

AUDIT REPORT



SOMI CONVEYOR BELTINGS LIMITED

**FOR THE YEAR
2014-2015**

**P SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
D-166, SHASTRI NAGAR
JODHPUR (RAJ.)**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanied financial statements of **SOMI CONVEYOR BELTINGS LIMITED**, which comprises of the Balance Sheet as on 31st March, 2015 and the Statement of Profit and Loss and Cash Flow statement for the year then ended and a summary of significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting



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operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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, 2015;
- (b) In the case of the Profit and Loss Statement, 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

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the pending litigations in its financial statements - Refer to Note No. 35.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.



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iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR P SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 113602W

P Singh
(PRAVEEN SINGHVI)
PARTNER
M.No. 71608



PLACE : JODHPUR
DATED: 30TH MAY, 2015

REPORT UNDER THE COMPANIES (AUDITOR'S REPORT) ORDER, 2015 (CARO 2015)

CARO 2015 REPORT ON THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2015 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 189 of the Companies Act, 2013.
- 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) The Company has not accepted any deposits from the public.



- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii) (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, Vat, 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, 2015 on account of any dispute. The dues of Income Tax, Sales Tax, and 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
Income Tax Demand	Income Tax	4657870.00	A.Y. 2010-11	CIT(Appeal)
Sales Tax Penalty	Sales Tax	146947.00	A.Y. 2008-09	Commissioner (A) Commercial Tax Department
Sales Tax Demand	Sales Tax (ITC)	1316184.00	A.Y. 2008-09	Commissioner (A) Commercial Tax Department
		300000.00	A.Y. 2009-10	

Note: Income tax demand, Sales tax demand, sales tax Penalty in respect of appeal is pending but Amount is already paid to department.

- viii) The Company has no Accumulated losses as at March 31, 2015 and it has not incurred any cash losses in the year ended on that date or in the immediately preceding financial year.
- ix) 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.
- x) 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.



- xi) In our opinion and according to the information and explanations given to us, the company has taken following loans during the year and o/s balance.

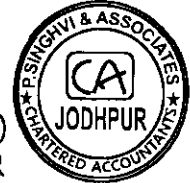
S.No	Particular	Loan Taken(Rs)	O/s Balance. (Rs)
1.	Buyer's Credit	64052856.00	64135531.00
2.	Demand Loan	488000000.00	46236479.00
3.	Car Loan	6400000.00	6092407.00

These loans are used for that purpose for which these are taken

- xii) 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
FRN 113602W


(PRAVEEN SINGHVI)
PARTNER
M.No. 71608



PLACE : JODHPUR
DATED: 30TH MAY, 2015

SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR

BALANCE SHEET AS AT 31ST MARCH, 2015

	NOTE	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Fund</u>			
Share Capital	1	117796560	117796560
Reserves & Surplus	2	442185682	399415039.86
<u>Share Application Money Pending Allotment</u>			
-			
<u>Non Current Liabilities</u>			
Long Term Borrowings	3	116464417	951184
Deferred Tax Liability	4	7401176	8589964
Other Long Term Liabilities	5	1028228	16190152
Long Term Provisions	6	771293	619463
<u>Current Liabilities</u>			
Short Term Borrowings	7	212572939	132234534
Trade Payables	8	79492322	35920815
Other Current Liabilities	9	46169633	108594459
Short Term Provisions	10	672223	685263
TOTAL		1024554473	820997433
<u>ASSETS</u>			
<u>Non Current Assets</u>			
Tangible Assets	11	449582286	366188698
Intangible Assets	11	125116	32000
Capital Work-In-Progress	11	4991607	22801214
Non Current Investments	12	3000	3000
Long Term Loans and Advances	13	12297586	8736431
Other Non Current Assets	14	7252437	9075183
<u>Current Assets</u>			
Inventories	15	145429392	140182575
Trade Receivables	16	237378075	145726117
Cash and Bank Balances	17	127832527	59498141
Short Term Loans and Advances	18	34343410	28467982
Other Current Assets	19	5319036	40286092
TOTAL		1024554473	820997433

Significant Accounting Policies and Notes on Accounts

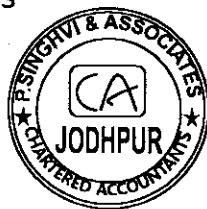
1 To 36

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
 FRN 113602W

P Singhvi
 (PRAVEEN SINGHVI)
 PARTNER
 M.NO. 71608



PLACE : JODHPUR
 DATED : 30TH MAY, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

O.P. Bhansali
 O.P. BHANSALI
 (MANAGING DIRECTOR)

Gaurav Bhansali
 GAURAV BHANSALI
 (WHOLE TIME DIRECTOR)

Manish Bohra
 MANISH BOHRA
 (CHIEF FINANCIAL OFFICER)

Amit Baxi
 AMIT BAXI
 (COMPANY SECRETARY)

SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR

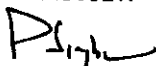
STATEMENT OF PROFIT & LOSS ACCOUNT STATING EBITDA FOR THE YEAR ENDED ON 31ST MARCH, 2015

PARTICULARS	NOTE	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
INCOME			
Revenue from Operations	20	747623418	655170454
Other Income	21	13193865	3121208
		<u>760817283</u>	<u>658291662</u>
EXPENDITURE			
Cost of Material Consumed	22	525206758	430805964
Purchase of Traded Goods	23	2616993	
Changes in Inventories of Finished Goods and WIP	24	(10204956)	16524607
Employee Benefits Expenses	25	13245472	11165944
Finance Cost	26	25693917	20118039
Depreciation	27	51312370	40161052
Other Expenses	28	94251408	85777122
		<u>702121963</u>	<u>604552728</u>
Profit Before Tax		58695320	53738934
Provision for Current Tax		(17113466)	(15960345)
Deferred Tax (Liability)/Asset		1188788	(1742325)
Profit After Tax		42770642	36036264.08
Balance brought forward		163142220	127105955.78
Balance carried forward to Balance Sheet		205912862	163142219.86
EARNING PER SHARE (Basic & Diluted)	29	3.63	3.06
Significant Accounting Policies and Notes on Accounts	1 To 36		

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

AS PER OUR REPORT OF EVEN DATE ATTACHED.

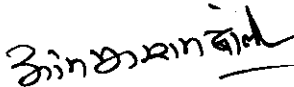
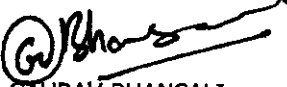
FOR P SINGHVI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN 113602W




 (PRAVEEN SINGHVI)
 PARTNER
 M.NO. 71608



PLACE : JODHPUR
 DATED : 30TH MAY, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.


 O.P. BHANSALI
 (MANAGING DIRECTOR);

 GAURAV BHANSALI
 (WHOLE TIME DIRECTOR)


 MANISH BOHRA
 (CHIEF FINANCIAL OFFICER)

 AMIT BAXI
 (COMPANY SECRETARY)

SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	58,695,320	53,738,934
Add: Depreciation Charged	51,312,370	40,161,052
Preliminary Expenses written off	-	2,959,899
Interest Charged	21,205,221	12,262,840
	131,212,911	109,122,725
Less: Interest Received	(123,681)	(126,380)
Profit on sale of Innova car	(43,726)	
Operating Profit Before Working Capital Changes	131,045,504	108,996,345
Trade and Other Receivables	(89,829,212)	(1,122,089)
Inventories	(5,246,817)	(10,284,485)
Trade Payables & Provisions	(8,154,642)	(59,616,544)
Loans & Advances and Other Current Assets	38,591,628	46,699,316
Advance Tax Paid	(9,500,000)	(10,980,000)
Cash Generated From Operating Activities	56,906,461	73,692,543
Direct Taxes Paid	(4,893,950)	(5,968,330)
Net Cash Flow From Operating Activities (a)	52,012,511	67,724,213
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase /Acquisition of Fixed Assets	(117,095,741)	(51,307,554)
Sale of Fixed Assets	150,000	-
Security Deposit	(3,561,155)	(3,885,169)
Interest Received	123,681	126,380
Net Cash used in Investing Activities (b)	(120,383,215)	(55,066,343)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans	157,910,311	17,082,149
Unsecured Loans	-	-
Interest Paid	(21,205,221)	(12,262,840)
Net Cash from Financing Activities (c)	136,705,090	4,819,309
Net Increase / (Decrease) in Cash & Cash Equivalents (a+b+c)	68,334,386	17,477,179
Cash & Cash Equivalent At The Beginning of The Year	59,498,141	42,020,962
Cash & Cash Equivalent At The End of The Year	127,832,527	59,498,141

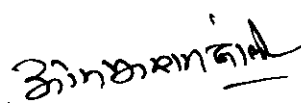
Notes: The above cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (Revised) on Cash Flow Statements as prescribed by Companies (Accounting Standard) Rules, 2006.

FOR P SINGHVI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN 113602W


 (PRAVEEN SINGHVI)
 PARTNER
 M.NO. 71608



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.


 O.P. BHANSALI
 (MANAGING DIRECTOR).


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 (WHOLE TIME DIRECTOR)


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 (CHIEF FINANCIAL OFFICER)


 AMIT BAXI
 (COMPANY SECRETARY)

PLACE : JODHPUR
 DATED : 30TH MAY, 2015

SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

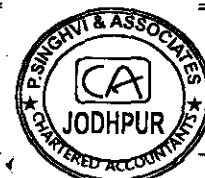
PARTICULARS	CURRENT YEAR AMOUNT (Rs.)		PREVIOUS YEAR AMOUNT (Rs.)			
1 SHARE CAPITAL						
Authorised						
25000000 Equity Shares of Rs.10 each	<u>250000000</u>		<u>250000000</u>			
Issued, Subscribed & Paid up						
11779656 Equity Shares of Rs.10 each fully paid up	<u>117796560</u>		<u>117796560</u>			
	<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		
Mr. Om Prakash Bhansali	4417011	37.50	4412658	37.46		
Ms. Om Kumari Bhansali	1041041	8.84	989394	8.40		
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	<u>11779656</u>		<u>11779656</u>			
2 RESERVES AND SURPLUS						
General Reserve	0		0			
Security Premium	181816800.00		181816800			
Re- Valuation Reserve	54456021.00		54456021			
Net Profit	0		0			
As per Last Balance Sheet	163142219		127105955			
Add: Appropriated during the year	42770642	205912861	36036264	163142219		
	<u>442185682</u>		<u>399415040</u>			
3 LONG TERM BORROWINGS						
Secured Loans						
Foreign Currency Loans- Buyer's Credit	64135531		0			
PNB Demand Loan (against FDR)	46236479		0			
PNB Car Loan	1946655		0			
BMW Car Loan	3895983		0			
HDFC Car Loan	249769		951184			
	<u>116464417</u>		<u>951184</u>			
3.1. PNB Demand Loan against FDR is secured against FDR.						
3.2. PNB Car Loan is secured against new Santa Fee Car Purchased						
3.3. BMW Car Loan is secured against new BMW Car Purchased						
3.4. Buyers Credit is taken for purchase of New Steel Plant installed during the year and it is secured against New Steel Cord Plant.						
3.5. HDFC Car Loan is secured by way of Hypothecation of Car.						
3.6. Maturity Profile Long Term Borrowings as Follows.						
	ROI	2015-16	2016-17	2017-18	2018-19	2019-20
PNB Demand Loan	9.75%	16800000	16800000	14000000	0	0
PNB Car Loan	10.65%	937752	938112	312704	0	0
BMW Car Loan	9.90%	1017540	1017540	1017540	1017540	847950
HDFC Car Loan	10%	249769	0	0	0	0
4 DEFERRED TAX LIABILITY (NET)						
Depreciation			7798357		8926081	
Provision for Gratuity			(288781)		(245895)	
Liability allowed on payment basis			(108400)		(90222)	
			<u>7401176</u>		<u>8589964</u>	



SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR

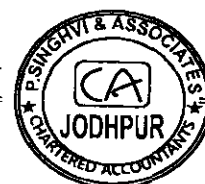
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
5 OTHER LONG TERM LIABILITIES		
Trade Payables	1028228	1330962
Payables on purchase of Fixed Assets	0	14859190
	<u>1028228</u>	<u>16190152</u>
6 LONG TERM PROVISIONS		
Provision for Gratuity	771293	619463
	<u>771293</u>	<u>619463</u>
7 SHORT TERM BORROWINGS		
Secured		
Working Capital Loan (PNB Jodhpur)	156321458	85026844
PNB Packing Credit	0	9916467
PNB OD Against FDR	9204778	0
PNB Buyer's Credit	47046703	37291223
	<u>212572939</u>	<u>132234534</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	79492322	35920815
	<u>79492322</u>	<u>35920815</u>
9 OTHER CURRENT LIABILITIES		
Creditors for Capital Expenditure	12851875	3648469
Term Loan Instalment due within one year	0	37941327
Forward Contract Payable	0	40032846
Advance from Customers	4352651	4178551
Other Payables	28965107	22793266
	<u>46169633</u>	<u>108594459</u>
9.1 Other payables comprises of creditors for expenses and statutory dues.		
10 SHORT TERM PROVISIONS		
Provision for Gratuity	163274	176314
Provision for Leave Encashment	508949	508949
	<u>672223</u>	<u>685263</u>
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	12297586	8736431
	<u>12297586</u>	<u>8736431</u>
14 OTHER NON CURRENT ASSETS		
Long Term Trade Receivables	7252437	9075183
	<u>7252437</u>	<u>9075183</u>
15 INVENTORIES		
Stock of Raw Materials	116299978	121258117
Work-In-Progress	2173000	3218000
Finished Goods	26956414	15706458
	<u>145429392</u>	<u>140182575</u>



SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
16 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
More Than Six Months	74781447	17455097
Less Than Six Months	162596628	128271020
	<u>237378075</u>	<u>145726117</u>
17 CASH AND BANK BALANCES		
Cash In Hand	70639	1420512
With Scheduled Bank in Current A/c	6619196	339279
FDR (For BG/LC Margin)	121142692	57738350
	<u>127832527</u>	<u>59498141</u>
18 SHORT TERM LOANS AND ADVANCES		
Loans and Advances to Staff (Unsecured and Considered Good)	457477	729043
Prepaid Expenses	1640736	1266278
Balance With Revenue Authorities	25518197	19745661
Others	6727000	6727000
	<u>34343410</u>	<u>28467982</u>
*8.1 Others comprises share application money which is not yet allotted.		
19 OTHER CURRENT ASSETS		
Unbilled Revenue	1018277	1030670
Unamortised Premium on Forward Contract	0	390540
Forward Contract Receivable	0	37101826
Duty Drawback Receivable	737826	437031
Export Incentive Receivable	0	860393
Others	3562933	465632
	<u>5319036</u>	<u>40286092</u>
19.1 Unbilled Revenue comprises of Advance to raw material suppliers and Advance against factory expenses.		
20 REVENUE FROM OPERATIONS		
Sale of Products	829862051	726890634
Other Operating Revenue	657630	1534430
Less: Central Excise Duty	(82896263)	(73254610)
	<u>747623418</u>	<u>655170454</u>
20.1 Sale of Products Comprises of:		
Manufactured goods		
Conveyor Belt	818125518	718649954
Rubber Sheet	8240861	8240680
	<u>826366379</u>	<u>726890634</u>
Traded Goods		
Belt Jointing Solution	31350	
Conveyor Belt	3282720	0
	<u>3314070</u>	<u>0</u>
Sale of Scrap		
Scrap	181602	0
	<u>181602</u>	<u>0</u>
20.2 Other Operating Income comprises of income from Duty Drawback .		



SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
21 OTHER INCOME		
Interest	7141856	2252416
Exchange Fluctation	4101644	0
Other Income	1950365	868792
	<u>13193865</u>	<u>3121208</u>

21.1 Interest income comprises of interest receivable on FDR of Rs.6572323 (Previous Year Rs. 1829305) & Interest received on deposit to JVVN of Rs.123681 (Previous Year Rs. 126380) and other Interest.

21.2 Other Income includes discount received and insurance Claim of Rs. 1853763.

22 COST OF MATERIAL CONSUMED

	% of Consumed	Amount	% of Consumed	Amount
Imported	28.32	148715188	32.39	139552312
Indigenous	71.68	376491570	67.61	291253652
	100	<u>525206758</u>	100	<u>430805964</u>

22.1 PARTICULARS OF MATERIAL CONSUMED

Carbon	18434915	20983326
Chemical	87615842	38415829
Fabric	162487645	134819936
Process Oil	9191532	7971211
Rubber	239560818	224225985
Steel Cord	8476190	432390
Others	(560184)	3957287
	<u>525206758</u>	<u>430805964</u>

23 PURCHASE OF STOCK IN TRADE

Conveyor Belt	2616993	0
	<u>2616993</u>	<u>0</u>

24 CHANGES IN INVENTORIES OF FINISHED GOODS & WIP

Inventories (at closing)				
Finished Goods	26956414		15706458	
WIP	<u>2173000</u>	29129414	<u>3218000</u>	18924458
Inventories (at beginning)				
Finished Goods	15706458		28874065	
WIP	<u>3218000</u>	18924458	<u>6575000</u>	35449065
	<u>(10204956)</u>		<u>16524607</u>	

25 EMPLOYEE BENEFITS EXPENSES

Salaries & Wages	12414955	11641684
Contribution to Provident Fund & Other Fund	405955	391131
Gratuity (Unfunded)	138790	(937157)
Staff Welfare Expenses	285772	70286
	<u>13245472</u>	<u>11165944</u>

25.1. As per Accounting Standard 15 "Employee Benefits" the disclosures as defined in the Accounting Standard are given below:

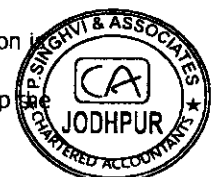
Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Employer's contribution to Provident Fund	220775	213694
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Defined Benefit Plans

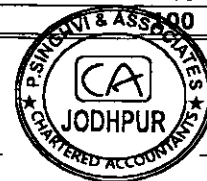
The employee's gratuity scheme managed by LIC is a defined as benefit plan. The present value of obligation is on actuarial valuation using the Projected Unit Credit Method, which recognises each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up final obligation.



SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR

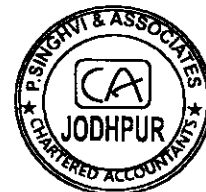
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)		
26 FINANCE COSTS				
Interest	21205221	12262840		
Other Borrowing Cost	4488697	7855199		
	25693917	20118039		
27 DEPRECIATION AND AMORTISATION COSTS				
Depreciation	51304572	40161052		
Depreciation on sale of Innova	9000	0		
Depreciation to be adjusted from Reserves	-1202	0		
	51312370	40161052		
28 OTHER EXPENSES				
Manufacturing Expenses				
Power & Fuel	23441053	18868306		
Consumable Stores	3603796	5503005		
Repairs & Maintenance	3952761	9147192		
Testing Charges	268247	119390		
Factory Expenses	426213	557980		
Freight Expenses	7629865	6804939		
Packing Expenses	6583578	4820166		
Water Expenses	406832	318850		
	46312345	318850		
Selling and Distribution Expenses				
Selling and Distribution Expenses	34039120	20588583		
	34039120	20588583		
Other Expenses				
Administrative Expenses	6090500	6743325		
Auditor's Remuneration	300000	325000		
Insurance	1546428	1363002		
Loss on foreign currency transactions and translation	0	5205972		
Rent	2714000	2114000		
Other Expenses	3249015	337514		
Amortisation of share issue expenses	0	2959899		
	13899943	2959899		
	94251408	85777122		
28.1. VALUE OF CONSUMABLE STORES AND RAW MATERIAL CONSUMED:				
	% of Consumed	Amount	% of Consumed	Amount
Imported	0	0	0	0
Indigenous	100	3603796	100	5503005
	100	3603796	100	5503005
28.2. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF				
Raw Materials and Stock -in-Trade	115896451	142502718		
Capital Goods	89445103	34834800		
	205341554	177337518		



SOMI CONVEYOR BELTINGS LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
28.3. PAYMENT TO AUDITORS AS:		
Internal Audit Fees	80000	80000
Statutory Audit Fees	120000	120000
Cost Audit Fees	0	25000
Tax Audit Fees	50000	50000
Professional Fees	50000	50000
	<u>300000</u>	<u>325000</u>
8.4 EXPENDITURE IN FOREIGN CURRENCY:		
Repair to Machinery	0	3377539
Travelling Expenses	786333	1442810
	<u>786333</u>	<u>1442810</u>
29 EARNINGS PER SHARE		
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs.)	42770642	36036264
ii) No. of Weighted Average Equity Shares	11779656	11779656
iii) Basic and Diluted Earnings per share (Rs.)	3.63	3.06
iv) Face Value per equity share (Rs.)	10	10
30 EARNINGS IN FOREIGN EXCHANGE		
FOB value of Exports	62353939	53606576
	<u>62353939</u>	<u>53606576</u>
31 RELATED PARTY DISCLOSURES:		
(i) S.N.	Name of the Related Party	Relationship
1	Mr. O.P. Bhansali	
2	Mr. Vimal Bhansali	
3	Mr. Gaurav Bhansali	
4	Mr. Manish Bohra	
5	Mr. Amit Baxi	Key Managerial Personnel (KMP)
6	Ms. Om Kumari Bhansali	
7	Ms. Priya Bhansali	
8	Ms. Anita Bohra	
9	Ms. Ruchi Bhansali	Relative of Key Managerial Personnel (RKMP)
10	Ms. Madhu Mehta	
11	M/s Oliver Micon Inc.	
12	M/s Earth Movers enterprises	
13	OM Prakash Bhansali HUF	
14	Vimal Bhansali HUF	
15	Gaurav Bhansali HUF	
16	M/s Ghunguru Hotels & Resorts Ltd.	KMP/RKMP exercise significant influence
(ii) Transactions during the year with related parties :		
Nature of Transactions	Key Managerial Personnel	Relative of key Managerial Personnel
Sale of Goods	0	0
Remuneration	2341194	177039
Purchase & Other Expenses	2510000	204000
Fixed Asset Purchased	0	0
		8093639
		0
		578973
		9975



SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
Balance as at 31st March, 2015		
Trade Receivable	0	441336
Trade Payables	1971339	0
Loans	0	0

32 FINANCIAL AND DERIVATIVE INSTRUMENTS

Derivative contracts entered into by the company and outstanding as on 31st March, 2015

For Hedging Currency Related Risks :

Forward Contract Payable	0	40032846
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33 CONTINGENT LIABILITIES AND COMMITMENTS

Rs. (In Lakhs)

(i) Guarantees

Performance Guarantees	770.34	749.00
Financial Guarantee	62.41	84.84
Guarantee against Buyer's Credit	1948.55	373.24

(ii) Letter of credit

	364.14	73.60
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34 As Per Section 135 of Companies Act 2013 Corporate Social Responsibility Committee has been formed by the company. Provision for the CSR has been made in books of accounts but no expenditure is made out of the fund during the year.

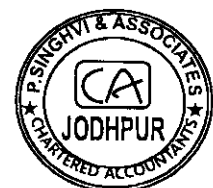
35 LITIGATIONS

35.1. M/s Nawa Engineers & Consultants Pvt Ltd is client of Somi Conveyor Beltings Ltd. Client has issued cheque in favour of Somi Conveyor Beltings Limited on 16.10.2014 of Rs 200000.00 which was dishonour and Company has sued under section 138 of Negotiable Instrument Act, 1881 in the Court of the Honourable XVII ADDL Chief Metropolitan Magistrate at Hyderabad.

35.2. M/s OSM Projects Pvt Ltd is client of Somi Conveyor Beltings Ltd. Client has issued cheque in favour of Somi Conveyor Beltings Limited on 06.10.2012 of Rs 766364.00 which was dishonoured Twice and Company has sued under section 138 of Negotiable Instrument Act, 1881 in the Jodhpur Court .

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

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



SOMI CONVEYOR BELTINGS LIMITED
4F-15, "OLIVER HOUSE", NEW POWER HOUSE ROAD, JODHPUR

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 11

FIXED ASSETS (CONSOLIDATED)

PARTICULARS	GROSS BLOCK AS ON 01-04- 2014	ADDITIONS DURING THE YEAR	DEDUCTIONS/ ADJUSTMENT	TOTAL	RATE	DEPRECIATION				W.D.V.	
						AS AT	CURRENT	DEDUCTIONS/ ADJUSTMENT	TOTAL	AS ON 31.03.2014	AS ON 31.03.2015
						01.04.2014					
Tangible Assets											
Land	59379925	0	0	59379925	NIL	NIL	NIL	0	0	59379925	59379925
Office Building (Rcc FRAME)	21962719	0	0	21962719	4.87%	5744905	746328	0	6491233	16217814	15471486
Factory Building	93146161	6201240	0	99347401	9.50%	39163752	5083904	0	44247656	53982409	55099745
Computer	2032079	106105	0	2138184	63.16%	1710436	211161	12327	1933924	321643	204260
Plant & Machinery	374572938	131401026	12717262	493256702	18.10%	148480747	40976502	-21539	189435710	226092191	303820992
Office Equipment	992139	164762		1156901	45.07%	117627	487384	0	605011	874512	551890
Laboratory Equipment	3976742	756180	79079	4653843	25.89%	787206	961627	0	1748833	3189536	2905010
Furniture & Fixtures	5174666	15904	0	5190570	25.89%	2251143	892158	6603	3149904	2923523	2040666
Vehicles	7771104	8930077	1004374	15696807	31.23%	4563959	1912229	-887693	5588495	3207145	10108312
Total	569008473	147575294	13800715	702783052		202819775	51271293	-890302	253200766	366188698	449582286
Intangible Assets											
Trade Mark	40000	126395	0.00	166395		8000.00	33279.00	0.00	41279	32000	125116
Capital WIP	22801214	2544423	20354030	4991607		0	0	0	0	22801214	4991607
TOTAL	591849687	150246112	34154745	707941054		202827775	51304572	-890302	253242045	389021912	454699009

The gross block of Fixed Assets includes Rs. 54456021 on account of revaluation of Land as at 15.02.2006 (Rs. 32000000), 16.02.2006 (Rs. 6693991), 26.03.2010 (Rs. 15762030).

Price Adjustment is made during the year on account of Creditors for Capital Expenditure of Rs.12796341.00

During the year New Plant has been installed on which Borrowing Cost has been capitalized of Rs. 1212812.00 as per AS-16.

During the Year Depreciation is calculated as per Schedule II of companies Act and Depreciation on opening value is taken on retrospective basis and difference is Rs.1202.



SIGNIFICANT ACCOUNTING POLICIES**1. ACCOUNTING CONVENTION**

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

2. FIXED ASSETS AND DEPRECIATION

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

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 recognized, 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 Contracts

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

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 asset is ready to use as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Account.

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 an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable Amount.

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.

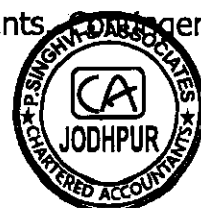
All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of the lease are expensed in the year in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease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

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, if any, are not provided for in the financial statements. However, they are separately disclosed by way of notes on accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.





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 The 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.

