

SOMI CONVEYOR BELTINGS LIMITED

[CIN: L25192RJ2000PLC016480]

FOURTEENTH ANNUAL REPORT 2013-2014

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	Additional Independent & Non-Executive Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Amit Baxi

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-342001

WORKS

- H-2, 463-466, Sangaria Industrial Area, Jodhpur.
- K.No-58, 58/5, 58/6, 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, 28207203-05 Fax: (+91 22) 28262920
Web: www.unisec.in

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NOTICE

NOTICE is hereby given that the FOURTEENTH Annual General Meeting of the members of the Company will be held on TUESDAY, 30th September, 2014 at 11:30 A.M at its registered office at 4F-15, "Oliver House", New Power House Road, Jodhpur-342001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2014, Profit & Loss Account for the year ended on that date and the Reports of the Director's and Auditor's thereon.
2. To appoint a director in place of Mr. Yogesh Maheshwari (DIN: 01202089), who retires by rotation and being eligible, offers him self for reappointment.
3. To appoint Statutory Auditors for a period of 3 (Three) years commencing from the conclusion of this Annual General meeting until the conclusion of Seventeenth Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. 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 Sections 149,152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules,2014 made there under, read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Sharad Gyanmal Nahata (DIN: 06814502) who was appointed as an Additional and Independent Director by the Board of Directors, pursuant to provisions of Section 161(1) of the Companies Act, 2013, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Sharad Gyanmal Nahata (DIN: 06814502) as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for Five(5) consecutive years for a term up to 31st March,2019.

RESOLVED FURTHER THAT Mr. Om Prakash Bhansali, (DIN: 00351846)Managing Director of the Company be and is hereby authorized to do all such acts, deeds and other things and execute all such forms, documents, instruments and writings as may be required to give effect to the aforesaid resolution."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory

modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors of the Company to mortgage/charge/ encumber all or any of the immovable and/or movable properties including securitization of the receivables where so ever situated, present and future including the whole or substantially the whole of the undertaking(s) of the company in favour of the banks, financial institutions and other bodies corporate and entities to secure an aggregate amount up to Rs, 50.00 crores and interest at agreed rate, additional interest, compound interest, commitment charges.etc. as may be applicable and payable by the company to the lenders in terms of the agreements executed with them.”

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to negotiate, finalize and settle with the lenders concerned, all deeds, documents and writings for creating the aforesaid mortgage(s), charge(s) and encumbrances and to do all such acts , deeds and things as may be necessary, expedient for giving effect to this resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money for the purposes of the Company at any time or from time to time, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount so borrowed by the Company together with the amount already borrowed and outstanding shall not exceed Rs. 50.00 Crores, apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the board be and is hereby authorized to do all such acts, deeds matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may be necessary, proper, desirable or expedient to give effect to this resolution.”

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

Place: Jodhpur
Date: 4th September, 2014

AMIT BAXI
(Company Secretary)

Registered Office
4F-15, “Oliver House”
New Power House Road
Jodhpur-342 001

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED.
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 requested to bring his copy of the 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 the Share Transfer Books of the Company will remain closed from 23rd September, 2014 to 30th September, 2014 (both days inclusive).
6. 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.
7. 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, 28207203-05 Fax: +91-22-28262920
8. The relevant Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the items of Special Business is annexed hereto.
9. As required under the provisions of Clause 49(IV) (G) (i) of the Listing Agreement, particulars relating to Mr. Yogesh Maheshwari (DIN: 01202089) and Mr. Sharad Gyanmal Nahata (DIN: 06814502) is enclosed in the Appendix to this Notice.
10. The Ministry of Corporate Affairs, vide its Circular No. 18/2011 dated 29th April, 2011, has clarified that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e., documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding share in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s Universal Capital Securities Private Limited and also update the e-mail address as and when there is any change.

11. In term of Section 108 of the Companies Act, 2013, read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 e-voting facility is being provided to the members.

The instructions for members voting electronically are as under:

A. In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select “Somi Conveyor Beltings Limited” from the drop down menu and click on “SUBMIT”
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on “Login”.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below for Login:

	For Members (Shareholders) holding shares in Demat Form and Physical Form
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). <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and last 8 digits of the 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 Company / Depository Participant, please enter the client id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on SUBMIT” tab.

(ix) Members holding shares in physical form will then reach directly 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the Electronic Voting Sequence Number (EVSN) of SOMI CONVEYOR BELTINGS LIMITED to vote.

(xii) 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.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) 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.

(xviii) (a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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 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.

B. In case of members receiving the physical copy of Notice of AGM : please follow all steps from sl no. (i) to sl. no. (xviii) above, to cast vote.

The voting period begins on Wednesday, 24.09.2014 (9.00 a.m.) and ends on Friday, 26.09.2014 (05.00 p.m.). The evoting 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 22.08.2014 may cast their vote electronically. The Company has appointed Ms. Ira Baxi (FCS 5456, PCS No.4712), Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast.

C. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

D. General Instruction:

(i) You are advised to cast your vote only through one mode (E-voting or through Show of Hands or Poll at the AGM). In case you cast your votes through both the modes, votes cast through E-voting shall only be considered and votes cast at the meeting through Show of Hands or Poll would be rejected.

(ii) Members, who have registered their E-mail addresses with the Company or their Depository Participant, are being sent the AGM Notice along with the Annual Report, Attendance Slip & Proxy Form by E-mail and others are being sent by post.

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

Place: Jodhpur
Date: 4th September, 2014

AMIT BAXI
(Company Secretary)

Registered Office
4F-15, "Oliver House"
New Power House Road
Jodhpur-342 001

APPENDIX TO ANNUAL GENERAL MEETING NOTICE

Information on the Directors Seeking Re- Appointment at the Forthcoming Annual General Meeting
(Pursuant to Clause 49(IV) (G) (i) of the Listing Agreement)

Name Of Director	Age	Date Of Original Appointment	Expertise In Specific Functional Areas	Qualifications	Directors hips In Other Public Limited Companies	Membership of Board Committees In Other Public Limited Companies	Other Information	Remarks
Mr. Yogesh Maheshwari	55 Years	10/01/2007	30 years of Experience in Manufacturing of Heavy Earth Moving Machinery	Mechanical Engineer	NIL	NIL	Independent & Non-Executive Director	Retires by rotation at the forth-coming Annual General Meeting
Mr. Sharad Gyanmal Nahata	49 Years	12/02/2014	Two years Experience in the field of Sales and marketing.	Bachelor of Commerce	NIL	NIL	Independent & Non-Executive Director	Appointment as Independent director for the period of five years

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

Place: Jodhpur
Date: 4th September, 2014

AMIT BAXI
(Company Secretary)

Registered Office
4F-15, "Oliver House"
New Power House Road
Jodhpur-342 001

Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013

As required by Section 102 (1) of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business mentioned under item no. 4 to item No. 6 of the accompanying notice dated 4th September, 2014:

Item No.4.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed, Mr. Sharad Gyanmal Nahata (DIN: 06814502) as an Additional Director of the Company with effect from 12th February, 2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Sharad Gyanmal Nahata would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Sharad Gyanmal Nahata for the office of Independent Director of the Company for the period of five years.

Mr. Sharad Gyanmal Nahata is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Section 149 of the Companies Act, 2013 inter alia stipulates the criteria of independence, to whom a company should propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Sharad Gyanmal Nahata that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Sharad Gyanmal Nahata possesses appropriate skills, experience and knowledge; inter alia, in the field of Sales and Marketing.

In the opinion of the Board, Mr. Sharad Gyanmal Nahata fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Sharad Gyanmal Nahata is independent of the management.

Brief resume of Mr. Sharad Gyanmal Nahata, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Appendix to the Notice of AGM.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Sharad Gyanmal Nahata is appointed as an Independent Director.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

No Director, Key Managerial Person or their relatives, except Sharad Gyanmal Nahata, to whom the resolution relates, is concerned or interested financially or otherwise in the resolution.

Documents relating to appointment of Mr. Sharad Gyanmal Nahata as an Independent Director are available for inspection by members on any working days between 11.00 a.m. and 4.00 noon at the registered office of the Company.

The Board of Directors accordingly recommends the resolution set forth in Item No. 4 for the approval of the Members.

Item No.5.

Section 180(1)(a) of the Companies Act, 2013 which has come into force with effect from 12th September, 2013, inter alia, prescribes that the Board of Directors shall not, without the consent of the Company by way of a Special Resolution sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

The Company may be required to offer as security the immoveable/moveable properties and other assets of the Company to secure the borrowing which may be availed from time to time. Accordingly, this Special Resolution is proposed for approval of Members for granting authority to create mortgage/charge/encumbrance on the properties of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the above resolution.

The Board of Directors accordingly recommends the resolution set forth in Item No. 5 for the approval of the Members.

Item No.6.

As per the Provisions of Section 180(1)(c) of the Companies Act, 2013, approval of the members of the Company by way of a Special Resolution is required for the Company borrowing in excess of the paid up capital and its free reserves. The Board of Directors may require to borrow an amount not exceeding Rs. 50.00 crores. Approval of the Members by way of an enabling resolution is therefore sought for a borrowing limit of Rs. 50.00 crores pursuant to Section 180(1)(c) of the Companies Act, 2013 by way of a Special Resolution

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the above resolution.

The Board of Directors accordingly recommends the resolution set forth in Item No. 6 for the approval of the Members.

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

Place: Jodhpur
Date: 4th September, 2014

AMIT BAXI
(Company Secretary)

Registered Office
4F-15, "Oliver House"
New Power House Road
Jodhpur-342 001

SOMI CONVEYOR BELTINGS LIMITED

Registered Office: 4 F-15 "Oliver House", New Power House Road, Jodhpur - 342001
CIN : L25192RJ2000PLC016480, Website : www.somiconveyor.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)

14TH ANNUAL GENERAL MEETING, 30TH SEPTEMBER, 2014

CIN: L25192RJ2000PLC016480

Name of the company: **SOMI CONVEYOR BELTINGS LIMITED**

Registered office: **4F-15, Oliver House, New Power House Road, Jodhpur**

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the FOURTEENTH ANNUAL GENERAL MEETING of the company, to be held on the Tuesday,30th day of September, 2014 at 11:30 AM. at 4F-15, "Oliver House" New Power House Road, Jodhpur-342001 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY RESOLUTION

1. Adoption of Directos' Report, Audited Financial Statements for the Year ended 31st March, 2014 and Auditors' Report thereon.

2. Re-appointment of Mr. Yogesh Maheshwari, as a Director who retires by rotation.

3. Appointment of Auditor and fixing their remuneration.

SPECIAL RESOLUTION

4. Appointment of Mr. Sharad Gyanmal Nahata as an Independent Director.

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

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

Signed this day of 20....

Affix Rs. 1
Revenue
Stamp

Signature of shareholder _____

Signature of Proxy holder(s) _____

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

Registered Office: 4 F-15 "Oliver House", New Power House Road, Jodhpur – 342001

CIN : L25192RJ2000PLC016480

Website : www.somiconveyor.com

ATTENDANCE SLIP

14TH ANNUAL GENERAL MEETING, 30TH SEPTEMBER, 2014

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 FOURTEENTH ANNUAL GENERAL MEETING of the company on Tuesday, September, 30TH, 2014 at 11:30 AM at 4F-15, "Oliver House", New Power House Road, Jodhpur-342001.

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.



MESSAGE FROM THE CHAIRMAN

Dear Stakeholder,

Namaskar!

It gives me a great pleasure in welcoming you all to the 14th Annual General Meeting of your Company. The financial year ended March 2014 was a challenging year for the company, which witnessed cutthroat completion in the rubber belt manufacturing industry having severe impact on the revenues of the company. Gaining from this experience your Company is strengthening its efforts towards cost rationalization and improving operating performance.

Despite the adversities your Company tried to outperform all its other competitors and I am happy to report satisfactory results during the Year under review. Your company achieved modest Sales figures of Rs. 6536.36 Lacs. The Net Profit of your Company was Rs. 360.36 Lacs, below previous Years profits of Rs.393.99 lacs. Your Company is continuously striving towards excellence. While the slowdown in the manufacturing sector is expected to continue for one more year, we believe that due to our efforts in the past financial year, we are well placed to put the company on a robust growth path.

We are in process of setting up of separate line for manufacturing of Steel Cord conveyor belts. This facility would make the company one of the only few companies in India having capability to manufacture steel cord conveyor belt. I am sure that once this line is operational it would reflect positively on the revenues of the company. Steel Cord conveyor belt would also help the company to explore new geographies and expand the footprint to cover the untapped international markets.

Your Company has always focused on being Corporate Citizen which includes carrying out business activities with social conscience and making substantial difference to communities and society in which we operate in. The Company has always believed in doing business which will ensure accountability, transparency in all its activities, hence has always been focused on maintaining the highest standards of Corporate Governance. We will continue to strengthen these standards by adopting the best practices.

Further, we continue to invest in our people to keep them engaged and motivated. I personally believe that people are endowed with immense capability. Our task is to support them, early in their careers and provide them with suitable opportunities to try their skills. Our investment in people processes has enabled us have a robust bench-strength of talent. We continue to take steps to strengthen their competency levels that will help meet challenges in this economic scenario.

Our indomitable strength of running low cost, highly efficient and vastly productive operations, through our embedded culture of continuous improvement and innovation, will see us through tough times.

I would like to thank all the members of the Board, business associates, employees, vendors, suppliers, government agencies, lenders and shareholders who have always supported our progress across varied business. With their cooperation, the company is confident of delivering superior value to all stakeholders.

O P Bhansali

Chairman and Managing Director

DIRECTOR'S REPORT

To,

The Members,

The Directors of your company have pleasure in presenting the Fourteenth Annual Report and the Audited Statements of Accounts of the Company for the year ended 31st March 2014.

(Rs. In Lakhs)

SUMMARISED FINANCIAL RESULTS	2013-14	2012-13
	(Rs. In lacs)	(Rs. In lacs)
Total Sales	6536.36	7907.23
Profit Before Interest, Depreciation and taxation	1061.63	1248.90
Interest	122.63	224.87
Depreciation	401.61	427.75
Profit Before Tax	537.39	596.28
Provision for Tax	(159.60)	(206.43)
Add/(Less) Deferred Tax	(17.42)	4.14
Profit After Tax	360.36	393.99
Add: Balance Brought Forward	1271.05	877.06
Balance Carried Forward	1631.42	1271.05

OPERATIONS

Your company has achieved sales of Rs. 65,36,36,024.00 in year 2013-14 and recorded a net profit of Rs.3,60,36,264.00 during the year. The Board is confident of higher growth in the current year.

DIVIDEND

Despite modest profits posted by the company, your directors are of the opinion that, to make strong economic base for the company and in order to conserve the valued resources; your directors do not recommend any dividend for the financial year under review.

PUBLIC DEPOSITS

Your company has not accepted any deposit, within the meaning of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 made there under.

DIRECTORS

Pursuant to the Provisions of the Companies Act, 2013, Mr. Yogesh Maheshwari, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Necessary resolution relating to re appointment is included in the notice convening the Annual General Meeting. The Board recommends the appointment of Mr. Yogesh Maheshwari.

In compliance with Clause 49 IV (G) of the listing Agreement, brief resume, expertise and other details of the Directors proposed to be reappointed is attached along with the Notice to the ensuing Annual General Meeting.

Mr. Sharad Gyanmal Nahata, was appointed as an Additional and Independent Director on the board of the Company with effect from 12th February 2014. He is being proposed to be appointed as Independent director for the period of Five years.

Necessary resolution relating to his appointment is included in the notice convening the Annual General Meeting. The Board recommends the appointment of Mr. Sharad Gyanmal Nahata.

In compliance with Clause 49 IV (G) of the listing Agreement, brief resume, expertise and other details of the Directors proposed to be appointed is attached along with the Notice to the ensuing Annual General Meeting.

During the year Mr. Ramesh Narayan Rathi, Independent and non –executive Director of the Company, resigned from the Company. The Board considered and accepted his resignation.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm:

- 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 affairs of the Company as at 31st March, 2014 and of the profit 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, 1956, 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.

AUDITORS

Your company's Auditors M/s P. Singhvi & Associates, Chartered Accountants, Jodhpur retire at the end of forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment for the period of Three years.

The Company has receive a letter from them to the effect that their re-appointment, if made, would be within the prescribed limit under Section 141 (3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. The Board of Directors recommends their appointment from the conclusion of this meeting till the conclusion of the Seventeenth Annual General Meeting.

AUDITOR'S REPORT

The Explanations/information in respect of the observations of the Auditors in their report on the Standalone accounts for the accounting year ended 31st March, 2014 are given in detail in Notes . These Notes read with the relevant audit observations are self explanatory and need no comments or explanations.

CORPORATE SOCIAL RESPONSIBILITY

Somi Conveyor Beltings Limited believes to achieve sustainable development it is key to integrate Social, Economic and Environmental impact to the business and our business performance is inextricably linked to our CSR goals.

We believe that companies have a responsibility to give back to the communities that we interact with and business has to be done with a social conscience. Today the thematic areas that Somi Conveyor Beltings Limited works in for CSR activities across different geographies of its business is as follows:

- The company is regularly conducting medical camps on providing for health check up for the villagers living nearby its plant.

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.

A separate report on Corporate Governance Compliance as stipulated by the Clause 49 of the Listing Agreement 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 Clause 49 of the Listing Agreement.

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

The equity shares of your company continue 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 2014-15 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 & 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
- Minimising 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.

EMPLOYEES

During the year under review, there was no employee who came in the purview of Section 217 (2A) of the Companies Act, 1956.

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

Information in accordance with the Provisions of section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as follows:

ENERGY CONSERVATION

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) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

NIL

(c) Impact of the measures at (a) to (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The Measures referred to under (a) will result in reduction of energy consumption as stated above.

(d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the Schedule.

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

I.	Power & Fuel Consumption	Unit of Measurement	Current Year (2013-14)	Previous Year (2012-13)
	1. Electricity	KWH/MWH		
	a) Purchased			
	Unit		2,245,645.50	2,215,230.00
	Total Amount		14,796,608.00	14,896,154.00
	Rate/ Unit		6.59	6.72
	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 (2013-14) (Rs)	Current Year (2013-14) (Rs)	Previous Year (2012-13) (Rs)
1	Conveyor Belt (Average)	64.00	58.68	51.57

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

The Company has no specific activity relating to Technology absorption and adaptation.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lacs)

FOREIGN EXCHANGE	2013-14	2012-13
Foreign Exchange Earnings	536.07	870.72
Foreign Exchange Outgo	1821.58	1192.96

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 achieve good performance and look forward to their support in the future as well.

FOR AND ON BEHALF OF THE BOARD

Place: Jodhpur
Date: 4th September, 2014

O P BHANSALI
(Managing Director)

GAURAV BHANSALI
(Whole time Director)

REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report for the Year ended 31st March,2014 forms part of the Directors Report and the same has been prepared on the basis of the provisions of Clause 49 of the Listing Agreement with the Stock Exchange.

1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Our philosophy on Corporate Governance begins with our Board of Directors.

- i. Half of the Board of Directors comprises of Independent Directors.
- ii. The Audit Committee is comprised of Independent Directors.
- iii. The Board has established terms of reference for its operation and the operation of Audit Committee in line with Clause 49 of the Listing agreement.

Some aspects of Corporate Governance related to the year 2013-2014 are appended below:

2. BOARD OF DIRECTORS:

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

Presently the company has a broad based board consisting of six members. The Board comprises of three executive directors and three non- executive directors. All the non-executive directors are Independent Directors. The present composition of the Board is as under:

Name	Category**	Attendance at Board & Audit Committee Meeting		Whether Attended AGM Held on 30.09.2013	No. of Directorship in other Public Limited Companies	No. of Committee Position Held in other Public Limited Companies	
		Board (Total 6 board meetings held)	Audit (Total 4 meetings held)			Chairman	Member
Mr. Om Prakash Bhansali	PE CMD	6	NA*	YES	NIL	NIL	NIL
Mr. Vimal Bhansali	PE WTD	6	NA*	YES	NIL	NIL	NIL
Mr. Gaurav Bhansali	PE WTD	6	4	YES	NIL	NIL	NIL
Mr. Mahendra Rakecha	INE	2	4	YES	NIL	NIL	NIL
Mr. Yogesh Maheshwari	INE	1	NA*	NO	NIL	NIL	NIL
# Mr. Sharad Gyanmal Nahata	INE	0	0	NA#	NIL	NIL	NIL
## Mr. Ramesh Narayan Rathi	INE	0	0	NO	NIL	NIL	NIL

**PE = Promoter Executive, CMD = Chairman cum Managing Director

INE = Independent Non Executive, WTD = Whole Time Director, NA = Not Applicable.

*Not applicable as the director is not the member of the Audit Committee.

Appointed as Independent Director of the Company w.e.f. 12th February, 2014.

Resigned from Directorship of the Company w.e.f. 12th February, 2014.

b) Board Procedure

The meetings of the Board of Directors were held at the registered office of the Company at 4F-15, "Oliver House", New Power House Road, Jodhpur. During the year under review 6 (Six) Board Meetings were held on 06.05.2013, 30.05.2013, 14.08.2013, 03.09.2013, 15.11.2013 and 12.02.2014.

The information as required under Annexure-IA to Clause 49 of the Listing Agreement is made available to the Board. The Agenda and the papers for consideration at the Board Meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board papers and is also made available at the Board Meeting to enable the Board to take informed decisions.

c) 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

d) Disclosures Regarding Appointment/Re-Appointment of Directors

Mr. Yogesh Maheshwari, director, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Sharad Gyanmal Nahata is being proposed to be appointed as independent director for the period of Five Years

3. COMMITTEES OF THE BOARD

The Board has constituted / reconstituted various Committees as required under clause 49 of the Listing Agreement.

a) Audit Committee

At the beginning of year under review, the Audit Committee consisted of three Directors, Mr. Mahendra Rakecha, Mr. Ramesh Narayan Rathi, Mr. Gaurav Bhansali. Mr. Ramesh Narayan Rathi ceased to be a Director of the Company and Member of the Audit Committee and Mr. Sharad Gyanmal Nahata was appointed as Non -Executive & Independent Director of the Company and Member of Audit Committee with effect from 12th February, 2014.

Thus on 12th February, 2014 the Audit Committee was reconstituted comprising Mr. Mahendra Rakecha as Chairman and Mr. Sharad Gyanmal Nahata, Mr. Gaurav Bhansali as Members of the Committee, of whom two are Non-Executive and one is Whole Time Director appointed in line with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange read with section 292A of the Companies Act, 1956.

The Audit committee consists of:

1. Mr. Mahendra Rakecha, Chairman of Audit Committee, Non-Executive & Independent Director.
2. Mr. Sharad Gyanmal Nahata, Non -Executive & Independent Director.
3. Mr. Gaurav Bhansali, Whole Time Director.

During the year under scrutiny, Four Audit Committee meetings were held on 30th May, 2013, 14th August, 2013, 15th November, 2013 and 12th February, 2014.

Broad Terms of Reference

1. Oversight of our company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of the audit fees.

3. Approval of payment to the statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems for the purpose of financial reporting.
7. 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 audits.
8. Discussion with internal auditors of any significant findings and follow-up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and Scope of the audit as well as post audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the "whistle blower" mechanism, if and when introduced.
13. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and /or other Committee(s) of Directors of our company.

b) Share Transfer-cum-Investor Grievance Committee

At the beginning of year under review, the Share Transfer-Cum-Investors Grievance Committee consisted of three Directors, Mr. Vimal Bhansali, Mr. Mahendra Rakecha, and Mr. Ramesh Narayan Rathi,

Mr. Ramesh Narayan Rathi ceased to be a Director of the Company and Member of the Share Transfer-Cum-Investors Grievance Committee and Mr. Sharad Gyanmal Nahata was appointed as Non -Executive & Independent Director of the Company and Member of Share Transfer-Cum-Investors Grievance Committee, with effect from 12th February, 2014

Thus On 12th February, 2014 the Committee was reconstituted comprising Mr. Vimal Bhansali as Chairman and Mr. Mahendra Rakecha and Mr. Sharad Gyanmal Nahata as Members of the Committee.

It comprises of two Non – Executive Directors and one Whole Time Director.

The Share Transfer -cum-Investors Grievance Committee consists of:

1. Mr. Vimal Bhansali, Chairman of the Committee, Whole time Director
2. Mr. Sharad Gyanmal Nahata, Non-Executive & Independent Director
3. Mr. Mahendra Rakecha Non-Executive & Independent Director

One meeting of the Share Transfer cum Investor Grievance Committee was held on 31st March, 2014 and was attended by Two members of the Committee. The Shareholder’s complaints received during the year were resolved satisfactorily and at the end of the year no complaints were pending for redressal.

Brief Terms of Reference

This Committee performs inter alia the role / various functions as are set out in Clause 49 of the Listing Agreement with Stock Exchange and including but not limited to:

1. Issues relating to Shares i.e transfer & transmission of shares.
2. Issue of duplicate certificates;
3. To oversee and review all matters connected with the transfer and all other processes relating to the securities of our company;
4. To oversee the redressal of shareholder complaints; and
5. To oversee the performance of Registrar & Transfer Agents

c) Remuneration Committee

At the beginning of year under review, the Remuneration Committee consisted of three Directors, Mr. Yogesh Maheshwari, Mr. Mahendra Rakecha, and Mr. Ramesh Narayan Rathi.

Mr. Ramesh Narayan Rathi ceased to be a Director of the Company and Member of the Remuneration Committee and Mr. Sharad Gyanmal Nahata was appointed as Non -Executive & Independent Director of the Company and Member of Remuneration Committee, with effect from 12th February, 2014

Thus On 12th February, 2014 the Committee was reconstituted comprising Mr. Yogesh Maheshwari as Chairman and Mr. Sharad Gyanmal Nahata, Mr. Mahendra Rakecha as Members of the Committee.

Remuneration Committee comprises all Non-executive and Independent Directors.

The Remuneration Committee consists of:

1. Mr. Yogesh Maheshwari, Chairman of the Committee, Non-Executive & Independent Director
2. Mr. Mahendra Rakecha, Non-Executive & Independent Director
3. Mr. Sharad Gyanmal Nahata, Non-Executive & Independent Director

One meeting of the Remuneration Committee was held on 31st March, 2014 and was attended by all the members of the Committee.

Details of Remuneration to all the directors:

The Company has one Managing Director 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 198, 269, 309 read with Schedule XIII of the Companies Act 1956 after receiving sanction from the Shareholders in the duly convened General Meeting.

Non-Executive Directors are not paid any type of remuneration or sitting fees or share in profits or otherwise. The remuneration of any proposed appointee to the Board shall be in conformity with the provisions of the Companies Act, 2013

Name of Directors	Remuneration	Commission	Value of Perquisites/ Reimbursement of Expenses	Annual Amount in Rs.	
				Sitting Fees	Total Remuneration
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/-

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

4. SUBSIDIARY COMPANIES

The company does not have any Subsidiary company.

5. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
2010-11	30.09.2011	10.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 001
2011-12	29.09.2012	10.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 001
2012-13	30.09.2013	10.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 001

WHETHER ANY SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMs:

1. At the Annual General Meeting held on 30th September, 2013 no Special Resolutions were proposed and passed.
2. At the last Annual General Meeting held on 29th September, 2012, Three Special Resolutions were proposed and passed pertaining to:
 - Approval for re-appointment of Mr. Om Prakash Bhansali as Managing Director on monthly remuneration under Section 198, 269, 309, 311 read with Schedule XIII of Companies Act, 1956 and other applicable provisions for a period of five years w.e.f. 1st April, 2012.
 - Approval for re-appointment of Mr. Vimal Bhansali as Whole Time Director on monthly remuneration under Section 198, 269, 309, 311 read with Schedule XIII of Companies Act, 1956 and other applicable provisions for a period of five years w.e.f. 1st April, 2012.
 - Approval for re-appointment of Mr. Gaurav Bhansali as Whole Time Director on monthly remuneration under Section 198, 269, 309, 311 read with Schedule XIII of Companies Act, 1956 and other applicable provisions for a period of five years w.e.f. 1st April, 2012.
3. At the Annual General Meeting held on 30th September, 2011 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:

- Not Applicable

PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE:

- Not Applicable.

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:

- Not Applicable.

6. DISCLOSURES

- a) There were no materially significant related party transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in financial Section of this Annual Report.
- b) In the preparation of the financial statements, the Company has followed the Accounting policies and practices as prescribed in the Accounting Standards and there is no change in the accounting treatment during the year under review.
- c) The company has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures.
- d) Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.
- e) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.
- f) The Chief Executive Officer & Chief Financial Officer has furnished a Certificate to the Board for the year ended on 31st March, 2014 in compliance with Clause 49 of Listing Agreement.
- g) During the year no presentations were made to any institutional investors or analysts.
- h) All non- executive directors of the company do not hold any shares in the company as on 31/03/2014.

7. MEANS OF COMMUNICATION

The company publishes Quarterly/Half yearly/Annual results as required under the Listing Agreement. 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 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.

8. GENERAL SHAREHOLDERS INFORMATION

a) Date, time and venue of the 14th Annual General Meeting:

Annual General Meeting is proposed to be held on Tuesday, 30th September, 2014 at 11:30 A.M at its Registered Office at 4F-15, "Oliver House", New Power House Road, Jodhpur-342001

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, 2014	Within Forty Five Days of the End of the Quarter
Quarter ending on 30th September, 2014	Within Forty Five Days of the End of the Quarter
Quarter ending on 31st December, 2014	Within Forty Five Days of the End of the Quarter
Annual Results of 2014-15	Within Sixty Days of the End of the Quarter
Annual General Meeting for the year ending March 31,2015	In September, 2015

c) Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, the 23rd September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) for the purpose of 14th Annual General Meeting.

d) Listing on Stock Exchanges:

The Company's shares are listed on the Bombay Stock Exchange Limited with effect from 24th July, 2008. There are no arrears in payment of listing fees.

BSE CODE: 533001

SCRIP ID: SOMICONV

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

Month & Year	High Price	Low Price	Volume No. of Shares	BSE SENSEX (VOLUME)		
				Month & Year	High	Low
Apr 13	11.19	9.21	15,677	Apr 13	19,622.68	18,144.22
May 13	16.94	9.75	2,69,630	May 13	20,443.62	19,451.26
Jun 13	18.75	14.10	1,64,296	Jun 13	19,860.19	18,467.16
Jul 13	20.15	17.60	3,58,698	Jul 13	20,351.06	19,126.82
Aug 13	23.50	19.35	6,05,547	Aug 13	19,569.20	17,448.71
Sep 13	25.00	20.65	11,91,404	Sep 13	20,739.69	18,166.17
Oct 13	29.00	20.50	14,98,015	Oct 13	21,205.44	19,264.72
Nov 13	28.80	20.95	14,52,440	Nov 13	21,321.53	20,137.67
Dec 13	38.45	23.50	22,44,341	Dec 13	21,483.74	20,568.70
Jan 14	36.30	27.50	29,54,900	Jan 14	21,409.66	20,343.78
Feb 14	43.00	31.05	35,02,710	Feb 14	21,140.51	19,963.12
Mar 14	35.80	26.25	37,86,655	Mar 14	22,467.21	20,920.98

f) 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

g) DISTRIBUTION OF SHAREHOLDING AS AT 31st March 2014

No. of Equity Shares Held	No. of Shares	% to Capital	No. of Holders	% to Total
UPTO - 500	333772	2.833	1635	67.983
501 - 1000	251053	2.131	346	14.387
1001 - 2000	332707	2.824	235	9.771
2001 - 3000	110071	0.934	43	1.788
3001 - 4000	51372	0.436	14	0.582
4001 - 5000	121340	1.03	26	1.081
5001 - 10,000	358796	3.046	48	1.996
10,001 AND ABOVE	10220545	86.764	58	2.412
TOTAL	11779656	100	2405	100

h) 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.

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

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

NIL

j) Site location:

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

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

k) Address of Correspondence:

Mr. Amit Baxi

COMPANY SECRETARY & COMPLIANCE OFFICER

4 F-15, "Oliver House", New Power House Road, Jodhpur-342001

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

Tel.: +91-0291-2765400-09 Fax: +91-0291-2765410

E-mail: info@ombhansali.com

MANAGEMENT DISCUSSION AND ANALYSIS

As per the requirement of the Listing Agreement as part of the Directors Report or in addition thereto a Management Discussion & Analysis Report forming part of the 14th Annual Report to the Members is given below discussing the key issues. The report also contains forward-looking statements, like 'will', believes, etc. All statements that address expectations about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements. Since these are based on some assumption and expectations of future events, Company cannot guarantee that these are accurate or will be realized.

FINANCIAL OVERVIEW

The Net Sales, Earnings before taxes (EBIT) and Earnings after Taxes (EAT) for the Financial Year 2013-14 along with the quantitative data is as follows:

Particulars	Financial Year (2013-14)	Financial Year (2012-13)
Net Sales	6536.36	7907.23
Earnings before taxes (EBIT)	537.39	596.28
Earnings after Taxes (EAT)	360.36	393.99

INDUSTRY SCENARIO

The Conveyor beltings form an integral part of material handling system. It serves as a chain right from the stage of conveying raw material from far off and scattered locations till final rolling out of finished goods. Hence, it could be safely said, "CONVEYOR BELTS ARE THE NERVE OF ANY PRODUCTION ACTIVITY IN AN INDUSTRY."

Apart from providing easy and uninterrupted logistics support for material handling system it reduce the cost and other head expense thereby enabling the user to stay in the market at most competitive rates. Hence, the industries have woken to the reality that it is next to impossible to sustain production activity and ensure cost effectiveness without the help of the conveyor belts.

The markets are expanding. Globalization has brought the world very close and time is ripe now to enhance country's share in the International Trade in the Sphere of conveyor belts exports. The company has already entered in export market with a big response.

The main thrust areas of our specialization are the conveyor Belts for heavy Industries, Coal Handling, Steel Industries and Food Grade Belts for Salt/chemical and Sugar Industries.

Now establishing ourselves in existing Line we are confident to achieve faster growth in terms of value

With existing capacity & beside to enter another Segment of Conveyor Belt i. e. " Steel Cord Conveyor Belt" which is being largely used for long distance, to carry heavy material and strong enough to give service life around 4-5 years.

COMPANY'S PERFORMANCE

During the year 2013-14, the Company continued implementation of its business strategy to give a satisfactory performance. Although the overall industrial growth declined due to recession, but the company achieved sales of Rs. 6536.36 Lacs and Net Profit of Rs.360.36 Lacs.

STRENGTHS

Your Company's strength comprises, its Management; its great staff which is highly qualified, experienced and is able to meet specific needs of the company; Competency in diagnosing the real problems or obstacles to growth; High competence in expanding sales and Organization; Company culture is generally open to change. These all factors enable the Company to grow and serve all its stakeholders at its best.

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 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.
- 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;

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has appropriate internal control systems commensurate with the size and nature of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your company's operations, safe keeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Such controls are subject to periodical review to ensure efficiency of operations, accuracy and promptness of financial reporting and compliance with all applicable statutory requirements.

Compliance with various applicable laws is monitored through a procedure whereby the units send monthly reports of compliance to the Board regularly. A comprehensive report is placed before the board on risk assessment and minimization procedures adopted by the units.

The company's internal control systems and procedures are subject to comprehensive internal audit by outside experts whose reports are submitted to the audit committee. The Audit Committee comprising of independent Directors oversees the function of internal audit reviews the reports and monitors implementation of suggestions. The audit Committee interacts with the internal auditors about the adequacy of internal control systems.

INDUSTRIAL AND EMPLOYEE RELATIONS

The Organization has continued to have cordial and harmonious relations with its employees all businesses and locations. The relationships have been sustained on the basis of transparent communication, mutual trust and faith and an inclusive style of management and decision making. Employees have been treated with complete respect and dignity in line with the core values and beliefs of the organization. A fair and objective approach with compassion and support has been an integral part of the Company's work life.

CAUTIONARY STATEMENT

Statements in this report describing the company's objectives, expectations, predictions and assumptions may be 'forward looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed or implied. Important factors that could influence the company's operations include global and domestic economic conditions affecting demand, supply, price conditions, natural calamities, changes in Government's regulation, tax regimes, other statutes and other factors such as litigation and industrial relations.

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

Somi Conveyor Beltings Limited

I have examined the compliance of Corporate Governance by Somi Conveyor Beltings Limited (“the Company”) for the financial year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to review of procedures and implementations thereof adopted by the Company for ensuing compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

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

S. SINGHVI & CO.
Company Secretaries

S. Shweta Singhvi,
Proprietor
C. P. No. 7660

Place: Jodhpur

Date: 4th September, 2014

DECLARATION

I, O. P. Bhansali, Chairman and Managing Director of Somi Conveyor Beltings Limited hereby declare that as on 31st March, 2014, 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 for the Financial Year 2013-14.

For Somi Conveyor Beltings Limited

**O P Bhansali
Chairman & Managing Director**

**Place: Jodhpur
Date: 4th September, 2014**

CEO/CFO CERTIFICATION

I, O. P. Bhansali, Chairman, Managing Director & CEO/CFO of the company certify that:

I have reviewed the financial statements and the cash flow statements for the year 2013-14 and that to the best of our knowledge and belief:

1. These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. 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.
3. 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 Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal control system and that I have evaluated the effectiveness of the internal control system of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
5. I further certify that I have indicated to the auditors and the Audit Committee:
 - a) There have been no significant changes in internal control system during the year.
 - b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Date: 4th September, 2014
Place: Jodhpur

**O P Bhansali
CHAIRMAN & MD**

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **SOMI CONVEYOR BELTINGS LIMITED**, which comprises of the Balance Sheet as on March 31st, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. These 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 misstatements.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or an error. In making these risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2014;
- (b) in the case of the Profit and Loss Account, 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it Appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

PLACE : JODHPUR
DATED : 30th MAY, 2014

(PRAVEEN SINGHVI)
PARTNER
M. No. 71608

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2014 OF SOMI CONVEYOR BELTINGS LTD.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

- i)
 - (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets are physically verified by the management during the year and no material discrepancies between the book records and the physical records have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the period.
- ii)
 - (a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventory as compared to book records, were not material.
- iii)
 - (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) The Company has not taken unsecured loans from directors on the Balance Sheet date.
- IV) In our opinion and according to the information and explanations given to us, certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system that commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v)
 - (a) In our opinion and according to the information and explanations given to us, during the year under audit, the contracts and arrangements which need to be entered in the register, have been duly entered under section 301 of the Companies Act, 1956.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not taken any deposit under Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975.
- vii) In our opinion the internal audit functions carried out during the year by a firm of chartered Accountants appointed by the management commensurates with the size of the company and the nature of its business.
- viii) We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the central government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix)
 - (a) In our opinion and according to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Provident Fund, Wealth Tax, Custom Duty, ESI, service tax and cess as at March 31, 2014 on account of any dispute. The dues of income tax, sales tax, Entry

tax as discussed below have not been deposited by company on account of disputes.

Name of the Statute	Nature of dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
Entry Tax Demand	Entry Tax	266131.00	A.Y. 2005-06, 2006-07 & 2007-08	Hon. High Court
Entry Tax Demand	Entry Tax	239008.00	A.Y. 2005-06 & 2006-07	Hon. High Court
Income Tax Demand	Income Tax	4657870.00	A.Y. 2010-11	CIT (Appeal)
Sales Tax Panalty	Sales Tax	146947.00	A.Y. 2008-09	Commissioner (A) COMMERCIAL Tax Department
Sales Tax Demand	Sales Tax (ITC)	1316184.00 300000.00	A.Y. 2008-09 & A.Y. 2009-10	Commissioner (A) COMMERCIAL Tax Department

Note : Income Tax demand, Sales Tax demand, Sales Tax Penalty in respect of appeal is pending but amount is already paid to department.

- x) The Company has no accumulated losses as at March 31, 2014 and it has not incurred any cash losses in the year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank as at the balance sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit company / societies are not applicable to the company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.
- xvi) In our opinion and according to the information and explanations given to us, the term loan taken by the company has been applied for the purpose for which they were raised.
- xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis, which have been used for long-term investment.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by way of public issue during the year. Therefore, the provisions of clause 4(xx) of the Order are not applicable to the company.
- xxi) During the course of 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, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

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

PLACE: JODHPUR
DATED : 30th MAY, 2014

(PRAVEEN SINGHVI)
PARTNER
M.NO. 71608



BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE	As at the 31.03.2014 AMOUNT (Rs.)	As at the 31.03.2013 AMOUNT (Rs.)
EQUITY AND LIABILITIES			
Shareholder'Fund			
Share Capital	1	117796560	117796560
Reserves & Surplus	2	399415040	363378776
Share Application Money Pending Allotment			
Non Current Liabilities			
Long Term Borrowings	3	951184	64906588
Deferred Tax Liability	4	8589964	6847639
Other Long Term Liabilities	5	16190152	13754788
Long Term Provisions	6	619463	1732934
Current Liabilities			
Short Term Borrowings	7	132234534	89138307
Trade Paybles	8	35920815	51318927
Other Current Liabilities	9	108770773	106522247
Short Term Provisions	10	508949	364458
		Total	Total
		820997433	815761224
ASSETS			
Non Current Assets			
Tangible Assets	11	366188698	348546219
Intangible Assets	11	32000	-
Capital work-in-Progress	11	22801214	29329191
Non Current Investments	12	3000	3000
Long Term Loans and Advances	13	8736431	4851262
Other Non Current Assets	14	9075183	12261855
Current Assets			
Inventories	15	140182575	129898090
Trade Receivables	16	145726117	141417356
Cash and Bank Balances	17	59498141	42020962
Short Term Loans and Advances	18	28467982	34932028
Other Current Assets	19	40286092	72501261
Significant Accounting Policies & Notes on accounts	1 to 33	Total	Total
		820997433	815761224

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

(PRAVEEN SINGHVI)
PARTNER
M.NO. 71608

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

O.P. BHANSALI
(MANAGING DIRECTOR)

PLACE : JODHPUR
DATED : 30th MAY, 2014

GAURAV BHANSALI
(WHOLE TIME DIRECTOR)

AMIT BAXI
(COMPANY SECRETARY)

**STATEMENT OF PROFIT & LOSS ACCOUNT STATING EBITDA
FOR THE YEAR ENDED ON 31ST MARCH, 2014**

PARTICULARS	NOTE	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
INCOME			
Revenue from Operations	20	655170454	793948562
Other Income	21	3121208	7158866
Total Revenue		658291662	801107428
EXPENDITURE			
Cost of Material Consumed	22	430805964	496107747
Changes in Inventories of finished goods, and Work-in-Progress	23	16524607	77151095
Employee benefit expenses	24	11165944	13290112
Financial Costs	25	20118039	30633098
Depreciation	26	40161052	42774585
Other Expenses	27	85777122	81522475
Total Expenses		604552728	741479112
PROFIT BEFORE TAX			
Provision for Current Tax		53738934	59628316
Deferred Tax (Liability)/Asset		(15960345)	(20642871)
Profit After Tax		(1742325)	414212
Balance brought forward		36036264	39399657
		127105955	87706298
Balance Carried Forward to Balance Sheet		163142219	127105955
Earning Per Share (Basic & Diluted)	28	3.06	3.34
Significant Accounting Policies and Notes to the Accounts	1 to 33		

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)

PLACE : JODHPUR
DATED : 30th MAY, 2014

(GAURAV BHANSALI)
WHOLE TIME DIRECTOR

(AMIT BAXI)
COMPANY SECRETARY



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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 Kumari Bhansali	989394	8.40	989394	8.40
Om Prakash Bhansali	4412658	37.46	4162658	35.34

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	127105955	87706298
Add Appropriated during the year	36036264	163142219
	399415040	363378776

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
3. LONG TERM BORROWINGS		
Secured Loans		
Foreign Currency Loans-Buyer's Credit	0	63307288
HDFC Car Loan	951184	1599300
	<u>951184</u>	<u>64906588</u>
3.1 HDFC Car Loan is secured by way of Hypothecation of Car.		
Maturity Profile of HDFC Car Loan are set out below :		
Rate of Interest	2014 -15	2015 -16
10 %	765000	255000
4. DEFERRED TAX LIABILITY (NET)		
Depreciation	8926081	7435114
Provision for Gratuity	(245895)	(535477)
Liability allowed on payment basis	(90222)	(51998)
	<u>8589964</u>	<u>6847639</u>
5. OTHER LONG TERM LIABILITIES		
Trade Payables	1330962	302734
Payables on purchase of Fixed Assets	14859190	13452054
	<u>16190152</u>	<u>13754788</u>
6. LONG TERM PROVISIONS		
Provision for Gratuity	619463	1732934
	<u>619463</u>	<u>1732934</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
7. SHORT TERM BORROWINGS		
Secured		
Working Capital Loan (PNB Jodhpur)	85026844	89138307
PNB Packing Credit	9916467	0
PNB Buyer's Credit	37291223	0
	<u>132234534</u>	<u>89138307</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	35920815	51318927
	<u>35920815</u>	<u>51318927</u>
9. OTHER CURRENT LIABILITIES		
Creditors for Capital Expenditure	3648469	921673
Term Loan Instalment due within one year	37941327	0
Forward Contract Payable	40032846	66637740
Advance from Customers	4178551	10111470
Other Payables	22969580	28851364
	<u>108770773</u>	<u>106522247</u>
9.1 Other payables comprises of creditors for expenses and statutory dues.		
10. SHORT TERM PROVISIONS		
Provision for Leave Encashment	508949	364458
	<u>508949</u>	<u>364458</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

11. FIXED ASSETS (CONSOLIDATED)

Fixed Assets Consolidated

PARTICULARS	GROSS BLOCK AS ON 01-04-2013	ADDITIONS DURING THE YEAR	DEDUCTIONS/ADJUSTMENT	TOTAL	RATE	DEPRECIATION			W.D.V.		
						AS AT 01.04.2013	CURRENT YEAR	DEDUCTIONS/ADJUSTMENT	TOTAL	AS ON 31.03.2013	AS ON 31.03.2014
Tangible Assets											
Land	59379925	0	0	59379925	NIL	NIL	NIL	0	0	59379925	59379925
Building	106104666	9004214	0	115108880	10.00%	37935688	6972969	0	44908657	68168978	70200223
Computer	1987549	44530	0	2032079	40.00%	1514005	196431	0	1710436	473544	321643
Plant & Machinery	330936558	48690761	85500	379541819	13.91%	118168241	31327339	0	149385580	212768317	230156239
Furniture & Fixtures	5033140	141526	0	5174666	18.10%	1608415	642728	0	2251143	3424725	2923523
Vehicles	7500126	0	0	7500126	25.89%	3226804	1106363	0	4333167	4273322	3166959
Vehicles (c)	270978	0	0	270978	30.00%	213570	17222	0	230792	57408	40186
Total	511212942	57881031	85500	569008473		162666723	40153052	0	202819775	348546219	366188698
Intangible Assets											
Trade Mark	0	40000	0	40000		0	8000	0	8000	0	32000
Capital WIP	29329191		6527977	22801214		0	0	0	0	29329191	22801214
TOTAL	540542133	57921031	6613477	591849687		162666723	40161052	0	202827775	377875410	389021912

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

3000	3000
<u>3000</u>	<u>3000</u>

13. LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Security Deposits

8736431	4851262
<u>8736431</u>	<u>4851262</u>

14. OTHER NON CURRENT ASSETS

Long Term Trade Receivables

9075183	12261855
<u>9075183</u>	<u>12261855</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
15. INVENTORIES		
Stock of Raw Materials	121258117	94449025
Work-In-Progress	3218000	6575000
Finished Goods	15706458	28874065
	140182575	129898090
16. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
More Than Six Months	17455097	19747783
Less Than Six Months	128271020	121669573
	145726117	141417356
17. CASH AND BANK BALANCES		
Cash in Hand	1420512	5895541
With Scheduled Bank In Current A/c	339279	8148501
FDR (For BG/LC Margin)	57738350	27976920
	59498141	42020962
18. SHORT TERM LOANS AND ADVANCES		
Loans and Advances to Staff	729043	1162570
(Unsecured and Considered Good)		
Prepaid Expenses	1266278	1201720
Balance with Revenue Authorities	19745661	25840738
Others	6727000	6727000
	28467982	34932028

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
19. OTHER CURRENT ASSTES		
Unbilled Revenue	1030670	2268997
Unamortised Premium on Forward Contract	390540	2743002
Share Issue Expenses (To the extent not written off)	0	2959899
Forward Contract Receivable	37101826	62792447
Duty Drawback Receivable	437031	1405412
Export Incentive Receivable	860393	0
Others	465632	331504
	<u>40286092</u>	<u>72501261</u>
19.1 Unbilled Revenue comprises of Advance to raw material suppliers and Advance against factory expenses		
20. REVENUE FROM OPERATIONS		
Sale of Products	726890634	877562152
Other Operating Revenue	1534430	3225889
Less: Central Excise Duty	(73254610)	(86839479)
	<u>655170454</u>	<u>793948562</u>
20.1 Sale of Products Comprises		
Manufactured goods		
Conveyor Belt	718649954	863741294
Rubber Sheet	8240680	13820858
	<u>726890634</u>	<u>877562152</u>
20.2 Other Operating Income comprises of income from export incentive & Duty Drawback.		
21. OTHER INCOME		
Interest	2252416	1970023
Income on cancellation of forward contract	0	831240
Other Incomes	868792	4357603
	<u>3121208</u>	<u>7158866</u>

21.1 Interest income comprises interest receivable on FDR of Rs. 1829305 (Previous Year Rs. 1841995) & Interest received on deposit to JVVN of Rs. 126380 (Previous Year Rs. 128028) and other interest.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
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21.2 Other income includes discount received and insurance Claim of Rs. 651240.

22. COST OF MATERIAL CONSUMED

	% of Consumed	Amount	% of Consumed	Amount
Imported	32.39	139552312	27.57	136775455
Indigenous	67.61	291253652	72.43	359332292
	100	430805964	100	496107747

22.1 PARTICULARS OF MATERIAL CONSUMED

Carbon	20983326	27539555
Chemical	38415829	48899302
Fabric	134819936	137252773
Process Oil	7971211	9789915
Rubber	224225985	271485877
Steel Cord	432390	0
Others	3957287	1140325
	430805964	496107747

23. CHANGES IN INVENTORIES OF FINISHED GOODS & WIP

Inventories (at closing)

Finished Goods	15706458	28874065
WIP	<u>3218000</u>	<u>6575000</u>

Inventories (at beginning)

Finished Goods	28874065	95400160
WIP	<u>6575000</u>	<u>17200000</u>
	16524607	77151095

24. EMPLOYEE BENEFITS EXPENSES

Salaries & Wages	11641684	12316228
Contribution to Provident Fund & Other Fund	391131	464945
Gratuity (Unfunded)	(937157)	339925
Staff Welfare Expenses	70286	169014
	11165944	13290112

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
24.1 Leave Encashment given by company is not retirement benefit but it is encashed in every year.		
24.2 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, recognised as expense for the year is as under :		
Employer's contribution to Provident Fund	213694	246750
Defined Benefit Plans		
The employee's gratuity scheme managed by LIC is a defined benefit plan. The present value of obligation on actuarial valuation using the Projected Unit Credit Method, which recognises 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.		
24.3 Excess Provision on account of Quantity made due to technical error amounting to Rs. 937157, now Written Back.		
25. FINANCE COSTS		
Interest	12262840	22487169
Other Borrowing Cost	7855199	8145929
	20118039	30633098
26. DEPRECIATION AND AMORTISATION COSTS		
Depreciation	40161052	42774585
	40161052	42774585
27. OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel	18868306	21523342
Consumable Stores	5503005	4314809
Repairs & Maintenance	9147192	3946337
Testing Charges	119390	178184
Factory Expenses	557980	466986
Freight Expenses	6804939	5957337
Packing Expenses	4820166	4494132
Water Expenses	318850	246130
	46139828	41127257
Selling and Distribution Expenses		
Selling and Distribution Expenses	20588583	24874696
	20588583	24874696



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)		PREVIOUS YEAR AMOUNT (Rs.)	
Other Expenses				
Administrative Expenses	6743325		5309189	
Auditor's Remuneration	325000		320000	
Insurance	1363002		2350344	
Charity and Donation	0		11000	
Loss on foreign currency transactions and translation	5205972		3674941	
Office Rent	2114000		427500	
Other Expenses	337514		467649	
Amortisation of share issue expenses	2959899	19048712	2959899	15520522
		<u>85777122</u>		<u>81522475</u>

27.1 VALUE OF CONSUMABLE STORES AND RAW MATERIAL CONSUMED :

	% of Consumed	Amount	% of Consumed	Amount
Imported	0	0	0	0
Indigenous	100	5503005	100	4314809
	100	5503005	100	4314809

27.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

Raw Materials and Stock-in-Trade	142502718	119295706
Capital Goods	34834800	0
	<u>177337518</u>	<u>119295706</u>

27.3 PAYMENT TO AUDITORS AS:

Internal Audit Fees	80000	80000
Statutory Audit Fees	120000	120000
Cost Audit Fees	25000	20000
Tax Audit Fees	50000	50000
Professional Fees	50000	50000
	<u>325000</u>	<u>320000</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
27.4 EXPENDITURE IN FOREIGN CURRENCY :		
Repair to Machinery	3377539	0
Travelling Expenses	<u>1442810</u>	<u>432489</u>
28. EARNINGS PER SHARE		
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs.)	36036264	39399657
ii) No. of Weighted Average Equity Shares	11779656	11779656
iii) Basic and Diluted Earnings per share (Rs.)	3.06	3.34
iv) Face Value per equity share (Rs.)	10	10
29. EARNINGS IN FOREIGN EXCHANGE		
FOB Value of Exports	<u>53606576</u>	<u>87072108</u>
	<u>53606576</u>	<u>87072108</u>
30. RELATED PARTY DISCLOSURES :		
(i) S.N. Name of Related Party	Relationship	
1. O.P. Bhansali		
2. Vimal Bhansali		
3. Gaurav Bhansali	Key Managerial Personnel (KMP)	
4. Om Kumari Bhansali		
5. Priya Bhansali		
6. Ruchi Bhansali		
7. Madhu Mehta	Relative of Key Managerial Personnel (RKMP)	
8. Oliver Micon Inc.		
9. Earth Movers Enterprises		
10. Om Prakash Bhansali HUF		
11. Vimal Bhansali HUF		
12. Gaurav Bhansali HUF		
13. Ghunguru Hotels & Resorts Ltd.	KMP/RKMP exercise significant influence	



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)	
(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	6152056
Managerial Remuneration	1440000	0	0
Purchase & Other Expenses	2030000	204000	1523445
Balance as at 31st March, 2014			
Trade Receivable	441336		460944
Loans	0		0

31 FINANCIAL AND DERIVATIVE INSTRUMENTS

Derivative contracts entered into by the company and outstanding as on 31st March, 2014

For Hedging Currency Related Risks :

Forward Contract Payable	40032846	66637740
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32. CONTINGENT LIABILITIES AND COMMITMENTS

Rs. (In Lakhs)

(i) Claims against company disputed liabilities

Entry Tax Demand	4.59	4.59
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(ii) Guarantees

Performance Guarantees	749.00	617.51
Financial Guarantee	84.84	4.76
Guarantee against Buyer's Credit	373.24	531.07

(iii) Letter of credit

73.60	307.23
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33. The Company is in the process of identifying Micro, Small and Medium Enterprises as defined under the Micro, Small 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 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 and 2013.

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 on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

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.

3. 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.

4. 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.

5. 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.

6. 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 issued by the Institute of Chartered Accountants of India, deferred tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable 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.

7. 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 Contract

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.

8. 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.

9. 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) issued by the Institute of Chartered Accountants of India.

10. 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 assets 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.

11. 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 as assets is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

12. 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.

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13. 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.

14. 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, in 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.

15. 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.

16. EARNING PER SHARE

As Per AS-20 issued by institute of Chartered Accountants of India 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.

17. 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.

18. 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.

19. SHARE ISSUE EXPENSES

Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the companies act, 1956; to the extent balance is available for utilization in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from date of the issue of shares.



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	For the year ended 31.03.2014	For the year ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	5,37,38,934	5,96,28,316
Add : Depreciation Charged	4,01,61,052	4,27,74,585
Preliminary Expenses written off	29,59,899	29,59,898
Interest Charged	1,22,62,840	2,24,87,169
	10,91,22,725	12,78,49,968
Less : Interest Received	(19,55,685)	(19,70,023)
Operating Profit Before Working Capital Changes	10,71,67,040	12,58,79,945
Trade and Other Receivables	(11,22,089)	(8,36,54,983)
Inventories	(1,02,84,485)	6,84,99,420
Trade Payables & Provisions	(5,96,16,544)	3,08,89,532
Loans & Advances and Other Current Assets	4,66,99,316	(66,30,714)
Advance Tax Paid	(1,09,80,000)	(1,45,00,000)
Cash Generated From Operating Activities	7,18,63,238	12,04,83,200
Direct Taxes Paid	(59,68,330)	(62,51,450)
Net Cash Flow From Operating Activities (a)	6,58,94,908	11,42,31,750
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Acquisition of Fixed Assets	(5,13,07,554)	(2,05,07,113)
Security Deposit	(38,85,169)	3,047
Interest Received	19,55,685	19,70,023
Net Cash used in Investing Activities (b)	(5,32,37,038)	(1,85,34,043)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans	1,70,82,149	(5,23,15,779)
Unsecured Loans	0	(1,67,44,086)
Interest Paid	(1,22,62,840)	(2,24,87,169)
Net Cash from Financing Activities (c)	48,19,309	(9,15,47,034)
Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c)	1,74,77,179	41,50,673
Cash & Cash Equivalent At The Beginning of The Year	4,20,20,962	3,78,70,289
Cash & Cash Equivalent At The End of The Year	5,94,98,141	4,20,20,962

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
CHARTERED ACCOUNTANTS
F.R. NO. 113602W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

(PRAVEEN SINGVI)
PARTNER
M.NO. 71608

O.P. BHANSALI
(MANAGING DIRECTOR)

PLACE : JODHPUR
DATED : 30th MAY, 2014

(GAURAV BHANSALI)
WHOLE TIME DIRECTOR

(AMIT BAXI)
COMPANY SECRETARY