



**27<sup>th</sup> Annual Report**

**2017-18**

## CORPORATE INFORMATION

### Board of Directors

- ❖ Smt. Saraswati Somani, Director
- ❖ Shri Krishnagopal Gupta, Independent Director
- ❖ Shri Govindlal Manasawala, Independent Director
- ❖ Shri Bharat Somani, Whole-time Director
- ❖ Shri Vikram Somani, Director

### Statutory Auditors

Dharmesh Shah & Co., Chartered Accountants

### Bank

ICICI Bank

### Registrar & Share Transfer Agents

Adroit Corporate Services Pvt. Ltd., 17-20 Jafferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makhwana Road, Marol Naka, Andheri (E), Mumbai 400059 | T: +91 22 42270423 | F: +91 22 28503748 | E: [sandeeps@adroitcorporate.com](mailto:sandeeps@adroitcorporate.com)

### Registered Office

G. D. Somani Marg, Panchak, Nashik Road 422101

### Administrative Office

3<sup>rd</sup> Floor, Indian Mercantile Chambers, 14 Ramjibhai Kamani Marg, Ballard Estate, Mumbai 400001 | T: +91 22 22626262 | E: [contactus@somapapers.in](mailto:contactus@somapapers.in) | W: <http://somapapers.in>

### Statutory Information

Company Identification Number (CIN): L21093MH1991PLC064085

Income Tax PAN: AAACS6835Q

TDS Account Number (TAN): NSKS01833G

ISIN: INE737E01011

BSE Script Code: 516038

**NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the **Twenty Seventh (27<sup>th</sup>) Annual General Meeting** of the Members of **SOMA PAPERS AND INDUSTRIES LIMITED** will be held at the Registered Office of the Company situated at G. D. Somani Marg, Panchak, Nashik Road, Nashik - 422101 on Saturday, 29<sup>th</sup> September 2018 at 11:30 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Statutory Auditors thereon.
2. To appoint a Director in place of Mr. Bharat Somani (DIN: **00286793**), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint **M/s. GMJ & Co**, Chartered Accountants as Statutory Auditors, and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), **M/s. GMJ & Co.**, Chartered Accountants, (FRN: **103429W**) be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of the 27<sup>th</sup> Annual General Meeting till the conclusion of the 32<sup>nd</sup> Annual General Meeting on such remuneration as may be agreed upon by the Audit Committee/Board of Directors in consultation with the Statutory Auditors.”

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

For Soma Papers and Industries Limited



Vikram Somani

**Director (DIN: 00054310)**

**Mumbai, 17 August 2018**

Administrative Office: 3<sup>rd</sup> Floor, Indian Mercantile Chambers, 14 Ramjibhai Kamani Marg, Ballard Estate, Mumbai 400001 | T: (022) 22626262 | E: contactus@somapapers.in

Registered Office: G. D. Somani Marg, Panchak, Nashik Road 422101

CIN: L21093MH1991PLCo64085 | PAN: AAACS6835Q | TAN: NSKS01833G  
BSE Script Code: 516038 | ISIN: INE737E01011



## BOARD'S REPORT

Your Directors have great pleasure in presenting the **Twenty Seventh (27<sup>th</sup>)** Annual Report along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2018.

### 1. FINANCIAL HIGHLIGHTS:

(Amount in Rs.)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Revenue from Operations	-	-
Other Income	4,21,845	2,44,597
<b>Total Revenue</b>	<b>4,21,845</b>	<b>2,44,597</b>
<b>Less : Total Expenses</b>	<b>2,69,60,831</b>	<b>3,75,873</b>
<b>Profit/Loss before Tax</b>	<b>(2,65,38,986)</b>	<b>(1,31,276)</b>
<b>Less: Tax Expenses</b>	-	-
Current Tax	-	-
Earlier Years Tax	-	-
Deferred Tax	-	-
<b>Profit/Loss after Tax</b>	<b>(2,65,38,986)</b>	<b>(1,31,276)</b>

### 2. OPERATIONAL REVIEW:

The company had to stop its manufacturing activity w.e.f. 4<sup>th</sup> August, 2004, as the same had become totally unviable. As the company has not carried out any activity during the year, your Company has earned an other income of **Rs. 4,21,845/-** during the year as compared to **Rs. 2,44,597/-** earned in the previous year. The company has incurred Loss after Tax of **2,65,38,986/-** as compared to Loss after Tax of **Rs. 1,31,276/-** in immediately preceding financial year.

### 3. DIVIDEND:

Since the Company has not earned any profit during the year, the Directors regret their inability to propose any dividend.

### 4. TRANSFER TO RESERVES:

There was no amount transferred to Reserves during the year.

### 5. SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital as at 31<sup>st</sup> March, 2018 was Rs. 1,40,21,500/- divided into 14,02,150 Equity Shares, having face value of Rs. 10/- each fully paid up. During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options neither any sweat equity.

### 6. CHANGES IN NATURE OF BUSINESS:

No significant changes had been made in the nature of the business of the Company during the financial year.

**7. SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Company does not have any Joint Venture or Associate Company during the period of reporting. However, the Company had a Subsidiary Company named Vecron Industries Limited, but during the year under review the Company has disinvested their investments.

**8. PUBLIC DEPOSITS:**

Your Company has not accepted any Deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

**9. PARTICULARS OF LOANS, GUARANTEES/SECURITIES OR INVESTMENTS:**

There were no guarantees/securities given by the Company under Section 186 of the Companies Act, 2013 during the year under review. The details of the loans given and investments made by the Company have been disclosed in the Notes to Accounts of the financial statements.

**10. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2018.

**11. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

The Supreme Court quashed the appeal against Bank of India and others filed by the Company.

The Company's Equity Shares got delisted from Bombay Stock Exchange (BSE) Limited with effect from 4<sup>th</sup> July, 2018.

**12. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure 'A'** and forms an integral part of this Report.

**13. BOARD OF DIRECTORS:**

Your Company has Five (5) Directors of which Two (2) are Independent Directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Bharat Somani (DIN: **00286793**) retires by rotation and being eligible offers himself for re-appointment. All the Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence provided under Section 149(6) of the Act and Regulation 16(b) of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of our knowledge and belief and according to the information and explanations obtained, Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013:

- (a) in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**15. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013, and under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**16. MEETINGS OF BOARD OF DIRECTORS OF THE COMPANY:**

During the year under review, (Five) 5 Board Meetings were convened and held on 29 May 2017, 29 July 2017, 28 October 2017, 3 February 2018, and 5 May 2018. Details of these are as follows:

Name of the Director	Category of Directorship	No. of meetings during the year	
		Held	Attended
Saraswati Somani	Non-Executive - Non Independent Director	5	5
Bharat Somani	Executive Director	5	5

Vikram Somani	Non-Executive - Non Independent Director	5	5
Krishnagopal Gupta	Non-Executive - Independent Director	5	5
Govind Manasawala	Non-Executive - Independent Director	5	5

**17. KEY MANAGERIAL PERSONNEL:**

The following are the Key Managerial Personnel of the Company:

Sr. No.	Name	Designation
1.	Bharat Somani	Wholetime Director

**18. AUDIT COMMITTEE:**

In accordance with the provisions contained in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in consonance with the provisions of Section 177 of the Companies Act, 2013, the Board of Directors had constituted an Audit Committee comprising of 3 Directors. The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors of the Company. The Committee focuses its attention on monitoring the financial reporting system within the Company, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before it is adopted by the Board, review of internal audit report, internal control system, audit methodology and process, major accounting policies and practices and compliance with accounting standards. Committee also reviews the legal compliance reporting system.

**The particulars of the Members of the Audit Committee and their attendance at the Meetings are as under:**

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Govind Manasawala	Chairman	Non-Executive - Non Independent Director	4	4
Vikram Somani	Member	Non-Executive - Independent Director	4	4
Krishnagopal Gupta	Member	Non-Executive - Independent Director	4	4

The Audit Committee meetings were held on 29<sup>th</sup> May, 2017, 29 July 2017, 28 October 2017, 3 February 2018, and 5 May 2018 and all the members of the Audit Committee were present.

**19. NOMINATION AND REMUNERATION COMMITTEE:**

The Board of Directors of the Company had constituted a 'Nomination and Remuneration Committee' in order to align it with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors has also framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy lays down the criteria determining qualifications, positive attributes, independence of a director and other matters pursuant to the provisions of sub-section (3) of Section 178 of the Companies Act, 2013.

**The particulars of the Members of the Nomination and Remuneration Committee and their attendance at the Meeting are as under:**

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Govind Manasawala	Chairman	Non-Executive - Non Independent Director	4	4
Vikram Somani	Member	Non-Executive - Independent Director	4	4
Krishnagopal Gupta	Member	Non-Executive - Independent Director	4	4

The Nomination and Remuneration Committee meeting were held on 29<sup>th</sup> May, 2017, 29 July 2017, 28 October 2017, 3 February 2018, and 5 May 2018 and all the members of the Committee were present in the meeting.

**20. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Board of Directors of the Company had constituted Stakeholders Relationship Committee in order to align it with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee had been constituted to strengthen the investor relations and to inter-alia, look into issues relating to shareholders grievances pertaining to transfer of shares, non- receipt of declared dividends, non-receipt of Annual Report, issues concerning de-materialization, etc.

**The particulars of the Members of the Stakeholders Relationship Committee and their attendance at the Meetings are as under:**

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Govind Manasawala	Chairman	Non-Executive - Non Independent Director	4	4



Vikram Somani	Member	Non-Executive Independent Director	-	4	4
Krishnagopal Gupta	Member	Non-Executive Independent Director	-	4	4

The Stakeholders Relationship Committee Meetings were held on 29<sup>th</sup> May, 2017, 29 July 2017, 28 October 2017, 3 February 2018, and 5 May 2018 and all the members of the Committee were present in the meeting.

**The details of the Complaints received during the year under review are as follows:**

Sr. No.	Nature of Complaints	Received	Pending	Disposed
1.	Non receipt of Annual Report	-	-	-
2.	Non Receipt of Share Certificates after transfer	-	-	-
3.	Non Receipt of Demat Rejected S/C's	-	-	-
4.	Others	-	-	-
	<b>Total</b>	-	-	-

There were no complaints pending for action as on 31<sup>st</sup> March 2018.

**21. MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, pursuant to Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company met on 3<sup>rd</sup> February, 2018 inter-alia to discuss:

1. Evaluation of performance of Non-Independent Directors and Board of Directors of the Company as a whole.
2. Evaluation of performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.

**22. RISK MANAGEMENT COMMITTEE:**

As per Regulation 21 of the SEBI (Listing Regulations and Disclosure Requirements) Regulation, 2015 is applicable only to top 100 listed entities; hence the company is not required to constitute a Risk Management Committee.

**23. REMUNERATION AND SITTING FEES:**

The details of Remuneration paid and Sitting Fees paid are as follows:

Name of the Director	Category of Directorship	Remuneration paid to the	Sitting fees paid to the
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		<b>Director</b>	<b>Director</b>
Saraswati Somani	Non-Executive - Non Independent Director	Nil	Nil
Bharat Somani	Executive Director	Nil	Nil
Vikram Somani	Non-Executive - Non Independent Director	Nil	Nil
Krishnagopal Gupta	Non-Executive - Independent Director	Nil	Nil
Govind Manasawala	Non-Executive - Independent Director	Nil	Nil

**24. VIGIL MECHANISM /WHISTLE BLOWER POLICY:**

Pursuant to Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism/Whistle Blower Policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism/Whistle Blower Policy has been posted on the website of the Company.

**25. RELATED PARTY TRANSACTIONS:**

The Company has not entered into any related party transactions which fall under the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder. Also, there are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large.

**26. DEPOSITORY SERVICES:**

The Company's Equity Shares have been admitted to the depository mechanism of both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has been allotted **ISIN No. INE737E01011**.

Therefore, Shareholders are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

**27. CODE OF CONDUCT:**

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. All the Board Members and Senior Management

Personnel have confirmed compliance with the Code.

**28. STATUTORY AUDITORS:**

M/s. Dharmesh Shah & Co., Chartered Accountants, who are the Statutory Auditors of the Company, holds office up to the conclusion of the forth coming Annual General Meeting.

The Board has proposed the name of **M/s. GMJ & Co.** for holding the office of Statutory Auditor as the term of M/s. M/s. Dharmesh Shah & Co., has come to an end. Pursuant to the provisions of Section 139, 142 and the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, M/s. GMJ & Co, Chartered Accountants (Firm Registration No. **103429W**), has given their written consent that their appointment, if made, would be in conformity with the limits specified in the said section. You are required to consider their appointment and fix their remuneration.

**29. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the company has appointed M/s. GMJ & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as **Annexure 'B'** and forms an integral part to this Report.

**30. AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:**

The observations of the auditors contained in their Report have been adequately dealt with in the Notes to the Accounts which are self-explanatory and, therefore, do not call for any further comments.

As required under Section 204 (1) of the Companies Act, 2013 the Company has obtained a Secretarial Audit Report. The Secretarial Auditor has made certain observations in the report and the Company is under the process of complying with the same and would ensure in future that all the provisions are complied.

**31. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an in house Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

**32. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The provisions of Corporate Governance are not applicable to the Company & Management Discussion and Analysis Report is attached as **Annexure 'C'** and forms an integral part to this Report.

**33. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

A. Conservation of Energy	:	Not Applicable
B. Technology Absorption	:	Not Applicable
C. Foreign Exchange Earnings & Outgo	:	
Foreign Exchange Earned	:	Nil
Foreign Exchange Outgo	:	Nil

**34. SEXUAL HARASSMENT:**

The Company had constituted an Internal Complaint Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. During the year under review, no complaints were reported.

**35. SECRETARIAL STANDARDS:**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**36. SAFETY, ENVIRONMENT CONTROL AND PROTECTION:**

The Company is aware of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances, environmental regulations and preservation of natural resources.

**37. PARTICULARS OF EMPLOYEES:**

No employee was in receipt of remuneration exceeding the limits as prescribed under the provisions of Section 197 of the Companies Act, 2013 and read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 hence no such particulars are furnished.

**38. LISTING:**

The Company's Equity Shares are listed on Bombay Stock Exchange (BSE) Limited.

**39. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:**

The company has in place adequate, internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The company has adopted accounting policies, which are in line with the accounting standards and the Companies Act, 2013.

**40. REPORTING OF FRAUDS:**

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act & Rules framed thereunder either to the Company or to the Central Government.

**39. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

**40. APPRECIATION:**

Your Directors would like to express their sincere appreciation to the company's Shareholders, Vendors and Stakeholders including Banks, other business associates, who have extended their valuable sustained support and encouragement during the year under review. Your Directors also wish to place on record their appreciation for impressive growth achieved through the competence, hard work, solidarity, co-operation and support of employees at all levels.

**For and on behalf of the Board of Directors  
For Soma Papers and Industries Limited**



**Vikram Somani  
Director**

**(DIN: 00054310)**

**Bharat Somani  
Wholetime**

**(DIN: 00286793)**

**Director**

**Registered Office:**

G. D. Somani Marg, Panchak,  
Nashik Road, Nashik - 422 101.

**Place: Mumbai**

**Date: 31<sup>st</sup> May, 2018**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

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

To,  
The Members,  
**SOMA PAPERS AND INDUSTRIES LIMITED**  
G .D. Somani Marg,  
Panchak, Nasik Road,  
Nasik - 422 101.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Soma Papers and Industries Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- i. The Companies Act, 2013 and the rules made thereunder;
- ii. The Companies Amendment Act, 2017 (to the extent notified);
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), viz :
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

**[Cont...2]**

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; *(Not complied with)*
  - f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period of audit]**
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit]**
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the period of audit]**
- vi. Other applicable acts:
- a. The Professional Tax Act, 1975.
  - b. The Income Tax Act, 1961.
  - c. Other Acts are not applicable as the activities are at stand still.

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

- i. Secretarial Standards with respect to Board and General Meetings (SS-1 and SS-2) specified by The Institute of Company Secretaries of India;
- ii. The Listing Agreement entered into by the Company with Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above subject to the following observations:

- i. The Company has not complied with the following sections/ provisions of the Companies Act, 2013:
  - a. *Section 203 in respect of appointment of Key Managerial Personnel [KMP] i.e. MD/WTD, CFO & CS;*
  - b. *Section 138 with regards to appointment of Internal Auditors for the financial year 2017-2018;*
- ii. *The Company has not paid Listing Fee to the Stock Exchange for the year ended 31<sup>st</sup> March, 2018 and earlier years also.*
- iii. *We have found that there are some Charges appearing on the website of the Ministry of the Corporate Affairs. However, as per the information available from the Company and its Financial Statement as on 31<sup>st</sup> March, 2018, there are no borrowing from Banks and Financial Institutions.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board during the period under review.

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

All decisions are carried out unanimously at Board Meetings and Committee Meetings and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the period under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

**For GMJ & ASSOCIATES  
COMPANY SECRETARIES**

**[CS PRABHAT MAHESHWARI]  
PARTNER  
FCS No: 2405  
COP No: 1432**

**Place: Mumbai**

**Date : 29<sup>th</sup> May, 2018**

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



## **'ANNEXURE I' to Secretarial Audit Report**

To,  
The Members,  
**SOMA PAPERS AND INDUSTRIES LIMITED**  
G .D. Somani Marg,  
Panchak, Nasik Road,  
Nasik - 422 101.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For GMJ & ASSOCIATES  
COMPANY SECRETARIES**

**[CS PRABHAT MAHESHWARI]  
PARTNER  
FCS No: 2405  
COP No: 1432**

**Place: Mumbai  
Date : 29<sup>th</sup> May, 2018**

Annexure A  
FORM NO. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31/03/2018**

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L21093MH1991PLC064085	
ii	Registration Date	19/11/1991	
iii	Name of the Company	Soma Papers & Industries Limited	
iv	Category of the Company	Company Limited by Shares	
v	<b>Address of the Registered office &amp; contact details</b>		
	Address :	G. D. Somani Marg, Panchak, Nasik Road, Nasik - 422101, Maharashtra	
	Town / City :	Nashik Road	
	State :	Maharashtra	
	Country Name :	India	
	Telephone (with STD Code) :	022-22626262	
	Fax Number :	NA	
	Email Address :	<a href="mailto:contactus@somapapers.in">contactus@somapapers.in</a>	
vi	Whether listed company	<a href="http://somapapers.in">http://somapapers.in</a>	
Yes			
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA )</b>		
	Name of RTA:	ADROIT CORPORATE SERVICES PVT. LTD. 17-20 Jafferbhoy Industrial Estate, Makwana Marg, Marol Naka, Andheri (E), Mumbai 400059   T: +91 22 42270427   F: +91 22 28503748   E: prafuls@adroitcorporate.com	
	Address :		
	Town / City :		
	State :		
	Pin Code:		
	Telephone :		
	Fax Number :		
Email Address :			
<b>II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY</b>			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			NIL
<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product / service</b>	<b>% to total turnover of the company</b>
1	NA		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
	NA				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01/04/2017)				No. of Shares held at the end of the year (As on 31/03/2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	88,907	-	88,907	6.341%	88,907	-	88,907	6.341%	0.000%
b) Central Govt	-	-	-	0.000%	-	-	-	0.000%	0.000%
c) State Govt(s)	-	-	-	0.000%	-	-	-	0.000%	0.000%
d) Bodies Corp.	-	-	-	0.000%	-	-	-	0.000%	0.000%
e) Banks / FI	-	-	-	0.000%	-	-	-	0.000%	0.000%
f) Any other	6,05,223	-	6,05,223	43.164%	6,05,223	-	6,05,223	43.164%	0.000%
<b>(2) Foreign</b>									
a) NRI - Individual/	-	-	-	0.000%	-	-	-	0.000%	0.000%
b) Other - Individual/	-	-	-	0.000%	-	-	-	0.000%	0.000%
c) Bodies Corp.	-	-	-	0.000%	-	-	-	0.000%	0.000%
d) Banks / FI	-	-	-	0.000%	-	-	-	0.000%	0.000%
e) Any Others (Non-Promoters)	-	-	-	0.000%	-	-	-	0.000%	0.000%
<b>Total shareholding of Promoter (A)</b>	<b>6,94,130</b>	<b>-</b>	<b>6,94,130</b>	<b>49.505%</b>	<b>6,94,130</b>	<b>-</b>	<b>6,94,130</b>	<b>49.505%</b>	<b>0.000%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	7,750	2,300	10,050	0.717%	7,750	2,300	10,050	0.717%	0.000%
b) Banks / FI	45,420	75	45,495	3.245%	45,420	75	45,495	3.245%	0.000%
c) Central Govt	-	-	-	0.000%	-	-	-	0.000%	0.000%
d) State Govt(s)	-	-	-	0.000%	-	-	-	0.000%	0.000%
e) Venture Capital Funds	-	-	-	0.000%	-	-	-	0.000%	0.000%
f) Insurance Companies	40,379	-	40,379	2.880%	40,379	-	40,379	2.880%	0.000%
g) FIIs	-	-	-	0.000%	-	-	-	0.000%	0.000%
h) Foreign Venture Capital Funds	-	-	-	0.000%	-	-	-	0.000%	0.000%
i) Others (specify)	-	-	-	0.000%	-	-	-	0.000%	0.000%
<b>Sub-total (B)(1):-</b>	<b>93,549</b>	<b>2,375</b>	<b>95,924</b>	<b>6.841%</b>	<b>93,549</b>	<b>2,375</b>	<b>95,924</b>	<b>6.841%</b>	<b>0.000%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	43,931	59,075	1,03,006	7.346%	45,786	59,075	1,04,861	7.479%	0.132%
ii) Overseas	-	-	-	0.000%	-	-	-	0.000%	0.000%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lac	3,15,814	1,07,649	4,23,463	30.201%	3,56,500	1,19,673	4,76,173	33.960%	3.759%
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lac	67,775	12,840	80,615	5.749%	21,970	-	21,970	1.567%	-4.183%
c) Others	4,962	50	5,012	0.357%	9,042	50	9,092	0.648%	0.291%
<b>Sub-total (B)(2):-</b>	<b>4,32,482</b>	<b>1,79,614</b>	<b>6,12,096</b>	<b>43.654%</b>	<b>4,33,298</b>	<b>1,78,798</b>	<b>6,12,096</b>	<b>43.654%</b>	<b>0.000%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5,26,031</b>	<b>1,81,989</b>	<b>7,08,020</b>	<b>50.495%</b>	<b>5,26,847</b>	<b>1,81,173</b>	<b>7,08,020</b>	<b>50.495%</b>	<b>0.000%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.000%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.000%</b>	<b>0.000%</b>
<b>Grand Total (A+B+C)</b>	<b>12,20,161</b>	<b>1,81,989</b>	<b>14,02,150</b>	<b>100.000%</b>	<b>12,20,977</b>	<b>1,81,173</b>	<b>14,02,150</b>	<b>100.000%</b>	<b>0.000%</b>

ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding beginning of the year (As on 01/04/2017)			Shareholding at the end of the year (As on 31/03/2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vikram Somani	8,462	0.604	-	8,462	0.604	-	0.000%
2	Vikram Somani HUF	3,000	0.214	-	3,000	0.214	-	0.000%
3	Bharat Somani	27,500	1.961	-	27,500	1.961	-	0.000%
4	Saraswati Somani	27,575	1.967	-	27,575	1.967	-	0.000%
5	Rakhi Somani	7,300	0.521	-	7,300	0.521	-	0.000%
6	Asha Somani	15,070	1.075	-	15,070	1.075	-	0.000%
7	SRS Trading & Agencies Pvt. Ltd.	5,65,736	40.348	-	5,65,736	40.348	-	0.000%
8	Oricon Enterprises Ltd.	39,487	2.816	-	39,487	2.816	-	0.000%
9								
	<b>TOTAL</b>	<b>6,94,130</b>	<b>49.505</b>	<b>-</b>	<b>6,94,130</b>	<b>49.505</b>	<b>-</b>	<b>0.000%</b>

iii *Change in Promoters' Shareholding: No Change*

iv *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): No Change*

v *Shareholding of Directors and Key Managerial Personnel:*

Sl. No.: 1. Mr. Bharat Somani	Shareholding at the beginning of the year (As on 01/04/2017)		Cumulative Shareholding during the year (2017-18)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	27,500	1.9613	27,500	1.9613
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	No Change			
At the End of the year	27,500	1.9613	27,500	1.9613

Sl. No.: 2. Mr. Vikram Somani	Shareholding at the beginning of the year (As on 01/04/2017)		Cumulative Shareholding during the year (2017-18)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	8,462	0.6035	8,462	0.6035
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	No Change			
At the End of the year	8,462	0.6035	8,462	0.6035

Sl. No.: 3. Mr. Krishnagopal Badriprasad Gupta	Shareholding at the beginning of the year (As on 01/04/2017)		Cumulative Shareholding during the year (2017-18)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1,150	0.0820	1,150	0.0820
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	No Change			
At the End of the year	1,150	0.0820	1,150	0.0820

Sl. No.: 4. Saraswati Somani	Shareholding at the beginning of the year (As on 01/04/2017)		Cumulative Shareholding during the year (2017-18)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	27,575	1.9666	27,575	1.9666
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	No Change			
At the End of the year	27,575	1.9666	27,575	1.9666

Sl. No.: 5. Govindlal Manasawala	Shareholding at the beginning of the year (As on 01/04/2017)		Cumulative Shareholding during the year (2017-18)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	No Change			
At the End of the year	-	-	-	-

V **Indebtness****(In Rs.)**

<b>Indebtedness at the beginning of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager/ other executive Director				Total Amount
		Mr. Bharat Somani	NA	NA	NA	
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity Shares Value (in	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Vikram Somani	Mr. Krishnagopal Gupta	Mr. Govindlal Manasawala	Mrs. Saraswati Somani	
1	<b>Independent Directors</b>	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	<b>Other Non-Executive Directors</b>	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: NA

(In Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		NA				
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

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



For and on behalf of the Board of Directors  
For Soma Papers and Industries Limited

*[Signature]*  
Bharat Somani  
Director  
(DIN: 00286793)

*[Signature]*  
Vikram Somani  
Director  
(DIN: 00054310)

PLACE: Mumbai  
DATE : 31st May, 2018

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF SOMA PAPERS & INDUSTRIES LIMITED**

**Report on Standalone Ind AS the Financial Statements**

**Opinion**

We have audited the accompanying standalone Ind AS financial statements of **SOMA PAPERS & INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in the equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2018, and its financial performance including other comprehensive income, its cash flows, and the changes in equity for the year ended on that date; *subject to following observations:*

- i. *preparation of accounts on the basis of a 'going concern' .*
- ii. *non provision of interest on loans and deposits.(The amount remains unascertained).*
- iii. *read together with Note no.26 regarding balances of Sundry debtors, Sundry Creditors, Balance with Bank and other advances / liabilities being subject to confirmations/ reconciliation, and*
- iv. *other notes appearing in the said in the accounts, give the information required by the Companies Act, in the manner so required.*

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent Auditor of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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





## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibility**

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

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

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

## **Report on other Legal and Regulatory Requirements**


1. Required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government in terms of sub-section (11) of section



143 of the Act, we give in "Annexure A" a statement on matters specified 3 and 4 of the order.

2. As required by section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; *except para 13 and 14 of notes on standalone Ind AS financial statement.*
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind As financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under: *subject to "going concern" assumption considered for preparing accounts.*
  - e. On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 14 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Dharmesh Shah & Co.**  
**Chartered Accountants**  
Firm Reg. No. 138794W

D. A. 



**Dharmesh Shah**  
Proprietor  
Membership No. F-106620  
Mumbai, Dated: 31 May 2018.

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

**Re: SOMA PAPERS & INDUSTRIES LIMITED**

The Annexure referred to the Independent Auditors' Report to the members of Company on the standalone Ind AS financial statements for the year ended March 31, 2018:

1(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has regular program of physical verification of its Fixed Assets in a phased manner, designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) There were no immovable properties in hand as on date of Balance Sheet.

2 There is no inventory in hand, hence clause is not applicable.

3(a) *The Company has granted unsecured loan to a companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. The loan granted to 100% subsidiary company, which was recorded as provision for doubtful debts has been written off. Other loans granted are subject to confirmation.*

*(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions, wherever applicable are prima facie prejudicial to the interest of Company.*

*(c) In our opinion and according to the information and explanations given to us, the schedule of repayment of principal and payment of interest has not been stipulated.*

As we have observed, in respect of loan taken by the Company, the interest payments are regular and the principal amount is payable on demand.

*(d) There is overdue amount of loans granted to Companies, firms, Limited Liability Partnerships or other parties listed in the registers maintained under section 189 of the companies Act, 2013.*

4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5. The Company has not accepted any deposits from the public.

6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as on Balance Sheet date for a period of more than six months from the date on when they become payable, *subject to note no.14, and other tax liability shown as payable as on Balance Sheet date Rs.45.59 Lacs.*

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute, *except followings:*

Description	Amount Rs.	Period to which it relates	Forum where dispute is pending
Excise duty	2,34,761	1988-1989	Excise and Gold (Control) Appellate Tribunal
Income Tax	19,38,082	2003-2004	Penalty Proceeding Before ITAT

8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank, government or debenture holders with reference to note no.15.

9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.



13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Dharmesh Shah & Co.**  
**Chartered Accountants**  
Firm Reg. No. 138794W



*D. A. Shah*

**Dharmesh Shah**  
Proprietor  
Membership No. F-106620  
Place: Mumbai  
Dated: 31 May 2018

## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **SOMA PAPERS & INDUSTRIES LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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



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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Dharmesh Shah & Co.**  
**Chartered Accountants**  
Firm Reg. No. 138794W

*D. A. Shah*



**Dharmesh Shah**  
Proprietor  
Membership No. F-106620  
Mumbai, Dated: 31 May 2018

**SOMA PAPERS & INDUSTRIES LIMITED**

Balance Sheet as at 31 March 2018

	Note No.	As at 31/03/2018 Rs.	As at 31/03/2017 Rs.
<b>EQUITY AND LIABILITIES:</b>			
<b>1 Shareholders Fund</b>			
Share capital	1	1,40,21,500	1,40,21,500
Reserves & surplus	2	<u>(82,02,516)</u>	18,71,717
		58,18,984	1,58,93,217
<b>2 Share Application Money Pending Allotment</b>			
<b>3 Non-Current Liabilities</b>			
Long-term borrowings		-	-
Other Long term liabilities		-	-
Long term provisions		-	-
<b>4 Current Liabilities</b>			
Short-term borrowings			
Trade payables	3	29,35,860	30,64,316
Other current liabilities	4	63,79,722	72,23,434
Short-term provisions			
		<u>93,15,582</u>	1,02,87,750
TOTAL		<u><u>1,51,34,566</u></u>	<u><u>2,61,80,967</u></u>
<b>ASSETS</b>			
<b>5 Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	5	-	1,05,35,247
Intangible Assets			
Capital work-in-progress			
Non-Current Investments	6	1,14,57,815	-
Long Term Loans and Advances	7	26,96,173	23,25,129
		<u>1,41,53,988</u>	1,28,60,376
<b>6 Current Assets</b>			
Current Investments			
Inventories			
Trade Receivables	8	5,130	-
Cash and bank balances	9	9,75,446	1,33,20,589
Short Term Loans and advances			
Other Current Assets			
		<u>9,80,576</u>	1,33,20,589
TOTAL		<u><u>1,51,34,566</u></u>	<u><u>2,61,80,967</u></u>

SIGNIFICANT ACCOUNTING POLICIES  
NOTES ON ACCOUNTS

1 to 29

On behalf of the Board of Directors

As per our report of even date attached

**For Dharmesh Shah & Co**

Chartered Accountants

F.R.N.138794W

G.S. Mansawala, Director (DIN 0127114)

K. G. Gupta, Director (DIN 00997067)

Vikram Somani, Director (DIN 00054310)

Dharmesh Shah, Proprietor

M. No.106620

Mumbai, 31 May 2018

Bharat Somani, Director (DIN 00286793)

Saraswati Somani, Director (DIN 00286741)



**SOMA PAPERS & INDUSTRIES LIMITED**  
**Profit & Loss for the year ended 31 March 2018**

	Note No.	Current Year Rs.	Previous Year Rs.
<b>INCOME</b>			
Revenue from operations			-
Other Income	10	4,21,845	2,44,597
TOTAL		4,21,845	2,44,597
<b>EXPENDITURE</b>			
Cost of materials consumed		-	-
Purchase of finished goods		-	-
(Increase)/Decrease in inventories of finished goods		-	-
Employee benefit expense	11	-	6,000
Financial cost		-	-
Depreciation and amortization expense	5	-	-
Other Expenses	12	2,69,60,831	3,69,873
TOTAL		2,69,60,831	3,75,873
<b>PROFIT</b>			
Net profit/(loss) before Tax		(2,65,38,986)	(1,31,276)
Provision for income tax			
Current Tax			-
Tax Provision (Earlier Years)			-
Deferred Tax benefit [Refer note 11 of Schedule 16]			-
Net profit/(loss) after tax		(2,65,38,986)	(1,31,276)
Basic and diluted earnings/(loss) per share before exceptional item		(18.93)	(0.09)

**SIGNIFICANT ACCOUNTING POLICIES**  
**NOTES ON ACCOUNTS**

**1 to 29**

On behalf of the Board of Directors

As per our report of even date attached

**For Dharmesh Shah & Co**

Chartered Accountants

F.R.N.138794W

G.S. Mansawala, Director (DIN 0127114)

K. G. Gupta, Director (DIN 00997067)

Vikram Somani, Director (DIN 00054310)

Bharat Somani, Director (DIN 00286793)

Saraswati Somani, Director (DIN 00286741)

Dharmesh Shah, Proprietor

M. No.106620

Mumbai, 31 May 2018

**SOMA PAPERS & INDUSTRIES LIMITED**  
**Cash Flow Statement for the period ended 31 March 2018**

	2017-18	2016-17
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/ (loss) before tax and extraordinary items	(2,65,38,986)	(1,31,276)
<b>ADJUSTMENTS FOR :</b>		
Depreciation	-	
Loss / (Profit) on sale of Investments	2,66,53,085	-
Dividend income	(81,189)	(39)
	<b>2,65,71,896</b>	<b>(39)</b>
<b>Operating profit before working capital changes</b>	<b>32,910</b>	<b>(1,31,315)</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES :</b>		
Trade and other receivables	(3,76,174)	(65,382)
Trade payables and other trade liabilities	(9,72,168)	3,32,096
	<b>(13,48,342)</b>	<b>2,66,714</b>
<b>Cash generated from operations</b>	<b>(13,15,433)</b>	<b>1,35,399</b>
Less: Taxes (paid)/ Refund	-	-
	<b>(13,15,433)</b>	<b>1,35,399</b>
<b>Net cash from operating activities</b>	<b>(13,15,433)</b>	<b>1,35,399</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale / (Purchase) of Investment	(1,11,10,900)	-
Sale / (Purchase) of fixed assets		-
Dividend received	81,189	39
Interest received		
<b>Net cash from investing activities</b>	<b>(1,10,29,711)</b>	<b>39</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings(net of repayment)	-	-
<b>Net cash used in financing activities</b>	-	-
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(1,23,45,143)</b>	<b>1,35,437</b>
<b>Cash and cash equivalents - Opening balance</b>	<b>1,33,20,589</b>	<b>1,31,85,153</b>
<b>Cash and cash equivalents - Closing balance</b>	<b>9,75,446</b>	<b>1,33,20,589</b>
<b>Net increase/(decrease) as disclosed above</b>	<b>(1,23,45,143)</b>	<b>1,35,436</b>

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON ACCOUNTS

As per our report of even date attached

For Dharmesh Shah & Co  
Chartered Accountants  
FRN :138794W

Dharmesh Shah, Proprietor  
M. No.106620

Mumbai, 31 May 2018

On behalf of the Board of directors  
G.S. Mansawala, Director (DIN 0127114)

K. G. Gupta, Director (DIN 00997067)

Vikram Somani, Director (DIN 00054310)

Bharat Somani, Director (DIN 00286793)

Saraswati Somani, Director (DIN 00286741)

# SOMA PAPERS & INDUSTRIES LIMITED

## SIGNIFICANT ACCOUNTING POLICIES

### A. System of accounting

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 2013.

### B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### C. Fixed assets

Fixed assets are stated at cost net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any.

### D. Depreciation

- i. Depreciation on fixed assets is provided on straight-line method at the rates and in the manner specified in Schedule II to the Companies Act 2013.
- ii. Depreciation on assets added/disposed-off during the year has been provided for on pro-rata basis with reference to the month of addition/disposal.
- iii. Continuous process plants as defined in Schedule II to the Companies Act, 2013 have been considered.

### E. Investments

Long term Investments of the long-term nature are stated at cost less diminution in value wherever the decline is other than a temporary decline. Current Investments are carried at lower of cost or fair value.

### F. Inventories

Inventories, if any, are valued at lower of the cost and estimated net realizable value. Cost of inventories is computed on weighted average basis. Finished goods and work-in-progress if any, include costs of conversion and other cost incurred in bringing the inventories to their present location and condition.

### G. Revenue recognition

Revenue is recognized when it can be reliably measured and it is reasonable to expect ultimate collection. Income and expenditure are recognized and accounted on accrual basis, except in case of significant uncertainties.

### H. Employee benefits

Short term employee benefits are recognized as an expense in the Profit and Loss Account. Post-employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques.

### I. Foreign currency transactions

## **SOMA PAPERS & INDUSTRIES LIMITED**

Transaction denominated in foreign currency if any, are recorded using the exchange rate prevailing at the date of transaction. Assets and liabilities denominated in foreign currency as at balance sheet date are converted at the exchange rates prevailing at that date. Exchange differences other than those relating to acquisition of fixed assets are recognized in the profit and loss account. Exchange differences relating to purchase of fixed assets are adjusted to carrying cost of fixed assets.

### **J. Expenditure during construction period**

Expenditure during construction period if any, are included under capital work in progress and the same is allocated to the respective fixed assets on the completion of construction.

### **K. Research and development**

Revenue expenses in respect of research and development are charged to profit and loss account and capital expenditure of such nature are added to the cost of fixed assets in the year in which they are incurred.

### **L. Taxation**

Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act 1961.

The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

### **M. Provision and contingent liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **N. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### **O. Borrowing costs**

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. All other borrowing costs are charged to Profit and Loss Account.

## SOMA PAPERS & INDUSTRIES LIMITED

13. The net worth of the Company is fully eroded and the Company is a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), for which a reference has been made to the Board of Industrial and Financial Reconstruction (BIFR) under Section 15 of SICA.

14. Contingent liability not provided for in respect of: (₹)

	As at 31/03/2018	As at 31/03/2017
a) Claims against Company not acknowledged as debts	Nil	4,37,567
b) Guarantee given to financial institution for loans taken by its employees	Nil	48,454
c) Bank guarantee to constituents and others	Nil	13,60,000
d) Corporate Guarantee given to financial institutions and banks on behalf of Vecron Industries Limited	2,50,00,000	2,50,00,000
e) Liability as may arise for non-payment of wages, PF, Gratuity and other labour dues since the date of closure of factory, as the case filed by the worker's union in Nashik Labour Court	Nil	Amount not ascertained
f) Liability as may arise due to non-compliance of certain fiscal statute	Amount not ascertained	Amount not ascertained
g) Income Tax Penalty Demand	19,38,082	19,38,082
h) Liability for Interest on deferred sales tax liability	Nil	Amount not ascertained
i) Sales Tax liability 1996-97	Nil	51,606
j) Bank Liability	Nil	4,91,14,993

15. The bank has auctioned the Land, Factory Premises, Plant and Machinery, Inventory and other assets lying at Nasik in Financial Year 2007-08 which was approved by the Debt Recovery Tribunal. On the basis of correspondence received from the bank, auction proceeds received by bank has been utilised to repay Bank Cash Credit Liabilities, Debentures with interest, Electricity Charges, deposit given to Labour Court for Labour Settlement, SICOM Loans and other related expenses. The documentary evidences for such payments made have not been shared by the bank with the Company. The accounting of the above transaction has been done on the basis of correspondence taken place with bank. No confirmations from banks, debenture holders, electricity department, Sales Tax Authority or labour court have been received against the proceeds received.

16. The balance of the auction proceeds, after payment of all determined liabilities, has been returned to the Company. The bank has not paid any interest on such amount that was held for a substantial period.

17. The Company tried to file a suit against the Bank to claim the Land in the Supreme Court. However, the apex court dismissed the appeal. Hence the cost of land has been adjusted against the Revaluation and Capital Reserves in the books of account.

18. Security deposit received from the dealers shown under the head "Current Liability" The management is of the view that Interest on deposit will not be paid hence not provided.

19. There were no amounts due to Small Scale and / or Ancillary Industrial suppliers on account of principal and / or interest as at the end of year. This disclosure is based on the information available with the Company regarding the status of the suppliers as defined under the Interest on Delayed Payments of Small Scale and Ancillary Industrial undertaking Act, 1993.

20. Payments to and provisions for employees includes remuneration paid to executive directors:

	As at 31/03/2018	As at 31/03/2017

## SOMA PAPERS & INDUSTRIES LIMITED

Directors' remuneration	Nil	Nil
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21. The Company has closed the business, hence segment reporting is not applicable.
22. The secondary segment, i.e. 'geographical segments by location of customers' is not applicable.
23. Related party disclosures:

### Related party relationships

a)	Subsidiary Company (Enterprises where control exists)	Nil as on 31/03/2018
b)	Key management personnel	Bharat Somani Vikram Somani
c)	Enterprise in which Key management personnel have significant influence	SRS Trading & Agencies Private Limited

### Notes:

- The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and the same have been relied upon by the auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year (except where control exists, in which case the relationships are disclosed irrespective of exact transactions).

### Transactions with related parties:

Particulars	Related parties			(₹)
	Subsidiary	Enterprise in which key management personnel have significant influence	Key management personnel	Total
Managerial remuneration	-	-	-	-
	(-)	(-)	(-)	(-)
Loan taken	-	-	-	-
	(-)	(-)	(-)	(-)
Loan given	-	-	-	-
	(-)	(-)	(-)	(-)
Loan repaid	-	-	-	-
	(-)	(-)	(-)	(-)
Balance receivable as at year end	Nil	14,33,985	-	14,33,985
	(4,31,88,386)	(10,87,068)	(-)	(4,42,70,814)
Balance payable as at year end	-	-	-	-
	(-)	(-)	(-)	(-)
Provision for doubtful loan	Nil	-	-	Nil
	(4,31,88,386)	(-)	(-)	(4,31,88,386)

*Note: Figures in bracket pertain to previous year*

### 24. Earnings per share:

#### Earnings/(loss) before exceptional items

	As at 31/03/2018	As at 31/03/2017
a) Net profit / (loss) after tax available for equity shareholders	<b>(2,65,38,986)</b>	(1,31,276)
b) Weighted average number of equity shares outstanding during the year	<b>14,02,150</b>	14,02,150
c) Basic and diluted earnings / (loss) per share	<b>(18.93)</b>	(0.09)

## SOMA PAPERS & INDUSTRIES LIMITED

d)	Nominal value of share	10	10
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### Earnings/(loss) after exceptional items

		As at 31/03/2018	As at 31/03/2017
a)	Net profit / (loss) after tax available for equity shareholders	(2,65,38,986)	(1,31,276)
b)	Weighted average number of equity shares outstanding during the year	14,02,150	14,02,150
c)	Basic and diluted earnings / (loss) per share	(18.93)	(0.09)
d)	Nominal value of share	10	10

25. As per the Accounting standard AS-22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the deferred tax assets (net) arising during the previous year on account of timing difference. Having regard to the net worth of the Company being fully eroded and the Company is a Sick industrial company within the meaning of SICA and uncertainty as to whether the Company can continue as a going concern, the deferred tax assets / liabilities has not been recognised.
26. In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities are adequate and not in the excess of the amount reasonably stated. The balances in case of sundry creditors, debtors and banks are subject to confirmation and reconciliations. The differences if any, as may arise will be accounted for on receipt of such information / reconciliation.
27. Vecron Industries Limited is no longer a subsidiary of the Company. The shares of the subsidiary have been sold during the year for Rs.3,46,915/-, balance amount Rs.2,66,53,085/- has been written off as loss on sale of investment. The proceeds receivable on sale of shares adjusted against outstanding receivable.
28. The loan given to Vecron Industries Limited worth Rs.4,31,88,386/- for which provision for doubtful has been made, written off since the same is not recoverable.
29. Previous year figures have been regrouped and rearranged, wherever necessary.

As per our report of even date

For Dharmesh Shah & Co. Chartered Accountants FRN 138794W	On behalf of the Board of Directors K. G. Gupta, Chairman (DIN 00997067)
	G. S. Manasawala, Director (DIN 0127114)
Dharmesh Shah, Proprietor M. No. 1066620	Saraswati Somani, Director (DIN 00286741)
	Bharat Somani, Director (DIN 00286793)
Mumbai, 31 May 2018	Vikram Somani, Director (DIN 00054310)

**SIGNIFICANT ACCOUNTING POLICIES**

**A. System of accounting**

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 2013.

**B. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**C. Fixed assets**

Fixed assets are stated at cost net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any.

**D. Depreciation**

- i. Depreciation on fixed assets is provided on straight-line method at the rates and in the manner specified in Schedule II to the Companies Act 2013.
- ii. Depreciation on assets added/disposed-off during the year has been provided for on pro-rata basis with reference to the month of addition/disposal.
- iii. Continuous process plants as defined in Schedule II to the Companies Act, 2013 have been considered.

**E. Investments**

Long term Investments of the long-term nature are stated at cost less diminution in value wherever the decline is other than a temporary decline. Current Investments are carried at lower of cost or fair value.

**F. Inventories**

Inventories, if any, are valued at lower of the cost and estimated net realizable value. Cost of inventories is computed on weighted average basis. Finished goods and work-in-progress if any, include costs of conversion and other cost incurred in bringing the inventories to their present location and condition.

**G. Revenue recognition**

Revenue is recognized when it can be reliably measured and it is reasonable to expect ultimate collection. Income and expenditure are recognized and accounted on accrual basis, except in case of significant uncertainties.

**H. Employee benefits**

Short term employee benefits are recognized as an expense in the Profit and Loss Account. Post-employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques.

**I. Foreign currency transactions**





## SOMA PAPERS & INDUSTRIES LIMITED

Transaction denominated in foreign currency if any, are recorded using the exchange rate prevailing at the date of transaction. Assets and liabilities denominated in foreign currency as at balance sheet date are converted at the exchange rates prevailing at that date. Exchange differences other than those relating to acquisition of fixed assets are recognized in the profit and loss account. Exchange differences relating to purchase of fixed assets are adjusted to carrying cost of fixed assets.

### J. Expenditure during construction period

Expenditure during construction period if any, are included under capital work in progress and the same is allocated to the respective fixed assets on the completion of construction.

### K. Research and development

Revenue expenses in respect of research and development are charged to profit and loss account and capital expenditure of such nature are added to the cost of fixed assets in the year in which they are incurred.

### L. Taxation

Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act 1961.

The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

### M. Provision and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### N. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### O. Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. All other borrowing costs are charged to Profit and Loss Account.



## SOMA PAPERS & INDUSTRIES LIMITED

13. The net worth of the Company is fully eroded and the Company is a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), for which a reference has been made to the Board of Industrial and Financial Reconstruction (BIFR) under Section 15 of SICA.

14. Contingent liability not provided for in respect of: (₹)

		As at 31/03/2018	As at 31/03/2017
a)	Claims against Company not acknowledged as debts	Nil	4,37,567
b)	Guarantee given to financial institution for loans taken by its employees	Nil	48,454
c)	Bank guarantee to constituents and others	Nil	13,60,000
d)	Corporate Guarantee given to financial institutions and banks on behalf of Vecron Industries Limited	2,50,00,000	2,50,00,000
e)	Liability as may arise for non-payment of wages, PF, Gratuity and other labour dues since the date of closure of factory, as the case filed by the worker's union in Nashik Labour Court	Nil	Amount not ascertained
f)	Liability as may arise due to non-compliance of certain fiscal statute	Amount not ascertained	Amount not ascertained
g)	Income Tax Penalty Demand	19,38,082	19,38,082
h)	Liability for Interest on deferred sales tax liability	Nil	Amount not ascertained
i)	Sales Tax liability 1996-97	Nil	51,606
j)	Bank Liability	Nil	4,91,14,993

15. The bank has auctioned the Land, Factory Premises, Plant and Machinery, Inventory and other assets lying at Nasik in Financial Year 2007-08 which was approved by the Debt Recovery Tribunal. On the basis of correspondence received from the bank, auction proceeds received by bank has been utilised to repay Bank Cash Credit Liabilities, Debentures with interest, Electricity Charges, deposit given to Labour Court for Labour Settlement, SICOM Loans and other related expenses. The documentary evidences for such payments made have not been shared by the bank with the Company. The accounting of the above transaction has been done on the basis of correspondence taken place with bank. No confirmations from banks, debenture holders, electricity department, Sales Tax Authority or labour court have been received against the proceeds received.

16. The balance of the auction proceeds, after payment of all determined liabilities, has been returned to the Company. The bank has not paid any interest on such amount that was held for a substantial period.

17. The Company tried to file a suit against the Bank to claim the Land in the Supreme Court. However, the apex court dismissed the appeal. Hence the cost of land has been adjusted against the Revaluation and Capital Reserves in the books of account.

18. Security deposit received from the dealers shown under the head "Current Liability" The management is of the view that Interest on deposit will not be paid hence not provided.

19. There were no amounts due to Small Scale and / or Ancillary Industrial suppliers on account of principal and / or interest as at the end of year. This disclosure is based on the information available with the Company regarding the status of the suppliers as defined under the Interest on Delayed Payments of Small Scale and Ancillary Industrial undertaking Act, 1993.

20. Payments to and provisions for employees includes remuneration paid to executive directors:

	As at 31/03/2018	As at 31/03/2017



**SOMA PAPERS & INDUSTRIES LIMITED**

Directors' remuneration	Nil	Nil
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21. The Company has closed the business, hence segment reporting is not applicable.
22. The secondary segment, i.e. 'geographical segments by location of customers' is not applicable.
23. Related party disclosures:

**Related party relationships**

a)	Subsidiary Company (Enterprises where control exists)	Nil as on 31/03/2018
b)	Key management personnel	Bharat Somani Vikram Somani
c)	Enterprise in which Key management personnel have significant influence	SRS Trading & Agencies Private Limited

**Notes:**

- The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and the same have been relied upon by the auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year (except where control exists, in which case the relationships are disclosed irrespective of exact transactions).

**Transactions with related parties:**

(₹)

Particulars	Related parties			Total
	Subsidiary	Enterprise in which key management personnel have significant influence	Key management personnel	
Managerial remuneration	-	-	-	-
	(-)	(-)	(-)	(-)
Loan taken	-	-	-	-
	(-)	(-)	(-)	(-)
Loan given	-	-	-	-
	(-)	(-)	(-)	(-)
Loan repaid	-	-	-	-
	(-)	(-)	(-)	(-)
Balance receivable as at year end	Nil	14,33,985	-	14,33,985
	(4,31,88,386)	(10,87,068)	(-)	(4,42,70,814)
Balance payable as at year end	-	-	-	-
	(-)	(-)	(-)	(-)
Provision for doubtful loan	Nil	-	-	Nil
	(4,31,88,386)	(-)	(-)	(4,31,88,386)

*Note: Figures in bracket pertain to previous year*

24. Earnings per share:

Earnings/(loss) before exceptional items

	As at 31/03/2018	As at 31/03/2017
a) Net profit / (loss) after tax available for equity holders	<b>(2,65,38,986)</b>	(1,31,276)
Weighted average number of equity shares outstanding during the year	<b>14,02,150</b>	14,02,150
Basic and diluted earnings / (loss) per share	<b>(18.93)</b>	(0.09)



## SOMA PAPERS & INDUSTRIES LIMITED

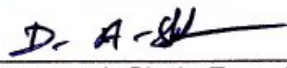
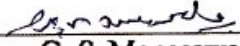
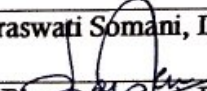
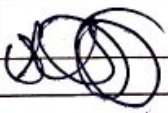

d)	Nominal value of share	10	10
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### Earnings/(loss) after exceptional items

		As at 31/03/2018	As at 31/03/2017
a)	Net profit / (loss) after tax available for equity shareholders	(2,65,38,986)	(1,31,276)
b)	Weighted average number of equity shares outstanding during the year	14,02,150	14,02,150
c)	Basic and diluted earnings / (loss) per share	(18.93)	(0.09)
d)	Nominal value of share	10	10

25. As per the Accounting standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the deferred tax assets (net) arising during the previous year on account of timing difference. Having regard to the net worth of the Company being fully eroded and the Company is a Sick industrial company within the meaning of SICA and uncertainty as to whether the Company can continue as a going concern, the deferred tax assets / liabilities has not been recognised.
26. In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities are adequate and not in the excess of the amount reasonably stated. The balances in case of sundry creditors, debtors and banks are subject to confirmation and reconciliations. The differences if any, as may arise will be accounted for on receipt of such information / reconciliation.
27. Vecron Industries Limited is no longer a subsidiary of the Company. The shares of the subsidiary have been sold during the year for Rs.3,46,915/-, balance amount Rs.2,66,53,085/- has been written off as loss on sale of investment. The proceeds receivable on sale of shares adjusted against outstanding receivable.
28. The loan given to Vecron Industries Limited worth Rs.4,31,88,386/- for which provision for doubtful has been made, written off since the same is not recoverable.
29. Previous year figures have been regrouped and rearranged, wherever necessary.

As per our report of even date

For Dharmesh Shah & Co. Chartered Accountants FRN 138794W  Dharmesh Shah, Proprietor M. No. 1066620	On behalf of the Board of Directors K. G. Gupta, Chairman (DIN 00997067)  G. S. Manasawala, Director (DIN 0127114) Saraswati Somani, Director (DIN 00286741)  Bharat Somani, Director (DIN 00286793)  Vikram Somani, Director (DIN 00054310)
	
Mumbai, 31 May 2018	