	7	0.00	44123	0.37
	31/12/2015 (Market Purchase)	15877	0.13	60000	0.51
	15/01/2016 (Market Purchase)	6000	0.05	66000	0.56
	22/01/2016 (Market Purchase)	16510	0.14	82510	0.70
	29/01/2016 (Market Purchase)	1000	0.01	83510	0.71
	05/02/2016 (Market Purchase)	1490	0.01	85000	0.72
	12/02/2016 (Market Purchase)	3000	0.03	88000	0.75
	19/02/2016 (Market Purchase)	2990	0.03	90990	0.77
	26/02/2016 (Market Purchase)	4598	0.04	95588	0.81
	04/03/2016 (Market Purchase)	1500	0.01	97088	0.82
	At the end of the year			97088	0.82
11.	PACE STOCK BROKING SERVICES PRIVATE LIMITED				
	At the beginning of the year	100000	0.85	100000	0.85
	24/04/2015 (Market Sell)	-30000	-0.25	70000	0.59
	01/05/2015 (Market Sell)	30000	0.25	100000	0.85
	08/05/2015 (Market Sell)	-28346	-0.24	71654	0.61
	15/05/2015 (Market Sell)	-7712	-0.07	63942	0.54
	22/05/2015 (Market Sell)	-23264	-0.20	40678	0.35
	17/07/2015 (Market Sell)	-40678	-0.35	0	0.00
	At the end of the year			0	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1. OM PRAKASH BHANSALI(MD) 2. VIMAL BHANSALI(WTD) 3. GAURAV BHANSALI (WTD) 4. MAHENDRA KUMAR RAKECHA (INE) 5. YOGESH MAHESHWARI(INE) 6. SHARAD GYANMAL NAHATA (INE) 7. SURBHI RATHI(INEW) 8. MANISH BOHRA (CFO) 9. AMIT BAXI (CS)	4417011 598840 572335 0 0 0 0 0 0	37.50 5.08 4.86 0 0 0 0 0 0	5587119	47.44
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE			
	At the end of the year 1. OM PRAKASH BHANSALI(MD) 2. VIMAL BHANSALI(WTD) 3. GAURAV BHANSALI (WTD) 4. MAHENDRA KUMAR RAKECHA (INE) 5. YOGESH MAHESHWARI(INE) 6. SHARAD GYANMAL NAHATA (INE) 7. SURBHI RATHI(INEW) 8. MANISH BOHRA(CFO) 9. AMIT BAXI (CS)	4417011 598840 572335 0 0 0 0 0 0	37.50 5.08 4.86 0 0 0 0 0 0	5587119	47.44

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	329037356	-	-	329037356
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	329037356	-	-	329037356

Annual Report 2016

Change in Indebtedness during the financial year				
- Addition	55925974	-	-	55925974
- Reduction	(80518405)	-	-	(80518405)
Net Change	(24592431)	-	-	(24592431)
Indebtedness at the end of the financial year				
i) Principal Amount	304444925	-	-	304444925
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	304444925			304444925

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		O.P. BHANSALI MD	VIMAL BHANSALI WTD	GAURAV BHANSALI WTD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600000	420000	420000	1440000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	600000/-	420000/-	420000/-	1440000/-
	Ceiling as per the Act				

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		MAHENDRA KUMAR RAKECHA	YOGESH MAHESHWARI	SHARAD GYANMAL NAHATA	SURBHI RATHI	
1	Independent Directors					
	☐ Fee for attending board committee meetings	13000	7000	12000	6000	38000
	☐ Commission	-	-	-	-	-
	☐ Others, please specify	-	-	-	-	-
	Total (1)	13000	7000	12000	6000	38000
2	Other Non-Executive Directors					
	☐ Fee for attending board committee meetings	-	-	-	-	-
	☐ Commission	-	-	-	-	-
	☐ Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	13000	7000	12000	6000	38000
	Total Managerial Remuneration	13000	7000	12000	6000	38000
	Overall Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/Manager/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	AMIT BAXI CS	MANISH BOHRA CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	360000	621287	981287/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	360000	621287	981287/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure – II

Form MR-3

Secretarial Audit Report for the Financial Year Ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Somi Conveyor Beltings Limited
4F-15, “Oliver House”,
New Power House Road, Jodhpur

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SOMI CONVEYOR BELTINGS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **SOMI CONVEYOR BELTINGS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **SOMI CONVEYOR BELTINGS LIMITED** (“the Company”) for the financial year ended on **March 31, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable to the Company during the Financial Year under review;**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, **Not Applicable to the Company during the Financial Year under review;**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, **Not Applicable to the Company during the Financial Year under review;**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Annual Report 2016

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **Not Applicable to the Company during the Financial Year under review**; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, **Not Applicable to the Company during the Financial Year under review**;
- (vi) Other Laws as applicable to the company [Provided in **Appendix B**] : **I further report** that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Managing Director taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws, Environment laws and other legislations.

I further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws, Service tax and others detailed under Tax Legislations, I have relied on the representations made by the Company, its Officers and Reports issued by the Statutory Auditors.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India,
- (ii) The Listing Agreements entered into by the Company with Stock Exchange;
- (iii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (With effect from 1st December, 2015).

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 Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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.

I further report that during the audit period there are no instances of:

- i) Public/Rights/Preferential issue of shares / debentures/sweat equity, etc.
- ii) Redemption / buy-back of securities
- iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv) Merger / amalgamation / reconstruction, etc.
- v) Foreign technical collaborations .

Company Secretary in Practice : IRA BAXI

Place : Jodhpur

Date : September 3rd, 2016

FCS No. : 5456

C.P. No. : 4712

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

APPENDIX-A

To,
The Members
SOMI CONVEYOR BELTINGS LIMITED
CIN: L25192RJ2000PLC016480
4F-15, "OLIVER HOUSE",
NEW POWER HOUSE ROAD,
JODHPUR (RAJ.)

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our 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 the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that 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. Where ever 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 the verification of procedures on random 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.

Place : Jodhpur
Date : September 3rd, 2016

Company Secretary in Practice : IRA BAXI
FCS No. : 5456
C.P. No. : 4712

APPENDIX-B

LIST OF OTHER LAWS APPLICABLE TO SOMI CONVEYOR BELTINGS LIMITED

S. No.	Name of Acts/Rules/Regulations
1.	The Competition Act, 2002
2.	The Environment (Protection) Act, 1986
3.	The Water (Prevention & Control of Pollution) Act, 1974
4.	The Air (Prevention & Control of Pollution) Act, 1981
5.	The Public Liability Insurance Act, 1991
6.	The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
7.	The Factories Act, 1948
8.	The Industrial Disputes Act, 1947
9.	The Payment of Wages Act, 1936
10.	The Minimum Wages Act, 1948
11.	The Employees' State Insurance Act, 1948
12.	The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
13.	The Payment of Bonus Act, 1965
14.	The Payment of Gratuity Act, 1972
15.	The Contract Labour (Regulation and Abolition) Act, 1970
16.	The Maternity Benefit Act, 1961
17.	The Child Labour (Prohibition and Regulation) Act, 1986
18.	The Industrial Employment (Standing Orders) Act, 1946
19.	The Employees' Compensation Act, 1923
20.	The Apprentices Act, 1961
21.	The Equal Remuneration Act, 1976
22.	The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
23.	Micro, Small and Medium Enterprises Development (MSMED) Act, 2006
24.	Indian Trade Union Act, 1926

25.	The Person with Disability Act, 1995
26.	The Vehicle Operation, Maintenance Manual, Motor Vehicles Act/ Rules & Important instructions/ order
27.	The Income Tax Act, 1961
28.	Rajasthan Value Added Tax Act, 2003
29.	Rajasthan Sales Tax Act, 1994
30.	The Rajasthan Tax on Entry of Goods into Local Areas Rules, 1999
31.	The Central Sales Tax Act, 1956
32.	The Central Excise Act, 1944
33.	The Customs Act, 1962
34.	The Service Tax Statutory Provisions, 1994
35.	The Foreign Exchange Management Act, 1999
36.	The Employees Personnel Regulations, 1988 & Employees General P.F. Regulation, 1988
38.	The Employees Conduct Regulations, 1976
39.	The Employees (Classification, Control & Appeal) Regulations, 1962
40.	The Engineers Services (Recruitment, Promotion & Seniority) Regulation, 1974
41.	The Employees Pension Scheme, 1995
42.	The Provident Fund & Pension Regulation, 1989
43.	The Indian Penal Code, 1860
44.	The Indian Evidence Act, 1872
45.	The Code of Criminal Procedure, 1973
46.	The Code of Civil Procedure, 1908
47.	The Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013
48.	All Rules/Regulations in relation to above specified Acts.

Place : Jodhpur
Date : September 3rd, 2016

Company Secretary in Practice : IRA BAXI
FCS No. : 5456
C.P. No. : 4712

ANNEXURE – III

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR Policy

Somi Conveyor Beltings Limited (hereafter referred to as the Company) is committed to fulfilling its responsibilities to society in a qualitative manner beyond statutory obligations in line with the time-honoured. Sustained economic performance, environmental & social stewardship are the key factor for holistic business growth. Considering the present scenario, the focus of Company is to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

The details of CSR policy and projects or programs are available on the website of the Company viz. http://www.somiinvestor.com/images/pdf/Policies/SOMI_-_Corporate_Social_Responsibility_Policy.pdf

2. Composition of the CSR Committee

Mr. Om Prakash Bhansali (Chairman) – Executive Director

Mr. Vimal Bhansali – Executive Director

Mr. Mahendra Kumar Rakecha – Non –Executive and Independent Director

3. Average net profit of the Company for last three financial years

Average net profit **Rs. 57, 354, 190/-**

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above)

The Company was required to spend **Rs. 1, 147, 084/-**

5. Details of CSR Spend during the financial year

a. Total amount spent during the financial year: **NIL**

b. Amount unspent, if any: **Rs. 1, 147, 084/-**

6. Reasons for falling short of the required spend

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the Company was not able to spend 2% of average net profit of last three years.

7. Responsibility statement of the CSR committee

The Board of the Company and the CSR Committee is responsible for the implementation and monitoring of CSR activities. The CSR vision of the Company is to become the most admired company of the region by doing business the ethical way and embed the ethos of a socially and environmentally responsible corporate citizen in its strategy and activities by aligning the same with Company's CSR objectives and Policy. Though during the year, the Company was not able to spend 2% of average net profit of last three years. However, the CSR Committee has ensured the Board of the Company that the CSR activities are scalable which coupled with new initiatives that may be considered in future, moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.

Place : Jodhpur
Date : September 3rd, 2016

O.P. BHANSALI
(Managing Director and Chairman)
DIN : 00351846

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report for the Year ended 31st March, 2016 forms part of the Directors Report and the same has been prepared as prescribed by SEBI and incorporated in Part C of Schedule V of the SEBI (LODR) Regulations 2015 is set out as below:.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance has always been the top priority and has been taken high in letter and in spirit. Your Company strongly believes in maintaining transparency, accountability and integrity which are the main components in Corporate Governance. The philosophy is manifested in its operations through standards of ethical behavior, both within the organization as well as in external relationships too. The Company aims at maximizing shareholder's value and its philosophy is based on the fair and transparent disclosure of issues related with the Company's business, financial performance and matters relating to stakeholders' interest. We believe that Corporate Governance is the key element in improving efficiency, growth and investor's confidence.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Our corporate governance philosophy is based on the following principles:

- Corporate governance standards should satisfy both the spirit of the law and the letter of the law
- Ensure transparency and maintain a high level of disclosure
- Clearly distinguish between personal conveniences and corporate resources
- Communicate externally, and truthfully, about how the Company is run internally
- Comply with the laws of all countries in which we operate
- Have a simple and transparent corporate structure driven solely by business needs
- The Management is the trustee of the shareholders' capital and not the owner.

A detailed disclosure on the Board of Directors, Shareholders and Stock Performance related to year 2015-2016 are detailed below:

II. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The business of the company is conducted by the management under the directions of the Board. The Board formulates the strategy, regularly reviews the performance of the company and ensures that the previously agreed objectives are met on a consistent basis.

a) Composition of Board

The Board comprises of a majority of Independent Directors. It has a good mix of Executive and Non-Executive Directors including Independent Directors. Presently the company has a board consisting of seven members. The Board as on 31st March, 2016 comprises of three executive directors and four Non-Executive Directors. All the non-executive directors are Independent Directors.

The Non-Executive Directors are eminent and experienced persons in their respective fields of industry, finance, accountancy and law.

The details of each member of the Board along with the number of Directorship(s)/ Committee Membership(s)/Chairmanship(s) and date of joining the Board are provided hereinbelow:

**Composition and Directorship(s) / Committee Membership(s)/Chairmanship(s)
as on 31st March, 2016**

Name of the Director	Category*	Number of shares held in the Company	Date of Original Appointment	No. of outside Directorship in Public Limited Companies	No. of Committee Position Held in other Public Limited Companies	
					Chairman	Member
Mr. Om Prakash Bhansali	PE & CMD	4417011	16/06/2000	1	NIL	1
Mr. Vimal Bhansali	PE & WTD	598840	16/06/2000	1	NIL	1
Mr. Gaurav Bhansali	PE & WTD	572335	16/06/2000	1	NIL	1
Mr. Mahendra Kumar Rakecha	INE	-	30/09/2006	NIL	NIL	NIL
Mr. Yogesh Maheshwari	INE	-	10/01/2007	NIL	NIL	NIL
Mr. Sharad Gyanmal Nahata	INE	-	12/02/2014	NIL	NIL	NIL
# Ms. Surbhi Rathi	INEW	-	28/03/2015	NIL	NIL	NIL

*PE = Promoter Executive, CMD = Chairman cum Managing Director INE = Independent Non Executive, WTD = Whole Time Director, INEW = Independent Non-Executive Woman

b) Appointment and Tenure

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and Independent Directors of the Company, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election. The Managing Director of the Company is appointed for a term of five years as per the requirement of the statute.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
- The Independent Directors will serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013.

c) Board Procedure

The Company Secretary prepares the agenda and the explanatory notes in consultation with the Chairman of the Board of Directors and circulates the same in advance to the Directors to enable the Board to take informed decisions. The Board meets at least once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. Presentations are made to the Board for complete update on projects/business.

d) Number of Board Meetings and Attendance Record of Directors

The Board meets at least once in a quarter to consider amongst other business, the performance of the Company and financial results. The particulars of Board Meetings held during 2015-16 as well as attendance of Directors at the Board Meetings and the last AGM are provided below:

Details of Board Meetings

Number of Board Meetings held during 2015-16: Ten (10)			
S.No	Date of Board Meeting	S.No	Date of Board Meeting
1	23.04.2015	6	04.09.2015
2	30.05.2015	7	14.11.2015
3	30.06.2015	8	18.01.2016
4	31.07.2015	9	12.02.2016
5	14.08.2015	10	30.03.2016

Attendance Record of Meetings of Independent Directors

Name of Director	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM held on 30.09.2015
Mr. Om Prakash Bhansali	10	10	Yes
Mr. Vimal Bhansali	10	10	Yes
Mr. Gaurav Bhansali	10	10	Yes
Mr. Mahendra Kumar Rakecha	10	5	Yes
Mr. Yogesh Maheshwari	10	5	Yes
Mr. Sharad Gyanmal Nahata	10	5	Yes
Ms. Surbhi Rathi	10	5	Yes

e) Meeting of Independent Directors

The Independent Directors met on March 30, 2016, inter alia, to discuss:

- Evaluation of performance of Non-independent Directors, Audit Committee members and the Board of Directors as a whole;
- Evaluation of 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 timeliness of flow of information between the Management and the board that is necessary for the Board to effectively and reasonably perform its duties.

Attendance Record of Meetings of Independent Directors

Name of Director	Number of Board Meetings held	Number of Board Meetings attended
Mr. Mahendra Kumar Rakecha	1	1
Mr. Yogesh Maheshwari	1	1
Mr. Sharad Gyanmal Nahata	1	1
Ms. Surbhi Rathi	1	1

f) Code of Conduct

The Company has its Code of conduct for all the Board Members and Senior Management of the company. All Board Members and senior Management personnel have affirmed compliance of the Code of Conduct. A Declaration signed by the Managing Director to this effect is enclosed at the end of this report.

g) Familiarisation Programme for Directors

The provision of an appropriate Familiarization programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part. The Independent Directors, from time to time, request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The Familiarization programme is designed as such to :

- a. build an understanding of Somi Conveyor, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of Familiarization programme for Directors are available on Company's Website at

http://www.somiinvestor.com/images/pdf/Policies/SOMI_-_Familiarization_Programme_for_IDs.pdf

h) Board Evaluation

During the year, in terms of the requirements of the Act and SEBI (LODR) Regulations, 2015, Board Evaluation was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process is based on the criteria specified by Nomination and Remuneration Committee focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Board Evaluation was carried out on parameters such as

- Performance of Directors
- Governance & Compliance
- Participation at the Board/Committee meetings
- Commitment
- Effective deployment of knowledge and expertise
- Relationship with Stakeholders
- Integrity & Confidentiality
- Independence of Behaviour and Judgement
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Annual Report 2016

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on an action to further improve the effectiveness and functioning of the Board and Committees. The Chairman of respective Board Committees also shared the results of evaluation with the respective Committee Members. The Board approved the evaluation results as collated by the nomination and remuneration committee.

i) Whistle Blower Policy

The policy provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle blower Policy has been uploaded on the website of the Company at

http://www.somiinvestor.com/images/pdf/Policies/SOMI_-_Whistle_Blower_Policy.pdf

III. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various Committees. Details on the role and composition of these Committees, including the number of meetings held during the Financial Year and the related attendance are provided below.

a) Audit Committee

Details of the Composition of the Audit Committee, meetings and attendance of the members are as follows:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The Company's Audit Committee comprises of three Directors out of which two are Independent Directors and one is Whole-Time Director. The Audit Committee is headed by Mr. Mahendra Kumar Rakecha and has Mr. Sharad Gyanmal Nahata and Mr. Gaurav Bhansali as its members. All the members of the Committee have relevant experience in financial matters. The CFO, the Internal Auditor and the Statutory Auditors are invitees to the meetings of the Audit Committee.

The Committee reviews various aspects of internal controls and the internal auditors' report. The requirements under Regulation 18 of the SEBI (LODR) Regulations, 2015 as amended from time-to-time are also reviewed by the committee.

The Audit Committee has met four times during the financial year 2015-2016 on:

May 30, 2015; August 14, 2015; November 14, 2015 and February 12, 2016.

Details of meetings attended by the members of the Audit Committee during the financial year 2015-2016 are as follows:

Name of Committee Member	Number of Committee Meetings held	Number of Committee Meetings attended
Mr. Mahendra Kumar Rakecha (Chairman) Non- Executive and Independent Director	4	4
Mr. Sharad Gyanmal Nahata Non- Executive and Independent Director	4	4
Mr. Gaurav Bhansali Whole-Time Director	4	4

Terms of reference:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, the internal control system;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and back ground, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b) Nomination & Remuneration Committee

Details of the Composition of the Nomination and Remuneration Committee and attendance of the members are as follows:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Company comprises of three directors all of whom are non-executive directors namely Mr. Yogesh Maheshwari (Chairman), Mr. Mahendra Kumar Rakecha and Mr. Sharad Gyanmal Nahata.

One meeting of the Nomination & Remuneration Committee was held on 30th March, 2016 and was attended by all the members of the Committee.

Role of Nomination and Remuneration Committee

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
6. To devise a policy on Board diversity.
7. To develop a succession plan for the Board and to regularly review the plan;

Details of Remuneration to all the directors:
a) Executive Directors

The Company has one Managing Directors Mr. Om Prakash Bhansali and Two Whole-Time Directors Mr. Vimal Bhansali and Mr. Gaurav Bhansali. The remuneration payable to them has been fixed by the Board of Directors as per Section 197, 198 read with Schedule V of the Companies Act, 2013 after receiving sanction from the Shareholders in the duly convened General Meeting. The remuneration policy is directed towards rewarding performance. The Nomination & Remuneration Committee of the Company shall, inter-alia, evaluate the performance of the Executive Directors.

Details of remuneration paid/payable to the Executive Directors of the Company during the year ended March 31, 2016 are given below:

Annual Amount in Rs.					
Name of Directors	Remuneration	Commission	Value of Perquisites/ Reimbursement of Expenses	Sitting Fees	Total Remuneration (Per Annum)
Mr. Om Prakash Bhansali, Chairman and Managing Director	Rs.6,00,000/-	NIL	NIL	NIL	Rs.6,00,000/-
Mr. Vimal Bhansali, Whole time Director	Rs. 4,20,000/-	NIL	NIL	NIL	Rs. 4,20,000/-
Mr. Gaurav Bhansali, Whole time Director	Rs 4,20,000/-	NIL	NIL	NIL	Rs 4,20,000/-
TOTAL	Rs.14,40,000/-	NIL	NIL	NIL	Rs.14,40,000/-

b) Non-Executive and Independent Directors

The Company has no pecuniary relationship or transaction with its Non-executive and Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings. Non-Executive and Independent Directors have been paid remuneration by way of sitting fee.

Details of the sitting fees and commission paid to the Independent Directors for the financial year 2015-16 are as under:

Name of Non-Executive & Independent Directors	Sitting fee for Board/ Audit Committee Meetings attended
Mr. Mahendra Kumar Rakecha	13000/-
Mr. Yogesh Maheswari	7000/-
Mr. Sharad Gyanmal Nahata	12000/-
Ms. Surbhi Rathi	6000/-

The company does not have any Employee's Stock Option Scheme and there is no separate provision for payment of Severance fee.

c) Stakeholder Relationship Committee

Details of the Composition of the Stakeholder Relationship Committee and attendance of the members are as follows:

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee of the Company comprises of three directors out of which two are Independent Directors and one is Whole-Time Director. The Stakeholders Relationship Committee is headed by Mr. Sharad Gyanmal Nahata and has Mr. Mahendra Kumar Rakecha and Mr. Vimal Bhansali as its members.

The role of the committee is to consider and resolve the grievances of security holders and perform such roles as may be required. Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of investors. A status report of shareholders complaints and redressal thereof is prepared and placed before Stakeholders Relationship/Grievance Committee of Directors.

The Secretary of the Company is to act as the Compliance Officer.

The shareholders/investors can send shares/debentures related complaints, if any, through e-mail Id: - cmd@somiconveyor.com designated exclusively for this purpose.

One(1) meeting of the Stakeholder and Relationship Committee was held on 30th March, 2016 and was attended by all the members of the Committee.

The Committee consists of three Directors and the attendance of each committee member is as under:

Name of Committee Member	Number of Committee Meetings held	Number of Committee Meetings attended
Mr. Sharad Gyanmal Nahata (Chairman) Non- Executive and Independent Director	1	1
Mr. Vimal Bhansali Whole-Time Director	1	1
Mr. Mahendra Kumar Rakecha Non- Executive and Independent Director	1	1

Status of Shareholders'/Investors' Complaints for the period 01st April, 2015 to 31st March, 2016

Opening Balance	Complaints Received during the year 2015-16	Complaints Resolved during the year 2015-16	Closing Balance
NIL	NIL	NIL	NIL

Mr. Amit Baxi, Company Secretary, is the Compliance Officer for resolution of Shareholder's/Investor's complaints. During the Financial Year ended 31st March, 2016, there was no Complaint received from the Shareholder. However, One (1) request was received from the Shareholder regarding supply of Annual Report of preceding five years, the Company Secretary dispatched the same within stipulated time.

d) Corporate Social Responsibility Committee

Details of the Composition of the Corporate Social Responsibility Committee and attendance of the members are as follows:

The Corporate Social Responsibility Committee of the Company is constituted in line with the provisions

of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee of the Company comprises of three directors namely Mr. Om Prakash Bhansali (Chairman) and has Mr. Vimal Bhansali and Mr. Mahendra Kumar Rakecha as its Members. During the year, the Committee met once on March 30, 2016.

The Committee consists of three Directors and the attendance of each committee member is as under:

Name of Committee Member	Number of Committee Meetings held	Number of Committee Meetings attended
Mr. Om Prakash Bhansali (Chairman) Managing Director	1	1
Mr. Vimal Bhansali Whole-Time Director	1	1
Mr. Mahendra Kumar Rakecha Non- Executive and Independent Director	1	1

Terms of Reference

- Formulation and Recommendation to the Board, a CSR Policy indicating the activities to be undertaken by the company as specified in Schedule VII;
- Recommendation of amount of expenditure to be incurred on the activities referred in Schedule VII;
- Monitoring the CSR Policy of the company from time to time.
- Ensuring that the programs, projects and activities supported through Somi Conveyor Beltings Limited are aligned with the approved CSR policy of the Company and Section 135 and Schedule VII of the Act;
- Reviewing and approving annual budgets with respect to CSR programs;
- In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board; the reasons shall also be included in the Board's report;
- Receiving and reviewing reports from Implementing Partners to assess the performance and effectiveness of projects supported by the Company;
- Reviewing the findings and recommendations regarding the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants;
- Responding to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR supported initiatives;
- Ensuring that the Company's website displays the approved CSR policy of the Company;
- Developing and institutionalizing a CSR reporting mechanism in terms of Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

IV. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

Annual Report 2016

V. GENERAL BODY MEETINGS

Date, Time and Location where last Three AGMs were held:

Financial Year	Date	Time	Location
2012-13	30.09.2013	10.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 003
2013-14	30.09.2014	11.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 003
2014-15	30.09.2015	11.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 003

WHETHER ANY SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMs:

1. In the 15th Annual General Meeting held on 30th September, 2015, Two Special Resolutions were proposed and passed pertaining to:
 - a. Consent of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or charge by the Board of Directors any immovable and movable properties/assets of the Company including undertaking(s) to secure the borrowings.
 - b. Consent of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to the Board of Directors to borrow amount not exceeding at any time Rs. 100 Crs. over and above the paid up capital and free reserves of the Company.
2. In the 14th Annual General Meeting held on 30th September, 2014, Two Special Resolutions were proposed and passed pertaining to:
 - a. Consent of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or charge by the Board of Directors any immovable and movable properties/assets of the Company including undertaking(s) to secure the borrowings.
 - b. Consent of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to the Board of Directors to borrow amount not exceeding at any time Rs. 50 Crs. over and above the paid up capital and free reserves of the Company.
3. In the 13th Annual General Meeting held on 30th September, 2013, no Special Resolutions were proposed and passed

WHETHER ANY EXTRA ORDINARY GENERAL MEETING HELD DURING THE YEAR:

- No Extra Ordinary General Meeting was held during the year under review.

WHETHER SPECIAL RESOLUTION WERE PUT THROUGH POSTAL BALLOT EXERCISE:

- No

DETAILS OF VOTING PATTERN:

1. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to mortgage / charge / encumber immoveable / moveable properties.

Promoter/ Public	No. of shares held (1)	No. of votes polled (including e-voting) (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes- in favour (4)	No. of Votes- against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)] *100	% of Votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	6905607	6905607	100%	6905607	0	100%	0
Public – Institutional holders	0	0	0	0	0	0	0
Public-Others	1969353	1969353	100%	1969353	0	100%	0
Total	8874960	8874960	100%	8874960	0	100%	0

2. Special Resolution under Section Section 180(1)(c) of the Companies Act, 2013 for borrowing money.

Promoter/ Public	No. of shares held (1)	No. of votes polled (including e-voting) (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes- in favour (4)	No. of Votes- against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)] *100	% of Votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	6905607	6905607	100%	6905607	0	100%	0
Public – Institutional holders	0	0	0	0	0	0	0
Public-Others	1969353	1969353	100%	1969353	0	100%	0
Total	8874960	8874960	100%	8874960	0	100%	0

PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE:

- NotApplicable

WHETHER ANY RESOLUTIONS ARE PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT:

- None of the resolutions are required to be put through postal ballot.

PROCEDURE FOR POSTAL BALLOT:

- NotApplicable

VI. DISCLOSURES

a) **Related Party Transactions / Materially significant related party transactions:**

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the year were at an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. In terms of Regulation 23(1) of the SEBI (LODR) Regulations, 2015, the Board of Directors has approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: http://www.somiinvestor.com/images/pdf/Policies/SOMI_-_Related_Party_Transaction_Policy.pdf

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no transactions between the Company and the Promoters, Directors or Management, their subsidiaries or relatives, etc. that had a potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which directors are interested is placed before the Board regularly.

b) **Statutory Compliance, Penalties and Strictures:**

There were no instances of non-compliance or penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets, during the last three years excepting a small monetary fine of Rs. 4494/- imposed by BSE for delay in submission of Annual Report of 2014 to the Exchange.

c) **Compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company confirms that it has complied with all mandatory requirements prescribed in SEBI (LODR) Regulations, 2015.

The Company has partially adopted the non-mandatory requirements. Disclosures of the extent to which the discretionary requirements have been adopted are given elsewhere in this report.

d) **Risk Management Framework:**

The company has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures.

e) **Disclosure on Commodity price risks or foreign exchange risk and hedging activities:**

This has been discussed in detail in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

f) **Disclosure on compliance with Corporate Governance Requirements specified in SEBI (LODR) Regulations, 2015:**

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015 and necessary disclosures thereof have been made in this Corporate Governance Report.

g) **CEO/ CFO certification:**

As required by Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the CEO and CFO of the Company have furnished the Compliance Certificate of the financial statements for the year to the Board of Directors. The same is enclosed at the end of the report.

h) **Certificate on corporate governance:**

As required by the SEBI (LODR) Regulations, 2015, the compliance certificate from Practising Company Secretary regarding compliance of conditions of corporate governance is annexed to the directors' report.

i) **All non- executive directors of the company do not hold any shares in the company as on 31/03/2016.**

VII. MEANS OF COMMUNICATION

The company publishes Quarterly/Half yearly/Annual results as required under the SEBI (LODR) Regulations, 2015. The results are normally published in one English and one Hindi daily. During the last year the results were published in the Business Standard/Financial Express and Dainik Navjyoti. The results were also published on the Company's website for financial and shareholding information etc. and the same are also forwarded to the Stock Exchanges as soon as these are taken on record/approved. In addition, disclosures with regard to Shareholding Pattern, Quarterly Secretarial Capital Audit Report, Corporate Governance Compliance Report, etc. are sent to the Stock Exchange as required under various regulations.

No presentations have been made to institutional investors/analysts during the financial year.

VIII. GENERAL SHAREHOLDERS INFORMATION

a) Date, time and venue of the 16th Annual General Meeting :

Annual General Meeting is proposed to be held on Friday, 30th September, 2016 at 11:30 A.M at its Registered Office at 4F-15, "Oliver House", New Power House Road, Jodhpur-342003

b) Financial Calendar :

Financial year is 1st April to 31st March and financial results will be declared as per the following schedule.

Particulars	Tentative Schedule
Quarterly Results	
Quarter ending on 30th June, 2016	Within Forty Five Days of the End of the Quarter
Quarter ending on 30th September, 2016	Within Forty Five Days of the End of the Quarter
Quarter ending on 31st December, 2016	Within Forty Five Days of the End of the Quarter
Annual Results of 2016-17	Within Sixty Days of the End of the Quarter
Annual General Meeting for the year ending March 31, 2017	In September, 2017

c) Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Saturday, the 24th September, 2016 to Friday, 30th September, 2016 (both days inclusive) for the purpose of 16th Annual General Meeting.

d) Dividend Payment

Dividend of Re.1/- per equity share of Rs 10/- each (i.e. 10%) for the Financial Year 2015- 16 has been recommended by the Board of Directors to shareholders for their approval. If approved, the dividend shall be paid from September 30, 2016 onwards.

e) Listing Details:

Name and Address of Stock Exchange	Stock Code
Bombay Stock Exchange Ltd. (BSE) [w.e.f. 24th July, 2008]	533001
Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	
National Stock Exchange of India Limited (NSE) [w.e.f. 18th July, 2016]	SOMICONVEY
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	
ISIN	INE323J01019

There are no arrears in payment of listing fees.

f) Market Price Data (in Rs.) (BSE Index) :

Month & Year	High (Price)	Low (Price)	Volume (No. of Shares)	BSE SENSEX		
				Month & Year	High	Low
Apr 2015	66.80	41.20	5,18,529	Apr 2015	29,094.61	26,897.54
May 2015	69.50	47.05	2,81,144	May 2015	28,071.16	26,423.99
Jun 2015	70.85	50.00	2,61,652	Jun 2015	27,968.75	26,307.07
Jul 2015	84.00	60.00	2,34,390	Jul 2015	28,578.33	27,416.39
Aug 2015	74.20	42.00	3,77,238	Aug 2015	28,417.59	25,298.42
Sep 2015	50.80	40.40	60,808	Sep 2015	26,471.82	24,833.54
Oct 2015	68.50	45.00	2,82,662	Oct 2015	27,618.14	26,168.71
Nov 2015	69.00	50.00	3,80,690	Nov 2015	26,824.30	25,451.42
Dec 2015	80.00	55.00	3,24,019	Dec 2015	26,256.42	24,867.73
Jan 2016	72.95	47.60	1,77,728	Jan 2016	26,197.27	23,839.76
Feb 2016	63.80	33.35	1,33,739	Feb 2016	25,002.32	22,494.61
Mar 2016	48.50	37.20	2,11,904	Mar 2016	25,479.62	23,133.18

Note: The information is compiled from the data available on the BSE website.

g) Registrars and Share Transfer Agents:

Universal Capital Securities Private Limited (Formerly: Mondkar Computers Pvt. Limited)

21, Shakil Niwas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093

Tel: (+91 22) 28257641, 28207203-05, Fax: (+91 22) 28262920, Web: www.unisec.in

h) Distribution of Shareholding As At 31st March 2016

No. of Equity Shares Held	No. of Shares	% to Capital	No. of Holders	% to Total
UPTO - 500	259158	2.20	1432	70.127
501 - 1000	195549	1.660	258	12.635
1001 - 2000	249830	2.121	176	8.619
2001 - 3000	79278	0.673	31	1.518
3001 - 4000	89475	0.760	25	1.224
4001 - 5000	126009	1.070	26	1.273
5001 - 10,000	290494	2.466	40	1.959
10,001 AND ABOVE	10489863	89.051	54	2.644
TOTAL	11779656	100	2042	100

i) Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. The Company's shares are regularly traded on the 'Bombay Stock Exchange Limited'. The shares in physical form are processed by the Registrar and transfer Agent and approved by the Share Transfer Committee. The applications for transfer of shares held in physical form are received at the office of the RTA of the company. All valid

transfers are processed within statutory period of the lodgment. 92.60% of the Share Capital of the Company is in dematerialized form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE323J01019.

j) Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion and likely impact on equity:

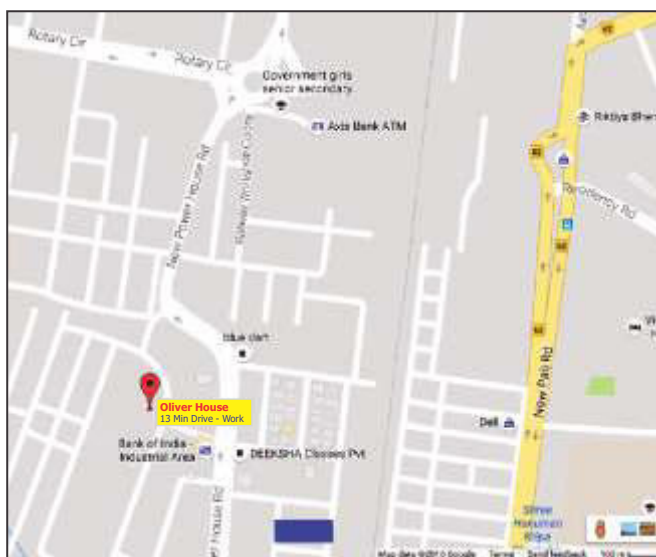
NIL

k) Plant location:

*H-2, 463-466, Sangaria Industrial Area, Jodhpur.

*K.No-58, 58/5, 58/6, Village Tanawara, Tehsil Luni, District Jodhpur.

l) Route Map of Oliver House (Venue of 16th AGM):



m) Address of Correspondence:

Mr. Amit Baxi

COMPANY SECRETARY & COMPLIANCE OFFICER

4 F-15, "Oliver House", New Power House Road, Jodhpur-342003

Tel.: +91-0291-2610472, 2637565, 2637564 Fax: +91-0291-2432307

E-mail:cmd@somiconveyor.com, csamitbaxi@gmail.com

Website: www.somiinvestor.com, www.somiconveyor.com

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per the requirement of the SEBI (LODR) Regulations, 2015 as part of the Directors Report or in addition thereto a Management Discussion & Analysis Report forming part of the 16th Annual Report to the Members is given below discussing the key issues.

FINANCIAL OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013. The Net Sales, Earnings before taxes (EBIT) and Earnings after Taxes (EAT) for the Financial Year 2015-16 along with the quantitative data is as follows:

Particulars	Financial Year (2015-16)	Financial Year (2014-15)
Net Sales	5748.37	7469.66
Earnings before taxes (EBT)	368.56	586.95
Earnings after Taxes (EAT)	228.84	427.71

COMPANY'S PERFORMANCE

During the year 2015-16, the Company has continued implementation of its business strategy to give a better performance compare to previous year. However, due to adverse market condition and competition there has been decline in the sales of company. Your Company has achieved sales of Rs. 5748.37 Lakhs and Net Profit of Rs.228.84 Lakhs.

INDUSTRIAL SCENARIO

The Indian Economy is on a steady growth trajectory. If some estimates are to be believed, the Indian Economy is said to be at a much sweeter spot when compared to the rest of the world.

The industry is characterized by high degree of competition and the players compete on their pricing strategy as well as product differentiation to manufacture customized conveyor belts for varied purpose at low cost. SCBL follows client-oriented policies to value its customers and therefore, always strive hard to maintain the high level of client. SCBL on a regular basis interact with its esteemed clients in order to understand their specific requirements and provide them with the same products.

Over the past several years SCBL have made considerable investments in developing modern technology in various types of conveyor belts. All this has enable the Company to satisfy requirements of its customers quickly and with a high degree of flexibility. The Company has specialization in the development and manufacturing of STA, SAR-36®, Tiger M-27, Rock-2007, SEHR-36 & SEFR-81 etc.

SCBL is having huge demand for supply of heavy duty, extra ordinary light weighted fabric STA Conveyor Belt for heavy mining industries both above and below ground.

With a strong team of technocrats and polymer engineers backed with sophisticated R & D department which is independent and equipped with ultra-modern testing (physical, chemical and destructive) facilities, we offer our channel partners free access to our facilities for testing and research. We have comprehensive facilities to test per IS: BS: ASTM; CAN; DIN; SANS; AS or ISO standards.

SCBL, an ISO 9001-2008 & ISO 14001 certified and BSE & NSE listed public limited company, owns total comprehensive responsibility towards the customers to achieve best customer satisfaction index with 100 percent traceability of product till raw material stage and assistance even in commissioning and troubleshooting at site.

STRENGTHS

SCBL strengths are aplenty; the strong customer interface with all developments in conjunction with problems end-users face at site; Constant improvement in the work process; Constant improvement in the products; Skilled and efficient man power; Strong market network; Competitive prices; technological up-gradation and advancement in polymer technology and equipment; backward integration to impart single window solution to our customers even for application; commissioning and troubleshooting; and lastly our ambitious goals, vision and mission.

RISKS AND CHALLENGES

Risk Management is an important aspect in today's business environment. The aim of Risk Management is to identify, monitor and take mitigation measures in respect of the events that may pose risks for these businesses. The Company's Risk Management is embedded in the business process. Your Company has identified the following risks :

- Risks of non-availability and price fluctuation on raw material as well as energy.
- Attrition and non-availability of the required talent resources can affect the performance of the Company.
- Labour Turnover Risks, involving replacement risks, training risks, skill risks, etc
- The increase in competition can create pressure on margins, market share etc.
- Any increase in operating cost, interest rate may adversely affect the finance cost and profitability.
- The changes in various economic parameters including growth, inflation and interest rate.
- Foreign currency downturn as a major risk
- Financial solvency and liquidity risks
- Volatility in industrial relations.
- Government Policies w.r.t export duties, import duties, tax levied on automobile industries and economic condition.

OUTLOOK

The demand for conveyor belt is profoundly dependent on increase in investment in a region. Macro economic factors such as GDP growth rate are the major growth drivers for belt market.

The long-term outlook for the industry is optimistic based upon the product innovation and cutting age technology for sustaining growth. With a diverse portfolio of varied types of conveyor belts the company is manufacturing and the changed scenario in automation industry has led to overall increase in the demand for product.

RESEARCH AND DEVELOPMENT

Innovation is one of the key factor behind Somi Conveyor Beltings incredible success in this competitive market. The Company's research and development unit is consistently engaged in conducting extensive research to keep updated with the changing technology and to overcome the drawbacks of existing product range and engineer new products. The Company is offering customized products to its clients across the nation with the help of its well-qualified professional team.

Annual Report 2016

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has adequate internal control system commensurate with its size and business. The Internal Auditor reviews that all the transactions of the company are in line with the compliance of laws, policies and procedures and have been correctly recorded and reported. The Internal Audit is conducted on regular basis and the reports are submitted to the Audit Committee of Directors at their quarterly meetings.

The company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against unauthorized use or disposition and that transaction are authorized and recorded correctly.

HUMAN RESOURCES

The company believes that the main strength of any organization is its people. It is the people who build the system and create a climate to suit the growth and excellence in the company. The Company has excellent combination of experienced and talented Technical Managers. The Company also undertakes on regular basis various training programmes to keep its employees updated on new technical developments and information which directly results in optimum capacity utilization and cost effectiveness.

The Company's relation with its employees continues to be cordial. The Company always reciprocates commitment to its employees in order to motivate them to perform the best.

STATUTORY COMPLIANCE

All declarations and compliances with respect to the applicable statutes, enactments and guidelines are submitted at every meeting of the Board of Directors of the Company. Managing Director and CEO gives a declaration of compliance to the Board with respect to the applicable provisions of Companies Act, 2013, SEBI(LODR) Regulations, 2015 and Listing Agreements with the Stock Exchanges.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations might be construed as 'forward looking statements' within the meaning of applicable laws and regulations.

Actual results, performances, or achievements could differ materially from those expressed or implied in such forward-looking statements. Significant factors that could make a difference to the company's operations including domestic and global economic conditions affecting demand and supply and price conditions in the industry, changes in Government laws, tax regime and other statutory changes, environment laws and labour relations. Your Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

Somi Conveyor Beltings Limited

We have examined the compliance of conditions of Corporate Governance by Somi Conveyor Beltings Limited, for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the said Company with Stock Exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') as referred in Regulation 15(2) of the Listing Regulation for the period 1st December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / SEBI(LODR) Regulation, 2015 as applicable.

We further state that such compliance 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.

CS.AVIJIT VASU

Proprietor

C. P. No. 14198

Place: Jodhpur

Date: 3rd September, 2016

DECLARATION

I, O P Bhansali, Chairman and Managing Director of Somi Conveyor Beltings Limited hereby declare that in accordance with the requirement of Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 all the Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company in respect of the Financial Year ended on 31st March 2016.

For Somi Conveyor Beltings Limited

Place: Jodhpur

Date: 3rd September, 2016

O. P. Bhansali

Chairman & Managing Director

CEO & CFO CERTIFICATION

(Under Regulation 17 (8) of Part B of Schedule II of SEBI (LODR) Regulations, 2015)

To

The Board of Directors

Somi Conveyor Beltings Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Somi Conveyor Beltings Limited ("the Company"), to the best of our knowledge and belief certify that:

(a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2016 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, 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 we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

- (i) significant changes in the internal control over financial reporting during the year;
- (ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

Jodhpur : 3rd September, 2016

Place : Jodhpur

O. P. Bhansali
Managing Director
DIN : 00351846

Manish Bohra
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
SOMI CONVEYOR BELTINGS LTD.
JODHPUR (RAJASTHAN)

Report on the Financial Statements

We have audited the accompanying Financial Statements of **SOMI CONVEYOR BELTINGS LIMITED** (CIN : L25192RJ2000PLCO16480) ("the company"), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Annual Report 2016

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the adequate information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles Generally Accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 22 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No. 113602W

PLACE : JODHPUR
DATED : 28th MAY, 2016

(PRAVEEN SINGHVI)
PARTNER
M.No. 71608

“Annexure A” to the Independent Auditor's Report

The annexure referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Financial Statements of SOMI CONVEYOR BELTINGS LIMITED for the year ended 31st March, 2016, we report that:

1) FIXED ASSETS

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to information provided by the management, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2) INVENTORIES

In our opinion and according to information and explanations given to us, the inventory has been physically verified by the management at reasonable intervals and the discrepancies noticed during the physical verification of inventory as compared to book records, were not material.

3) LAONS & ADVANCES

The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) (a), (iii) (b) & (iii) (c) of paragraph 3 of “the Order” is not applicable to the Company.

4) LOANS, INVESTMENT & GUARANTEES

According to information & explanation given to us, company has not given any loan or provided any guarantee to any person specified under section 185 of Companies Act 2013.

Further, Company has not made any investment nor given any loan or provided any guarantee to any body corporate as specified under section 186 of Companies Act 2013. Therefore, clause (iv) of paragraph 3 of “the order” is not applicable to the company.

5) FIXED DEPOSITS

According to the information and explanations given to us, the Company has not accepted any deposits, therefore directive issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, clause (v) of paragraph 3 of “the Order” is not applicable to the Company.

6) COST RECORDS

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7) STATUTORY DUES

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duties of customs and excise, service tax and other material statutory dues have been generally regular in depositing during the year by the Company with the appropriate authorities.
- b) According to the information and explanation given to us there are no disputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax except as stated below:-

Annual Report 2016

Name of the Statute	Nature of the dues	Amount (in Rs.)	period to which the amount relates	Forum where dispute is pending
Income Tax Demand	Income Tax	4657870.00	A.Y. 2010-11	CIT (Appeal)
Sales Tax Penalty	Sales Tax	146947.00	A.Y. 2008-09	Commissioner (A) Commercial Tax Department
Sales Tax Demand	Sales Tax (ITC)	1316184.00	A.Y. 2008-09	Commissioner (A) Commercial Tax Department
		300000.00	A.Y. 2009-10	

8) DEFAULT IN PAYMENT OF DUES

According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in payment of dues to any financial institution or bank or Government or debenture holders as at the balance sheet date. Accordingly, clause (viii) of the paragraph 3 of "the Order" is not applicable to the Company.

9) FUND RAISED BY PUBLIC ISSUE/ FOLLOW ON OFFER / TERM LOAN

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10) FRAUD

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the Company or any fraud on the company by it's officers / employees has been noticed or reported during the year.

11) MANAGERIAL REMUNERATION

The Company has provided / paid managerial remuneration in accordance with the requisite approvals mandated by the provisions as specified under section 197 read with Schedule V to The Companies Act 2013 during the year.

12) NIDHI COMPANY

The company is not a Nidhi Company as defined under section 406 of companies Act 2013. Therefore, clause (xii) of paragraph 3 of the order is not applicable to the company.

13) TRANSACTIONS WITH RELATED PARTY

As per the information and explanation given to us, all transactions with related parties are in compliance with the provision of section 177 and section 188 of Companies Act, 2013. The relevant disclosure as required by AS 18 has been made in the Financial Statements.

14) PREFERETIAL ALLOTMENT / PRIVATE PLACEMENT OF SHARE / ISSUE OF DEBENTURE

During the year Company has not made any preferential allotment or private placement of shares nor have issued any fully or partly convertible debenture as required under section 42 of Companies Act 2013. Therefore, clause (xiv) of paragraph 3 of the order is not applicable to the company.

15) NON CASH TRANSACTIONS WITH DIRECTORS

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

16) NBFC REGISTRATION

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

FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No. 113602W

(PRAVEEN SINGHVI)
PARTNER
M.No. 71608

PLACE : JODHPUR
DATED : 28th MAY, 2016

“Annexure B” to the Independent Auditor's Report of even date on the Financial Statements of SOMI CONVEYOR BELTINGS LIMITED

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

We have audited the Internal Financial Controls over financial reporting of SOMI CONVEYOR BELTINGS LIMITED (“the Company”) as of 31st March, 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Annual Report 2016

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No. 113602W

PLACE : JODHPUR
DATED : 28th MAY, 2016

(PRAVEEN SINGHVI)
PARTNER
M.No. 71608

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	NOTE	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
EQUITY AND LIABILITIES			
<u>Shareholder'Fund</u>			
Share Capital	1	117796560	117796560
Reserves & Surplus	2	450892150	442185682
<u>Share Application Money Pending Allotment</u>			
<u>Non Current Liabilities</u>			
Long Term Borrowings	3	72743806	116464417
Deferred Tax Liability	4	1838543	7401176
Other Long Term Liabilities	5	11159075	1028228
Long Term Provisions	6	1156468	771293
<u>Current Liabilities</u>			
Short Term Borrowings	7	231701119	212572939
Trade Paybles	8	73707151	79492322
Other Current Liabilities	9	89037394	46169633
Short Term Provisions	10	14862570	672223
		Total	Total
		1064894836	1024554473
ASSETS			
<u>Non Current Assets</u>			
Tangible Assets	11	388810378	449582286
Intangible Assets	11	193784	125116
Capital work-in-Progress	11	13080458	4991607
Non Current Investments	12	23000	3000
Long Term Loans and Advances	13	14823797	12297586
Other Non Current Assets	14	26932659	7252437
<u>Current Assets</u>			
Inventories	15	242495891	145429392
Trade Receivables	16	243441369	237378075
Cash and Bank Balances	17	92593835	127832527
Short Term Loans and Advances	18	32609370	34343410
Other Current Assets	19	9890294	5319036
		Total	Total
		1064894836	1024554473
Significant Accounting Policies & Notes on accounts	1 to 35		

Schedules & Notes referred to above form an integral part of Financial Statements.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R. NO. 113602W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

(PRAVEEN SINGHVI)
PARTNER
M.NO. 71608

O.P. BHANSALI
(MANAGING DIRECTOR)
DIN 00351846

MANISH BOHRA
(CHIEF FINANCIAL OFFICER)

PLACE : JODHPUR
DATED : 28th MAY, 2016

GAURAV BHANSALI
(WHOLE TIME DIRECTOR)
DIN 00351860

AMIT BAXI
(COMPANY SECRETARY)

Annual Report 2016

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2016

PARTICULARS	NOTE	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
INCOME			
Revenue from Operations	20	580684378	747623418
Other Income	21	14473548	13193865
Total Revenue		595157926	760817283
EXPENDITURE			
Cost of Material Consumed	22	424287821	525206758
Purchase of Traded Goods	23	1636533	2616993
Changes in Inventories of finished goods, and Work-in-Progress	24	(81533970)	(10204956)
Employee benefit expenses	25	13519586	13245472
Financial Costs	26	36757861	25693917
Depreciation	27	67939089	51312370
Other Expenses	28	95695207	94251408
Total Expenses		558302127	702121963
PROFIT BEFORE TAX			
Provision for Current Tax		36855799	58695320
Deferred Tax (Liability)/Asset		(19534206)	(17113466)
Profit After Tax		5562633	1188788
Balance brought forward		22884226	42770642.29
		205912862	163142220.00
Balance Carried Forward to Balance Sheet		228797089	205912862.29
Earning Per Share (Basic & Diluted)	29	1.94	3.63
Significant Accounting Policies and Notes on Accounts	1 to 35		

Schedules & Notes referred to above form an integral part of Financial Statements.

AS PER OUR REPORT OF EVEN DATE ATTACHED.

FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R. NO. 113602W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

(PRAVEEN SINGHVI)
PARTNER
M.NO. 71608

O.P. BHANSALI
(MANAGING DIRECTOR)
DIN 00351846

MANISH BOHRA
(CHIEF FINANCIAL OFFICER)

PLACE : JODHPUR
DATED : 28th MAY, 2016

GAURAV BHANSALI
(WHOLE TIME DIRECTOR)
DIN 00351860

AMIT BAXI
(COMPANY SECRETARY)

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)		
1. SHARE CAPITAL				
<u>Authorised</u>				
25000000 Equity Shares of Rs. 10 each	<u>250000000</u>	<u>250000000</u>		
<u>Issued, Subscribed & Paid up</u>				
11779656 Equity Shares of Rs. 10 each fully paid up	<u>117796560</u>	<u>117796560</u>		
	<u>117796560</u>	<u>117796560</u>		
1.1 The details of shareholders holding more than 5% shares :				
Name of Shareholders	Current Year		Previous Year	
	No. of Shares	% held	No. of Shares	% held
Om Prakash Bhansali	4417011	37.50	4417011	37.50
Om Kumari Bhansali	1041041	8.84	1041041	8.84
Vimal Bhansali	598840	5.08	598840	5.08
1.2 The reconciliation of the number of shares outstanding is set out below				
Particulars	Current Year		Previous Year	
	No. of Shares		No. of Shares	
Equity shares at the beginning of the year	11779656		11779656	
Add : Shares issued	0		0	
Less : shares buy back	0		0	
Equity Shares at the end of the year	11779656		11779656	
2. RESERVES AND SURPLUS				
General Reserve	0		0	
Security Premium	181816800		181816800	
Re-Valuation Reserve	54456021		54456021	
Net Profit				
As per Last Balance Sheet	205912861		163142219	
Add : Appropriated during the year	22884226		42770642	205912861
Less : Proposed dividend	11779656			
Less : Corporate dividend Tax	2398103	214619329		
	450892150		442185682	

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)			
3. LONG TERM BORROWINGS					
Secured Loans					
Foreign Currency Loans-Buyer's Credit	68337425	64135531			
PNB Demand Loan (against FDR)	0	46236479			
PNB Car Loan	1171709	1946655			
BMW Car Loan	3234672	3895983			
HDFC Car Loan	0	249769			
	<u>72743806</u>	<u>116464417</u>			
3.1. PNB Car Loan is secured against new Santa Fee Car Purchased.					
3.2. BMW Car Loan is secured against new BMW Car Purchased.					
3.3. Buyers Credit is taken for purchase of New Steel Plant installed during the Previous Financial year and it is secured against New Steel Cord Plant.					
3.4. Maturity Profile Long Term Borrowings as Follows.					
	ROI	2016-17	2017-18	2018-19	2019-20
PNB Buyer's Credit	1.45%	68337425	0	0	0
PNB Car Loan	10.65%	937752	233957	0	0
BMW Car Loan	9.90%	1017540	1017540	1017540	847950
4. DEFERRED TAX LIABILITY (NET)					
Depreciation			2377737		7798357
Provision for Gratuity			(411690)		(288781)
Liability allowed on payment basis			(127504)		(108400)
			<u>1838543</u>		<u>7401176</u>
5. OTHER LONG TERM LIABILITIES					
Trade Payables			1487738		1028228
Payables on purchase of Fixed Assets			9671337		0
			<u>11159075</u>		<u>1028228</u>
6. LONG TERM PROVISIONS					
Provision for Gratuity			1156468		771293
			<u>1156468</u>		<u>771293</u>

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
7. SHORT TERM BORROWINGS		
Secured		
Working Capital Loan (PNB Jodhpur)	132930336	156321458
PNB Packing Credit	27308194	0
PNB OD Against FDR	0	9204778
PNB Buyer's Credit	71462589	47046703
	<u>231701119</u>	<u>212572939</u>
7.1 Working Capital Loan is secured by way of Hypothecation of Current Assets present and future including entire stocks, raw materials, consumable stores and spares, finished goods and book debts.		
8. TRADE PAYABLES		
Micro, Small and Medium Enterprises	0	0
Others	73707151	79492322
	<u>73707151</u>	<u>79492322</u>
9. OTHER CURRENT LIABILITIES		
Creditors for Capital Expenditure	1337890	12851875
Advance from Customers	45812567	4352651
Other Payables	41886937	28965107
	<u>89037394</u>	<u>46169633</u>
9.1 Other payables comprises of creditors for expenses and statutory dues.		
10. SHORT TERM PROVISIONS		
Provision for Gratuity	175862	163274
Provision for Leave Encashment	508949	508949
Proposed Dividend	11779656	0
Corporate Dividend Tax	2398103	0
	<u>14862570</u>	<u>672223</u>

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

11. FIXED ASSETS (CONSOLIDATED)

Fixed Assets Consolidated

PARTICULARS	GROSS BLOCK AS ON 01-04-2015	ADDITIONS DURING THE YEAR	DEDUCTIONS/ADJUSTMENT	TOTAL	RATE	DEPRECIATION				W.D.V.	
						AS AT 01.04.2015	CURRENT YEAR	DEDUCTIONS/ADJUSTMENT	TOTAL	AS ON 31.03.2015	AS ON 31.03.2016
Tangible Assets											
Land	59379925	0	0	59379925	NIL	NIL	NIL	0	0	59379925	59379925
Office Building (RCC FRAME)	21962719	0	0	21962719	4.87%	6491233	711983	0	7203216	15471486	14759503
Factory Building	99347401	0	0	99347401	9.50%	44247656	5179339	0	49426995	55099745	49920406
Computer	2138184	188250	0	2326434	63.16%	1933924	128884	0	2062808	204260	263626
Plant & Machinery	493256702	6260695	0	499517397	18.10%	189435710	56956829	0	246392539	303820992	253124858
Office Equipment	1156901	143422	0	1300323	45.07%	605011	288229	0	893240	551890	407083
Laboratory Equipment	4653843	485124	0	5138967	25.89%	1748833	847621	0	2596454	2905010	2542513
Furniture & Fixtures	5190570	37246	0	5227816	25.89%	3149904	581047	0	3730951	2040666	1496865
Vehicles	15696807	0	0	15696807	31.23%	5588495	3192712	0	8781207	10108312	6915600
Total	702783052	7114736	0	709897788		253200766	67886644	0	321087410	449582286	388810378
Intangible Assets											
Trade Mark & Computer Software	166395	121113	0.00	287508		41279.00	52445.00	0.00	93724	125116	193784
Capital WIP	4991607	8088851	0	13080458		0	0	0	0	4991607	13080458
TOTAL	707941054	15324700	0	723265754		253242045	67939089	0	321181134	454699009	402084620

Note : The Gross block of Fixed Assets includes Rs. 54456021.00 on account of Re-Valuation of Land as at 15.02.2006 (Rs. 32000000), 16.02.2006 (Rs.6693991.00), 26.03.2010 (Rs. 15762030.00).

12. NON CURRENT INVESTMENT

In Govt. Securities - Unquoted

National Saving Certificate

23000	3000
23000	3000

13. LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Security Deposits

14823797	12297586
14823797	12297586

14. OTHER NON CURRENT ASSETS

Long Term Trade Receivables

26932659	7252437
26932659	7252437

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
15. INVENTORIES		
Stock of Raw Materials	131832507	116299978
Work-In-Progress	19771000	2173000
Finished Goods	90892384	26956414
	<u>242495891</u>	<u>145429392</u>
16. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
More Than Six Months	55250303	74781447
Less Than Six Months	188191067	162596628
	<u>243441369</u>	<u>237378075</u>
17. CASH AND BANK BALANCES		
Cash in Hand	2437227	70639
With Scheduled Bank In Current A/c	4113971	6619196
FDR (For BG/LC Margin & Others)	86042637	121142692
	<u>92593835</u>	<u>127832527</u>
18. SHORT TERM LOANS AND ADVANCES		
Loans and Advances to Staff	1027501	457477
(Unsecured and Considered Good)		
Prepaid Expenses	1776877	1640736
Balance with Revenue Authorities	28065492	25518197
Others	1739500	6727000
	<u>32609370</u>	<u>34343410</u>

18.1 Others comprises share application money which is not yet allotted.

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
19. OTHER CURRENT ASSTES		
Unbilled Revenue	1450145	1018277
Duty Drawback Receivable	1434941	737826
Others	7005208	3562933
	9890294	5319036
19.1 Unbilled Revenue comprises of Advance to raw material suppliers and Advance against factory expenses.		
20. REVENUE FROM OPERATIONS		
Sale of Products	630928801	829862051
Other Operating Revenue	5847522	657630
Less: Central Excise Duty	(56091945)	(82896263)
	580684378	747623418
20.1 Sale of Products Comprises of :		
Manufactured goods		
Conveyor Belt	612581098	818125518
Rubber Sheet	13028238	8240861
Hot vulcanising Kit	3114000	0
	628723336	826366379
Traded Goods		
Conveyor Belt	1581120	3314070
Belt Jointing Solution	217065	0
Rubber Sheet	227880	0
Belt Clamping Devise	179400	0
	2205465	3314070
Sale of Scrap		
Scrap	0	181602
	0	181602

20.2 Other Operating Income Comprises of Income from export incentive & Duty Drawback.

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
21. OTHER INCOME		
Interest	11909800	7141856
Exchange Fluctuation	0	4101644
Other Incomes	2563748	1950365
	14473548	13193865

21.1 Interest income comprises of interest receivable on FDR of Rs. 10783104 (Previous Year Rs. 6572323) and Interest received on deposit to JVVN LTD. of Rs. 127801 (Previous Year Rs. 123681).

21.2 Other income includes discount received and insurance Claim of Rs. 2563375

22. COST OF MATERIAL CONSUMED

	% of Consumed	Amount	% of Consumed	Amount
Imported	24.15	102457298	28.32	148715188
Indigenous	75.85	321830523	71.68	376491570
	100	424287821	100	525206758

22.1 PARTICULARS OF MATERIAL CONSUMED

Carbon	23378617	18434915
Chemical	72092037	87615842
Fabric	110361956	162487645
Process Oil	6464191	9191532
Rubber	186652425	239560818
Steel Cord	12161875	8476190
Others	13176720	(560184)
	424287821	525206758

23. PURCHASE OF STOCK IN TRADE

Conveyor Belt & Cold Vulcanising Solution	1636533	2616993
	1636533	2616993

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)		PREVIOUS YEAR AMOUNT (Rs.)	
24. CHANGES IN INVENTORIES OF FINISHED GOODS & WIP				
Inventories (at closing)				
Finished Goods	90892384		26956414	
WIP	<u>19771000</u>	110663384	<u>2173000</u>	29129414
Inventories (at beginning)				
Finished Goods	26956414		15706458	
WIP	<u>2173000</u>	29129414	<u>3218000</u>	18924458
		<u>(81533970)</u>		<u>(10204956)</u>
25. EMPLOYEE BENEFITS EXPENSES				
Salaries & Wages		12593459		12414955
Contribution to Provident Fund & Other Fund		387849		405955
Gratuity (Unfunded)		397763		138790
Staff Welfare Expenses		<u>140515</u>		<u>285772</u>
		<u>13519586</u>		<u>13245472</u>
25.1. As per Accounting Standard 15 "Employee Benefits" the disclosures as defined in the Accounting Standard are given below:				
Defined Contribution Plans				
Contribution to Defined Contribution Plans, recongnised as expense for the year is as under :				
Employer's contribution to Provident Fund		227041		220775
Defined Benefit Plans				
The employee's gratuity scheme managed by LIC is a defined benefit plan. The present value of obligation is on actuarial valuation using the Projected Unit Credit Method, which recongnises each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.				
26. FINANCE COSTS				
Interest		28410737		21205221
Other Borrowing Cost		<u>8347124</u>		<u>4488697</u>
		<u>36757861</u>		<u>25693917</u>

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
27. DEPRECIATION AND AMORTISATION COSTS		
Depreciation	67939089	51304572
Depreciation on sale of Innova	0	9000
Depreciation to be adjusted from Reserves	0	-1202
	<u>67939089</u>	<u>51312370</u>
28. OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel	20935030	23441053
Consumable Stores	6729956	3603796
Repairs & Maintenance	7799398	3952761
Testing Charges	159846	268247
Factory Expenses	515585	426213
Freight Expenses	6708719	7629865
Packing Expenses	543334	6583578
Water Expenses	<u>347219</u>	<u>406832</u>
	43739087	46312345
Selling and Distribution Expenses		
Selling and Distribution Expenses	<u>29300917</u>	<u>34039120</u>
	29300917	34039120
Other Expenses		
Administrative Expenses	7408566	6090500
Auditor's Remuneration	500000	300000
Insurance	1750357	1546428
Loss on Exchange Fluctuation	8000007	0
Office Rent	2714000	2714000
Other Expenses	2282272	3249015
Amortisation of share issue expenses	0	0
	<u>22655202</u>	<u>13899943</u>
	<u>95695207</u>	<u>94251408</u>

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)		PREVIOUS YEAR AMOUNT (Rs.)	
28.1 VALUE OF CONSUMABLE STORES AND RAW MATERIAL CONSUMED :				
	% of Consumed	Amount	% of Consumed	Amount
Imported	0	0	0	0
Indigenous	100	6729956	100	3603796
	100	6729956	100	3603796
28.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF				
Raw Materials and Stock-in-Trade		111335610		115896451
Capital Goods		0		89445103
		111335610		205341554
28.3 PAYMENT TO AUDITORS AS:				
Internal Audit Fees		100000		80000
Statutory Audit Fees		200000		120000
Tax Audit Fees		100000		50000
Professional Fees		100000		50000
		500000		300000
28.4 EXPENDITURE IN FOREIGN CURRENCY :				
Travelling Expenses		1097186		786333
29. EARNINGS PER SHARE				
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs.)		22884226		42770642
ii) No. of Weighted Average Equity Shares		11779656		11779656
iii) Basic and Diluted Earnings per share (Rs.)		1.94		3.63
iv) Face Value per equity share (Rs.)		10		10
30. EARNINGS IN FOREIGN EXCHANGE				
FOB Value of Exports		43950653		62353939
		43950653		62353939

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
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31. RELATED PARTY DISCLOSURES :

(i) S.N. Name of Related Party	Relationship
1. Mr. O.P. Bhansali	Key Managerial Personnel (KMP)
2. Mr. Vimal Bhansali	
3. Mr. Gaurav Bhansali	
4. Mr. Manish Bohra	
5. Mr. Amit Baxi	
6. Ms. Om Kumari Bhansali	Relative of Key Managerial Personnel (RKMP)
7. Ms. Priya Bhansali	
8. Ms. Anita Bohra	
9. Ms. Ruchi Bhansali	
10. Ms. Madhu Mehta	
11. M/s Oliver Micon Inc.	KMP/RKMP exercise significant influence
12. M/s Earth Movers Enterprises	
13. OM Prakash Bhansali HUF	
14. Vimal Bhansali HUF	
15. Gaurav Bhansali HUF	

(ii) Transactions during the year with related parties:

Nature of Transactions	Key Managerial Prosonnel	Relative of Key Managerial Personnel	Entities in which KMP/RKMP have significant influence
Sale of Goods	0	0	7101116
Remuneration	2421287	423624	0
Purchase	0	0	689926
Rent	2510000	204000	0
Balance as at 31st March, 2016			
Trade Receivable	0		581834
Trade Payables	0		0
Loans	0		0

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

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
32. CONTINGENT LIABILITIES AND COMMITMENTS		Rs. (In Lakhs)
(i) Guarantees		
Performance Guarantees	881.91	770.34
Financial Guarantee	504.87	62.41
Guarantee against Buyer's Credit	1336.45	1115.8
(ii) Letter of credit	334.48	364.14

33. As Per Section 135 of Companies Act 2013 Corporate Social Responsibility (CSR) Committee has been formed by the company. The Company has made provision for the CSR in books of accounts but no expenditure is incurred during the year as well as in previous year out of the fund.

34. LITIGATIONS

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

34.2 M/s Somi Conveyor Beltings Ltd has made Purchased Order of Zinc Oxide Dated 25.10.2012 at 99.70% Purity. Purchase Order Qty 16+9 Ton. Company has received goods on 10.11.2012 Bill No 123 of 9 Ton. Company has Tested and found on 54% Purity instead of 99.70%. Company has rejected the goods and send Letter on 22.11.2012. Again 16 Ton received of Low Quality. So Company send 16 Ton Immidately but 9 tons are remained with Company. Company has send the Legal notice on 12.04.2013

35. The Company is in the process of identifying Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium development Act, 2006. Hence, disclosure relating to amounts unpaid as at the year end together with interest payable thereon has not been given.

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, from books of accounts maintained on an accrual basis, in conformity with all material aspects with the Generally Accepted Accounting Principles and comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by SEBI.

2. FIXED ASSETS AND DEPRECIATION

- a) Fixed Assets are stated at cost (net of cenvat/value added tax) including freight, duties, customs, adjustments arising from exchange rate variation and other incidental expenses relating to acquisition and installation and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any.
- b) Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.
- c) Capital work-in-progress- Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- d) Intangible assets are stated at cost of acquisition, less accumulated amortisation.
- e) Intangible assets comprising of Software are amortised over the period of 3- 5 years.

3. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

4. INVESTMENTS

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

5. INVENTORIES

Items of inventories are measured at lower of cost or net realizable value. Cost of Raw material, stores and spares are determined on first in first out basis. Cost of finished goods and semi-finished goods include cost of raw materials and packing materials, cost of conversion and other costs incurred in bringing the inventories to the present location and condition.

6. REVENUE RECOGNITION

Revenue from sale of goods is accounted for on the basis of dispatch of goods. Sales are inclusive of Excise Duty and net of sales return and trade discounts. Interest Income is accounted on accrual basis.

7. TAXATION

a) INCOME TAX PROVISION

The provision for taxation is based on assessable profits of the company as determined under the Income Tax Act, 1961.

b) DEFERRED TAX

As per AS-22 notified by the Central Government under Section 133 of Companies Act, 2013, deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between taxable

Annual Report 2016

income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is not recognised unless there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

8. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted for at the exchange rate prevailing on the transaction date. Gain / loss arising out of fluctuation in rate between transaction date and settlement date in respect of revenue items are recognised in the Profit and Loss Account.

Monetary Assets and Liabilities in foreign currency are translated at the year end at the closing exchange rate and the resultant exchange differences are recognised in the Profit and Loss Account.

Non monetary foreign currency items are carried at cost.

Accounting for Forward Contracts

In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on date of contracts is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

9. INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. All costs, including financing costs till commencement of commercial production and adjustments arising from exchange rate variations attributable to the intangible assets, are capitalized.

10. RETIREMENT BENEFITS

(i) Defined Contribution Plans

The company has a Defined Contribution Plan for post employment benefits namely Provident Fund which is administered through appropriate authorities.

The Company makes contributions to state plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to revenue every year.

(ii) Defined Benefit Plan

The gratuity will be paid as and when employee leaves. Liability towards gratuity is based on actuarial valuation carried out by the an authorized actuary which is in compliance with AS-15(revised) notified by the Central Government under Section 133 of Companies Act, 2013.

11. BORROWING COST

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which the asset is ready to use as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Account.

12. IMPAIRMENT OF FIXED ASSETS

An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable Amount.

13. OPERATING LEASE

(a) Operating lease payments are recognised as an expense in the Profit and Loss Account.

(b) Finance lease is taken at lower of fair value of the assets and present value of the minimum lease rentals and

is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss Account.

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of the lease are expensed in the year in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

14. INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted or expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities, if any, are not provided for in the financial statements. However, they are separately disclosed by way of notes on accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

16. USE OF ESTIMATES

The presentation of the financial statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialized.

17. EARNING PER SHARE

As per AS-20 notified by the Central Government under Section 133 of Companies Act, 2013, basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

18. CASH AND CASH EQUIVALENTS

Cash comprises cash in hand & demand deposits with banks. Cash equivalents are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

19. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax 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.

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

PARTICULARS	For the year ended 31.03.2016	For the year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	36,855,799	58,695,320
Add : Depreciation Charged	67,939,089	51,312,370
Interest Charged	28,410,737	21,205,221
	133,205,625	131,212,911
Less : Interest Received	1,126,696	(123,681)
Profit on sale of Innova Car	--	(43,726)
Operating Profit Before Working Capital Changes	134,332,321	131,045,504
Trade and Other Receivables	(25,743,516)	(89,829,212)
Inventories	(97,066,499)	(5,246,817)
Trade Payables & Provisions	35,202,905	(8,154,642)
Loans & Advances and Other Current Assets	8,462,782	38,591,628
Advance Tax Paid	(11,300,000)	(9,500,000)
Cash Generated From Operating Activities	43,887,993	56,906,641
Direct Taxes Paid	(7,125,910)	(4,893,950)
Net Cash Flow From Operating Activities (a)	36,762,083	52,012,511
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Acquisition of Fixed Assets	(15,324,700)	(117,095,741)
Sale of Fixed Assets	--	150,000
Security Deposit	(2,546,211)	(3,561,155)
Interest Received	(1,126,696)	123,681
Net Cash used in Investing Activities (b)	(18,997,607)	(120,383,215)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans	(24,592,430)	157,910,311
Unsecured Loans	--	--
Interest Paid	(28,410,737)	(21,205,221)
Net Cash from Financing Activities (c)	(53,003,168)	136,705,090
Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c)	(35,238,692)	68,334,386
Cash & Cash Equivalent At The Beginning of The Year	127,832,527	59,498,141
Cash & Cash Equivalent At The End of The Year	92,593,835	127,832,527

Notes : The above cashFlow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (Revised) on Cash Flow Statements as prescribed by Companies (Accounting Standard) Rules, 2006.

FOR P. SINGHVI & ASSOCIATES

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

CHARTERED ACCOUNTANTS

F.R. NO. 113602W

(PRAVEEN SINGVI)

PARTNER

M.NO. 71608

O.P. BHANSALI
(MANAGING DIRECTOR)
DIN 00351846MANISH BOHRA
(CHIEF FINANCIAL OFFICER)(GAURAV BHANSALI)
WHOLE TIME DIRECTOR
DIN : 00351860(AMIT BAXI)
COMPANY SECRETARYPLACE : JODHPUR
DATED : 28th MAY, 2016