

Annual Report 2019-20



## CORPORATE INFORMATION

### *Board of Directors*

- Smt. Saraswati Somani, Director
- Shri Dharmesh S. Shah, Independent Director
- Shri Ashish P. Gupta, Independent Director
- Shri Govindlal Manasawala, Independent Director
- Shri Bharat Somani, Managing Director
- Shri Vikram Somani, Executive Director & CFO

### *Audit Committee*

### *Stakeholders' Relationship Committee*

### *Nomination & Remuneration Committee*

### *Company Secretary & Compliance Officer*

Shri Ajaykumar Kabra

### *Statutory Auditors*

GMJ & Co., Chartered Accountants  
3rd & 4th Floor, Vaastu Darshan,  
'B' Wing, Above Central Bank of India,  
Azad Road, Andheri (East),  
Mumbai 400069

### *Secretarial Auditors*

GMJ & Associates, Company Secretaries  
3rd & 4th Floor, Vaastu Darshan,  
'B' Wing, Above Central Bank of India,  
Azad Road, Andheri (East),  
Mumbai 400069

### *Bank*

ICICI Bank

### *Registrar & Share Transfer Agents*

Adroit Corporate Services Pvt. Ltd.  
1<sup>st</sup> Floor, 17-20 Jafferbhoy Industrial Estate,  
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*

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

### *Company Identification Number (CIN)*

L21093MH1991PLC064085

### *Income Tax Permanent Account Number (PAN)*

AAACS6835Q

### *TDS Account Number (TAN)*

NSKS01833G

### *ISIN*

INE737E01011

### *BSE Script Code*

516038

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Ninth (29th) Annual General Meeting of the Members of SOMA PAPERS AND INDUSTRIES LIMITED will be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) on Wednesday, 30th September, 2020 at 12:00 P.M. to transact, with or without modification(s) the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 including the Audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and the 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 Mrs. Saraswati Somani (DIN: 00286741), who retires by rotation and being eligible offers herself for re-appointment.

**For and on behalf of the Board of Directors  
For Soma Papers and Industries Limited  
Vikram Somani, Director (DIN: 00054310)**

**Place: Mumbai, 29 June 2020**

### **NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020, and Circular No. SEBI/HO/CFD/ CMD1/ CIR /P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), physical attendance of the members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual means (OAVM). Hence, the forthcoming 29th AGM of the Company scheduled on Wednesday, 30th September, 2020 be held through VC/OAVM. Hence, the members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, read with MCA General Circular No. 20/2020 dated 5th May, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this 29th AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend AGM through VC/OAVM and participate and cast their votes through e-voting. Accordingly, in terms of the MCA circulars and the SEBI circular, the proxy form, attendance slip and route map of AGM are not annexed to this Notice.
3. The members can join the 29th AGM in the VC/OAVM the procedure mentioned in the Notice of AGM. The facility of participation at the 29th AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the 29th AGM has been uploaded on the website of the Company at <http://somapapers.in>. The Notice can also be accessed from the website of the BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
6. Corporate Members intending to send their authorized representative to attend the Meeting are requested to submit a duly certified copy of the Board Resolution/ Power of Attorney/other valid authority, authorizing their representative to attend and vote along with specimen signature of Authorized representative(s) by e-mail to [vikram@somapapers.in](mailto:vikram@somapapers.in) before the commencement of the meeting.

7. In terms of Section 152 of the Companies Act, 2013, Mrs. Saraswati Somani (DIN: 00286741), Director, retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. The Board of Directors of the Company recommend her re-appointment. The details of the director seeking re-appointment as required Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standards-2 issued by The Institute of Company Secretaries of India and notified by Central Government, is annexed hereto.
8. In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of names as per Register of Member will be entitled to vote, provided the votes are not already cast by remote e-voting.
9. All documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company during the business hours on all working days except Saturday and Sunday up to the date of the 29th Annual General Meeting.
10. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).
11. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
12. Members who would like to express their views/ask question during the AGM may register themselves as a speaker by sending their request, mentioning their name, Demat account no./Folio No., email id, mobile number at somapapers.in@gmail.com between 23rd September, 2020 at 9:00 A.M. to 26th September, 2020 at 5:00 P.M. The shareholders who do not want to speak during the AGM but have queries may send their queries mentioning their name, Demat account no. /Folio No., email ID, mobile number to somapapers.in@gmail.com These queries will be suitably replied to by the company by email.
13. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting for a maximum time of 3(three) minutes each, once the floor is open for shareholder queries. The company reserves the right to restrict the number of speaker and number of questions depending on the availability of time for the AGM.
14. In accordance with MCA Circulars dated 8th April, 2020 and 13th April, 2020 and SEBI Circular dated 12th May, 2020 due to COVID-19 pandemic, the Notice of 29th AGM along with the Annual Report for 2019-2020 inter alia indicating the process and manner of remote e-voting and voting through Video Conferencing is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company's Registrar & Share Transfer Agents, Adroit Corporate Services Pvt Ltd ("RTA") / Depositories. Members may note that the Notice of the AGM along with the Annual Report 2019-2020 is also available for download on the website of the Company at <http://somapapers.in> and on the websites of the BSE Limited at [www.bseindia.com](http://www.bseindia.com).
15. For receiving all communication (including Notice and Annual Report) from the Company electronically:
- Members holding shares in physical mode and who have not registered/ updated their email addresses with the Company/ RTA are requested to register/ update the same by writing to the Company/ RTA with details of their folio number and attaching a self-attested copy of the PAN Card at somapapers.in@gmail.com or to the Company's RTA at [haraprasadn@adroitcorporate.com](mailto:haraprasadn@adroitcorporate.com).
  - Members holding shares in dematerialized mode are requested to register/ update their email addresses with the relevant Depositories.
16. Members will be able to attend the meeting through VC/ OAVM or view the live webcast by logging on to the e-voting website of NSDL at [www.evotingindia.com](http://www.evotingindia.com) by using their e-voting login credentials. On this page, click on the link Shareholders / Members, the Video Conferencing/ webcast link would be available.
17. During Financial Year 2019-2020, the Securities and Exchange Board of India ('SEBI') and the Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after 1st April, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. Shareholders can write to the Company at somapapers.in@gmail.com or contact the Registrars and Transfer Agent – Adroit Corporate Services Pvt Ltd at [haraprasadn@adroitcorporate.com](mailto:haraprasadn@adroitcorporate.com) and 022 – 42270427 for assistance in this regard.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.

19. The shares of the company are listed on BSE Limited.

20. In view of Circular issued by the SEBI for appointing common agency the Company has appointed M/s. Adroit Corporate Services Pvt Ltd as Registrar & Transfer Agent. Members are therefore requested to send their grievances for early disposal at the address given below:

Adroit Corporate Services Pvt Ltd., Unit: Soma Papers and Industries Limited

19-20 Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059.

T: 022-42270427, F: 022-28503748 E: [haraprasadn@adroitcorporate.com](mailto:haraprasadn@adroitcorporate.com); <http://adroitcorporate.com>

21. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the company at the address given above and in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the company.

22. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in their address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the depository participant(s) and holdings should be verified.

23. Remote e-voting facility:

- a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read along with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through remote e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') will be provided by National Securities Depository Limited (NSDL).
- b. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, 23rd September, 2020.
- c. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- d. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Wednesday, 23rd September, 2020 ('cut-off date') only shall be entitled to avail the facility of remote e-voting.

24. The instructions for shareholders voting electronically are as under:

- a. The remote e-Voting period commences on Sunday, 27th September, 2020 at 9.00 A.M. and ends on Tuesday, 29th September, 2020 at 5.00 P.M. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 23rd September, 2020 may cast their vote by remote e-voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c. The process/manner for availing e-voting facility and the instructions for members voting electronically are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

[How to cast your vote electronically on NSDL e-Voting system?](#)

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [prabhat@gmj.co.in](mailto:prabhat@gmj.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**25.** Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to [vikram@somapapers.in](mailto:vikram@somapapers.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) to [vikram@somapapers.in](mailto:vikram@somapapers.in).

**26.** The instruction for member for e-voting on the day of the AGM are as under:

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the meeting.
- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**27.** Instruction for members for attending the AGM through VC/OAVM are as under:

- a. Member will be provided with a facility to attend the 29<sup>th</sup> AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders'/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password

may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.

- b. Members are encouraged to join the Meeting through Laptops for better experience.
  - c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 28.** The results declared along with the report of the Scrutinizer will be placed on the website of the Company i.e. <http://somapapers.in> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to the BSE Ltd where the shares of the company are listed.
- 29.** Mr. Ajaykumar Kabra, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His contact details and Address: 3<sup>rd</sup> Floor, Indian Mercantile Chambers, Ramji Kamani Marg, Ballard Estate, Mumbai 400001 Contact.: +91 8369531258 E-mail : csajaykabra@gmail.com
- 30.** Members are requested to intimate Registrar and Share Transfer Agent M/s. Adroit Corporate Services Pvt Ltd for consolidation of their folios, in case they are having more than one folio along with copy of PAN card.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015:**

<b>Name of Director and DIN</b>	Mrs. Saraswati Somani (DIN: 00286741)
<b>Date of Birth</b>	30/11/1939
<b>Qualification</b>	SSC
<b>Date of Appointment</b>	09/02/2019
<b>Brief resume &amp; Nature of expertise in specific functional areas</b>	20+ years of industrial, functional and administrative experience
<b>Directorship held in other Companies as on 31<sup>st</sup> March, 2020</b>	1. Vecron Industries Limited 2. S R S Trading and Agencies Pvt. Ltd.
<b>Disclosure of relationship between directors inter-se</b>	Mother of Vikram Somani and Bharat Somani .
<b>Chairman/Member of the Committee of the Board of Directors in other Companies as on 31<sup>st</sup> March, 2020</b>	NIL
<b>No. of Shares held in the Company</b>	27,575 Equity Shares of face value Rs. 10/- each
<b>Number of Meetings of the Board attended</b>	5 (Five)
<b>Details of remuneration last drawn</b>	NIL

Director's Report

Your Directors have great pleasure in presenting the **Twenty-Ninth (29<sup>th</sup>)** Annual Report along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2020.

**1. FINANCIAL HIGHLIGHTS:**

<b>Particulars</b>	<b>(Amount in Rs.)</b>	
	<b>Year ended 31<sup>st</sup> March 2020</b>	<b>Year ended 31<sup>st</sup> March 2019</b>
Revenue from Operations	-	-



Other Income	5,02,721	37,25,687
Total Revenue	5,02,721	37,25,687
Less: Total Expenses	16,64,773	78,00,960
Profit/Loss before Tax	(11,62,052)	(40,75,273)
Less: Tax Expenses	-	-
Current Tax	-	-
Earlier Years Tax	-	-
Deferred Tax	-	-
Profit/Loss after Tax	(11,62,052)	(40,75,273)

**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 business activity during the year, your Company has earned income through other sources of Rs.5,02,721/- during the year as compared to Rs.37,25,687/- earned in the previous year. The company has incurred Loss after Tax of Rs.11,62,052/- as compared to Loss after Tax of Rs.40,75,273/- in the 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 2020 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.

**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 loans given, guarantees/ securities provided by the Company under Section 186 of the Companies Act, 2013 during the year under review. The details of 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 March, 2020.

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

There were no significant or material orders passed by the regulators or courts impacting the going concern status of the company and its future operations.

**12. COVID-19:**

In the last month of the financial year 2019-2020, there was an outbreak of COVID-19 commonly known as Coronavirus; a nationwide pandemic that developed rapidly into a global crisis which resulted in a lock-down of all the economic activities in the country affecting all the Companies across all industries. For the Company, the focus immediately shifted to ensure the health and well-being of all the employees and to curb the disruption to services for all our services globally.

The Company has also shown quick response and filled the voluntary form on COVID-19 (Company Affirmation of Readiness towards COVID-19) deployed on the website of the Ministry of Corporate Affairs on 23<sup>rd</sup> March, 2020 and has followed all the necessary guidelines of the same.

**13. 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.

**14. BOARD OF DIRECTORS:**

Your Company has Six (6) Directors of which Three (3) are Independent Directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Saraswati Somani (DIN: 00286741) retires by rotation and being eligible offers herself for re-appointment.

During the year under review, Mr. Bharat Somani (DIN: **00286793**) had been appointed as Managing Director of the Company w.e.f. 22<sup>nd</sup> March, 2019 from Director to hold office for a consecutive term of 5 (Five) years which was approved by the members at the 28<sup>th</sup> Annual General Meeting which was held on 30<sup>th</sup> September, 2019.

During the year under review, the appointment of Mr. Ashish Gupta (DIN: **07466821**) was regularized as Independent Director of the Company and the same was approved by the members at the 28<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019.

During the year under review, the appointment of Mr. Dharmesh Shah (DIN: **01000335**) was regularized as Independent Director of the Company as the same was approved by the members at the 28<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019.

During the year under review, the appointment of Mrs. Saraswati Somani (DIN: **00286741**) was regularized as Non-Executive Director of the Company and the same was approved by the members at the 28<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019.

Pursuant to the provisions of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Board had recommended re-appointment of Mr. Govindlal Manasawala (DIN: **01267114**) as an Independent Non-Executive Director for a second term of 5 (Five) consecutive years w.e.f. 15<sup>th</sup> October, 2019 upto 14<sup>th</sup> October, 2024 and the same was approved by the members through Special Resolution at the 28<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019.

**KEY MANAGERIAL PERSONNEL:**

There were no changes in the composition of Key Managerial Personnel of the company during the financial year under review.

However, Mr. Rajesh Babarao Kadu resigned from the office of Company Secretary & Compliance Officer of the Company w.e.f. 29<sup>th</sup> June, 2020 due to personal reasons.

In order to fill the vacancy created by resignation of Mr. Rajesh Babarao Kadu, the company has appointed Mr. Ajaykumar Nareshkumar Kabra as the Company Secretary and Compliance Officer of the Company w.e.f. 1<sup>st</sup> July, 2020, pursuant to the provisions of Section 203 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014 and Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**15. DECLARATION BY INDEPENDENT DIRECTORS:**

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(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations.

In terms of Section 150 of the Companies Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they are in the process of getting themselves registered with the databank maintained by The Indian Institute of Corporate Affairs.

**STATEMENT ON INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS:**

The Company has received declarations from all the Independent Directors regarding their Integrity, Expertise and Experience.

**16. 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 2020, 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. if 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.

**17. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual directors on the basis of evaluation criteria suggested by the Nomination and Remuneration Committee and the SEBI (LODR) Regulations, 2015. Accordingly, the Board has carried out an evaluation of its performance after taking into consideration various performance related 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 Board as a whole was carried out by the Independent Directors in their meeting held on 1<sup>st</sup> February, 2020.

Similarly, the performance of various committees, individual Independent Directors was evaluated by the entire Board of Directors (excluding the Director being evaluated) on various parameters like engagement, analysis, decision making, communication and interest of stakeholders.

The Board of Directors expressed its satisfaction with the performance of the Board, its committees and individual directors.

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

During the year under review, (Four) 4 Board Meetings were convened and held on 25<sup>th</sup> May, 2019, 10<sup>th</sup> August, 2019, 31<sup>st</sup> August, 2019, 11<sup>th</sup> November, 2019, and 1<sup>st</sup> February, 2020. The details of the meetings are as follows:

Director	Category of Directorship	Meetings	
		Held	Attended
Saraswati Somani	Non-Executive - Non Independent Director	5	5
Bharat Somani	Managing Director	5	5
Vikram Somani	Non-Executive - Non Independent Director	5	5
Govind Manasawala	Non-Executive - Independent Director	5	5
Ashish Gupta	Non-Executive - Independent Director	5	5
Dharmesh S. Shah	Non-Executive - Independent Director	5	5

#### 19. **KEY MANAGERIAL PERSONNEL:**

The following are the Key Managerial Personnel of the Company:

Sr. No.	Name	Designation
1.	Bharat Somani	Managing Director
2.	Vikram Somani	Chief Financial Officer
3.	Rajesh Babarao Kadu*	Company Secretary

\*Mr. Ajay Kumar Naresh Kumar Kabra has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 1<sup>st</sup> July, 2020 in place of Mr. Rajesh Babarao Kadu who has resigned from the respective post w.e.f. 29<sup>th</sup> June, 2020.

#### 20. **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, , 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:

Director, Designation	Category of Directorship	Meetings	
		Held	Attended
Ashish Prakashchandra Gupta, Chairman	Non-Executive - Independent Director	4	4
Vikram Somani, Member	Non-Executive - Non Independent Director	4	4
Govind Manasawala, Member	Non-Executive - Independent Director	4	4

During the year under review, Mr. Ashish Prakashchandra Gupta was inducted as a Chairman of the Committee with effect from 25<sup>th</sup> May, 2019.

The Audit Committee meetings were held on 25<sup>th</sup> May 2019, 10<sup>th</sup> August, 2019, 11<sup>th</sup> November 2019, and 1<sup>st</sup> February, 2020 and all the members of the Audit Committee were present.

#### 21. **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:

Director, Designation	Category of Directorship	Meetings	
		Held	Attended
Ashish Prakashchandra Gupta, Chairman	Non-Executive - Independent Director	2	2
Dharmesh Shah, Member	Non-Executive - Independent Director	2	2
Govind Manasawala, Chairman	Non-Executive - Independent Director	2	2

During the year under review, Mr. Ashish Prakashchandra Gupta was inducted as a Chairman of the Committee and Mr. Dharmesh Shah was inducted as the Member of the Committee with effect from 25<sup>th</sup> May, 2019.

The Nomination and Remuneration Committee meeting was held on 25<sup>th</sup> May, 2019 and 1<sup>st</sup> February, 2020 and all the members of the Committee were present in the meeting.

## 22. **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:

Director, Designation	Category of Directorship	Meetings	
		Held	Attended
Ashish Prakashchandra Gupta, Chairman	Non-Executive - Independent Director	4	4
Dharmesh Shah, Member	Non-Executive - Independent Director	4	4
Govind Manasawala, Chairman	Non-Executive - Independent Director	4	4

During the year under review, Mr. Ashish Prakashchandra Gupta was inducted as a Chairman of the Committee and Mr. Dharmesh Shah was inducted as the Member of the Committee with effect from 25<sup>th</sup> May, 2019.

The Stakeholders Relationship Committee Meetings were held 25<sup>th</sup> May 2019, 10<sup>th</sup> August, 2019, 11<sup>th</sup> November 2019, and 1<sup>st</sup> February 2020 and all the members of the Committee were present.

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

Nature of Complaints	Received	Pending	Disposed
Non receipt of Annual Report	-	-	-
Non Receipt of Share Certificates after transfer	-	-	-
Non Receipt of Demat Rejected S/ Cs	-	-	-
Others	-	-	-

There were no complaints pending for action as on 31<sup>st</sup> March, 2020.

**23. MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, pursuant to Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Independent Directors of the Company met on 1<sup>st</sup> February, 2020 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 Non-Executive Directors;
3. Assess the quality, quantity and timeliness of flow of information between the management of the listed company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

**24. RISK MANAGEMENT COMMITTEE:**

As per Regulation 21 of the SEBI (Listing Regulations and Disclosure Requirements) Regulation, 2015 is applicable only to top 500 listed entities; hence the company is not required to constitute a Risk Management Committee.

**25. REMUNERATION AND SITTING FEES:**

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

Director	Category of Directorship	Remuneration	Sitting Fees
Saraswati Somani	Non-Executive - Non Independent Director	Nil	Nil
Bharat Somani	Managing Director	Nil	Nil
Vikram Somani	Non-Executive - Non Independent Director	Nil	Nil
Govind Manasawala	Non-Executive - Independent Director	Nil	Nil
Ashish Gupta	Non-Executive - Independent Director	Nil	Nil
Dharmesh S. Shah	Non-Executive - Independent Director	Nil	Nil

**26. 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.

**27. RELATED PARTY TRANSACTIONS:**

All the related party transactions entered into by the company pursuant to the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder were in the ordinary course of business and at arm's length basis. Further, 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.

**28. 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.

**29. 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.

**30. STATUTORY AUDITORS:**

M/s. GMJ & Co., Chartered Accountants, (Firm Registration No. **103429W**) who are the Statutory Auditors of the Company, holds office up to the conclusion of the Annual General Meeting in the financial year 2023-2024 as per the resolution passed in the Annual General Meeting held on 29<sup>th</sup> September, 2018.

**31. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, 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.

**32. AUDITORS 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 report of Secretarial Auditors contains Qualifications regarding Non-compliance of Secretarial Standards 1 - Board Meeting and Secretarial Standards 2 - General Meeting issued by The Institute of Company Secretaries of India, Absence of information of borrowings in its Financial Statements as on 31<sup>st</sup> March, 2020 and non-compliance of certain regulations of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and non-timely disclosure under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**DIRECTORS' CLARIFICATION:**

With regards to absence of information of borrowings in its Financial Statements as on 31<sup>st</sup> March, 2020, the directors are constantly following up with banks for the purpose. They hope to complete the task of charge satisfaction during the current financial year.

With regards to the other observations in the report, the Company is under the process of complying with the same and would ensure in future that all the provisions are complied.

**33. 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.

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

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

**35. 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

**36. 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 there under. During the year under review, no complaints were reported.

**37. SECRETARIAL STANDARDS:**

The Company has devised proper systems and is in the process 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.

**38. 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.

**39. PARTICULARS OF EMPLOYEES:**

The requisite details in respect of employees of the Company required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 'D'** and forms an integral part of this report.

**40. LISTING:**

The Company's Equity Shares were re-listed on Bombay Stock Exchange (BSE) w.e.f. 4<sup>th</sup> April, 2019.

**41. 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.

**42. REPORTING OF FRAUDS:**

During the year under review, 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.

**43. 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.

**44. REGISTERED OFFICE OF THE COMPANY:**

During the year under review, the Registered Office of the Company has been shifted from G. D. Somani Marg, Panchak, Nasik Road, Nasik - 422101, Maharashtra to 3<sup>rd</sup> Floor, Indian Mercantile Chambers, Ramji Kamani Marg, Ballard Estate, Mumbai 400001.

**45. DISCLOSURE ON MAINTENANCE OF COST RECORDS:**

Maintenance of Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the company.

**46. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**



The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31st March, 2020, the Board had 6 (Six) Director, 2 (Two) Executive Directors and 3 (Three) Independent Directors and 1 (One) of the Non-Executive Director on the Board is a Women. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website.

**47. 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, cooperation 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 & CFO  
(DIN: 00054310)**

**Bharat Somani  
Managing Director  
(DIN: 00286793)**

**Registered Office:**

3<sup>rd</sup> Floor, Indian Mercantile Chambers, Ramji Kamani Marg, Ballard Estate, Mumbai 400001.

**Place: Mumbai Date: 29<sup>th</sup> June, 2020**

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 31/03/2020					
<b>I</b>	<b>REGISTRATION &amp; OTHER DETAILS:</b>				
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 :	3rd Floor, Indian Mercantile Chambers, Ramji Kamani Marg, Ballard Estate, Mumbai - 400 001			
	Town / City :	Mumbai			
	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>			
	Website, if any:	<a href="http://somapapers.in">http://somapapers.in</a>			
vi	Whether listed company	Yes			
vii	<b>Name and Address of Registrar &amp; Transfer Agents (RTA)</b>				
	Name of RTA:	Adroit Corporate Services Private Limited			
	Address :	19/20 Jaferbhoy Ind. Estate, 1st floor, Makwana Road, Marol, Andheri (E),			
	Town / City :	Mumbai			
	State :	Maharashtra			
	Pin Code:	400 059.			
	Telephone :	022- 4227 0400 / 4227 0401			
	Fax Number :	NA			
	Email Address :	<a href="mailto:info@adroitcorporate.com">info@adroitcorporate.com</a>			
<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY</b>				<b>NIL</b>
	All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-				
<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				
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -</b>				
<b>Sr. No.</b>	<b>NAME AND ADDRESS OF THE COMPANY</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY /ASSOCIATE</b>	<b>% of shares held</b>	<b>Applicable Section</b>
	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 01/04/2019)				No. of Shares held at the end of the year (As on 31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	88,907	-	88,907	6.34%	88,907	-	88,907	6.34%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6,05,223	-	6,05,223	43.16%	6,05,223	-	6,05,223	43.16%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others (Non-Promoters)	-	-	-	-	-	-	-	-	-
<b>Total share holding of Promoter (A)</b>	<b>6,94,130</b>	<b>-</b>	<b>6,94,130</b>	<b>49.50%</b>	<b>6,94,130</b>	<b>-</b>	<b>6,94,130</b>	<b>49.50%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	7,750	2,300	10,050	0.72%	7,750	2,300	10,050	0.72%	-
b) Banks / FI	45,420	75	45,495	3.24%	45,420	75	45,495	3.24%	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	40,379	-	40,379	2.88%	40,379	-	40,379	2.88%	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>93,549</b>	<b>2,375</b>	<b>95,924</b>	<b>6.84%</b>	<b>93,549</b>	<b>2,375</b>	<b>95,924</b>	<b>6.84%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	34,466	59,075	93,541	6.67%	33,616	59,075	92,691	6.61%	-0.06%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lac	340752	1,05,593	4,46,345	31.83%	3,41,527	1,05,548	4,47,075	31.88%	0.05%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lac	54,228	12,840	67,068	4.78%	54,228	12,840	67,068	4.78%	-
c) Others	5,092	50	5,142	0.37%	5,212	50	5,262	0.38%	0.01%
<b>Sub-total (B)(2):-</b>	<b>4,34,538</b>	<b>1,77,558</b>	<b>6,12,096</b>	<b>43.65%</b>	<b>4,34,583</b>	<b>1,77,513</b>	<b>6,12,096</b>	<b>43.65%</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5,28,087</b>	<b>1,79,933</b>	<b>7,08,020</b>	<b>50.50%</b>	<b>5,28,132</b>	<b>1,79,888</b>	<b>7,08,020</b>	<b>50.50%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>12,22,217</b>	<b>1,79,933</b>	<b>14,02,150</b>	<b>100.00%</b>	<b>12,22,262</b>	<b>1,79,888</b>	<b>14,02,150</b>	<b>100.00%</b>	<b>0.00%</b>
ii. Shareholding of Promoters									
Sl No.	Shareholder's Name	Shareholding beginning of the year (As on 01/04/2019)			Shareholding at the end of the year (As on 31/03/2020)			% 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	0.60	-	8,462	0.60	-	-	
2	Vikram Somani HUF	3,000	0.21	-	3,000	0.21	-	-	
3	Bharat Somani	27,500	1.96	-	27,500	1.96	-	-	
4	Saraswati Somani	27,575	1.97	-	27,575	1.97	-	-	
5	Rakhi Somani	7,300	0.52	-	7,300	0.52	-	-	
6	Asha Somani	15,070	1.07	-	15,070	1.07	-	-	
7	SRS Trading & Agencies Private Limited.	5,65,736	40.35	-	5,65,736	40.35	-	-	
8	Oricon Enterprises Limited.	39,487	2.82	-	39,487	2.82	-	-	
	<b>TOTAL</b>	<b>6,94,130</b>	<b>49.50</b>	<b>-</b>	<b>6,94,130</b>	<b>49.50</b>	<b>-</b>	<b>-</b>	

iii) Change in Promoters Shareholding								
Sr. No.	Name	Shareholding at the beginning of the year		Date	Increasing / Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the company				No. of shares	% of total Shares of the company
1	ORICON ENTERPRISES LTD	39487	2.82	01/04/2019	-	-	39487	2.82
		39487	2.82	31/03/2020	-	-	39487	2.82
2	SRS TRADING & AGENCIES PVT LTD	565736	40.35	01/04/2019	-	-	565736	40.35
		565736	40.35	31/03/2020	-	-	565736	40.35
3	VIKRAM SOMANI (HUF)	3000	0.21	01/04/2019	-	-	3000	0.21
		3000	0.21	31/03/2020	-	-	3000	0.21
4	VIKRAM SOMANI	8462	0.6	01/04/2019	-	-	8462	0.6
		8462	0.6	31/03/2020	-	-	8462	0.6
5	RAKHI SOMANI	7300	0.52	01/04/2019	-	-	7300	0.52
		7300	0.52	31/03/2020	-	-	7300	0.52
6	SARASWATI SOMANI	27575	1.97	01/04/2019	-	-	27575	1.97
		27575	1.97	31/03/2020	-	-	27575	1.97
7	ASHA SOMANI	15070	1.09	01/04/2019	-	-	15070	1.09
		15070	1.09	31/03/2020	-	-	15070	1.09
8	BHARAT KRISHNAKUMAR SOMANI	27500	1.96	01/04/2019	-	-	27500	1.96
		27500	1.96	31/03/2020	-	-	27500	1.96

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
Sr. No.	Name	Shareholding at the beginning of the year		Date	Increasing / Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the company				No. of shares	% of total Shares of the company
1	M/S UNITED SHIPPERS LTD	55000	3.92	01/04/2019	0	No Change	55000	3.92
		55000	3.92	31/03/2020	0		55000	3.92
2	LIFE INSURANCE CORPORATION OF INDIA	38958	2.78	01/04/2019	0	No Change	38958	2.78
		38958	2.78	31/03/2020	0		38958	2.78
3	ADMINISTRATOR OF THE SPECIFIED UNDERTAKING	35000	2.5	01/04/2019	0	No Change	35000	2.5
		35000	2.5	31/03/2020	0		35000	2.5
4	E METALS INDIA LIMITED	26040	1.86	01/04/2019	0	No Change	26040	1.86
		26040	1.86	31/03/2020	0		26040	1.86
5	VASANTBHAI TALAKCHAND SHAH	22150	1.58	01/04/2019	0	No Change	22150	1.58
		22150	1.58	31/03/2020	0		22150	1.58
6	PRATIK RAJENDRA GANDHI	19700	1.40	01/04/2019	0	Transfer	19700	1.40
				16/08/2019	2		19702	1.41
		19702	1.41	31/03/2020	0		19702	1.41
7	PREETI SINGHAL	12840	0.92	01/04/2019	0	No Change	12840	0.92
		12840	0.92	31/03/2020	0		12840	0.92
8	AJAY RASIKLAL SHAH	12378	0.88	01/04/2019	0	No Change	12378	0.88
		12378	0.88	31/03/2020	0		12378	0.88
9	ICICI BANK LTD	10345	0.74	01/04/2019	0	No Change	10345	0.74
		10345	0.74	31/03/2020	0		10345	0.74
10	THAKKAR JAGDISHCHANDRA SHIVRAMBHAI	9975	0.71	01/04/2019	0	No Change	9975	0.71
		9975	0.71	31/03/2020	0		9975	0.71

<b>Shareholding of Directors and Key Managerial Personnel:</b>					
<b>Sl. No.: 1. Mr. Bharat Somani</b>		<b>Shareholding at the beginning of the year (As on 01/04/2019)</b>		<b>Cumulative Share holding during the year (2019-2020)</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
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.)		<b>No Change</b>			
At the End of the year		27,500	1.9613	27,500	1.9613
<b>Sl. No.: 2. Mr. Vikram Somani</b>		<b>Shareholding at the beginning of the year (As on 01/04/2019)</b>		<b>Cumulative Share holding during the year (2019-2020)</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
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.)		<b>No Change</b>			
At the End of the year		8,462	0.6035	8,462	0.6035
<b>Sl. No.: 3. Mrs. Saraswati Somani</b>		<b>Shareholding at the beginning of the year (As on 01/04/2019)</b>		<b>Cumulative Share holding during the year (2019-2020)</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
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.)		<b>No Change</b>			
At the End of the year		27,575	1.9666	27,575	1.9666
<b>Sl. No.: 4. Mr. Govindlal Manasawala</b>		<b>Shareholding at the beginning of the year (As on 01/04/2019)</b>		<b>Cumulative Share holding during the year (2019-2020)</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
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.)		<b>No Change</b>			
At the End of the year		-	-	-	-
<b>Sl. No.: 5. Mr. Dharmesh Shah</b>		<b>Shareholding at the beginning of the year (As on 01/04/2019)</b>		<b>Cumulative Share holding during the year (2019-2020)</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
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.)		<b>No Change</b>			
At the End of the year		-	-	-	-

Sl. No.: 6. Mr. Ashish Gupta	Shareholding at the beginning of the year (As on 01/04/2019)		Cumulative Shareholding during the year (2019-2020)	
	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	-	-	-	-
Sl. No.: 7. Mr. Rajesh Kadu* (Resigned from the post of Company Secretary & Compliance Officer w.e.f. 30th June, 2020)	Shareholding at the beginning of the year (As on 01/04/2019)		Cumulative Shareholding during the year (2019-2020)	
	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	No Change			
At the End of the year	-	-	-	-
Sl. No.: 7. Mr. Ajay Kumar Naresh Kumar Kabra* (Appointment as Company Secretary & Compliance Officer w.e.f. 1st July, 2020)	Shareholding at the beginning of the year (As on 01/04/2019)		Cumulative Shareholding during the year (2019-2020)	
	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	No Change			
At the End of the year	-	-	-	-

V	Indebtness				(In Rs.)
	Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
	i) Principal Amount	-	-	-	-
	ii) Interest due but not paid	-	27,86,879	-	27,86,879
	iii) Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	-	27,86,879	-	27,86,879
	Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
	* Addition	-	-	-	-
	* Reduction	-	-	-	-
	<b>Net Change</b>	-	-	-	-
	Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
	i) Principal Amount	-	-	-	-
	ii) Interest due but not paid	-	27,86,879	-	27,86,879
	iii) Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	-	27,86,879	-	27,86,879

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>						
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager/ other executive Director:</b>						
						<b>(In Rs.)</b>
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager/ other executive Director				Total Amount
		Bharat Somani	Vikram Somani	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>B. Remuneration to other directors:</b>						
Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1	<b>Independent Directors</b>	<b>Govindlal Manasawala</b>	-	<b>Ashish Gupta</b>	<b>Dharmesh Shah</b>	
		-	-	-	-	
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	Total (1)	-	-	-	-	
2	<b>Other Non-Executive Directors</b>	-	<b>Saraswati Somani</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:						(In Rs.)
Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		Vikram Somani (CFO)	Rajesh Kadu (Company Secretary)*	Ajay Kabra (Company Secretary)**	Total	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,40,000	-	-	
	(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>	-	2,40,000	-	-	
*Note: Mr. Rajesh Kadu resigned as Company Secretary of the Company w.e.f 29/06/2020						
**Note: Mr. Ajaykumar Kabra has been appointed as Company Secretary of the Company w.e.f 01/07/2020						
<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA</b>						
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	-	-	-	-	-	-
<b>For and on behalf of the Board of Directors For Soma Papers and Industries Limited</b>						
<b>PLACE: Mumbai</b>		<b>Bharat Somani</b>		<b>Vikram Somani</b>		
<b>DATE : 29th June, 2020</b>		<b>Managing Director</b>		<b>Director &amp; CFO</b>		
		<b>(DIN: 00286793)</b>		<b>(DIN: 00054310)</b>		



**Annexure 'B'**  
**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

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

The Members,

**Soma Papers and Industries Limited**

3<sup>rd</sup> Floor, Indian Mercantile Chambers,  
Ramji Kamani Marg, Ballard Estate,  
Mumbai – 400 001.

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, 2020 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, 2020 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-laws framed thereunder;
- iv. 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;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with clients;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not applicable during the period of audit]**
  - e. 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]**
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit]**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – *The securities of the Company were delisted w.e.f. 4<sup>th</sup> July, 2018 pursuant to the notice received from the Delisting Committee of BSE Ltd. and the securities were relisted w.e.f. 10<sup>th</sup> April, 2019.*
  - h. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; **[Not applicable during the period of audit]**
  - i. In respect of the provisions of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 our observations are as follows:

- *The Company has not complied with the provisions of Regulation 34(1) pertaining to dispatch of Annual Report to the members for the financial year ended 31.03.2019;*
  - *The Company has not complied with Regulation 47 pertaining to publishing of notice of the board meeting where financial results shall be discussed; financial results; notices given to shareholders by advertisement.*
  - *The Company has uploaded financial results for the quarter ended 30<sup>th</sup> September, 2019. However, the Balance Sheet and the Cash Flow Statement is not signed by any director of the Company.*
  - *Closure of trading window for the quarter ended 30<sup>th</sup> September, 2019 has been intimated to the Stock Exchange on 18<sup>th</sup> October, 2019.*
- a. Other laws are not applicable as the activities of the Company are at stand still.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- a. *The Company has not complied with the clauses of Secretarial Standards 1 - Board Meeting and Secretarial Standards 2 - General Meeting issued by The Institute of Company Secretaries of India.*
- b. *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 Statements as on 31<sup>st</sup> March, 2020, there are no borrowings 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided and the representation made by the Chief Financial Officer/Company Secretary, taken on record by the Board of Directors of the Company, in our opinion 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**

**M. No.: FCS 2405; COP No.: 1432; UDIN: F002405B000398570**

**PLACE: MUMBAI, DATE: 29<sup>TH</sup> JUNE, 2020**

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**

The Members,  
**Soma Papers and Industries Limited**  
3<sup>rd</sup> Floor, Indian Mercantile Chambers,  
Ramji Kamani Marg,  
Ballard Estate,  
Mumbai – 400 001.

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**  
**M. No.: FCS 2405; COP No.: 1432; UDIN: F002405B000398570**  
**PLACE: MUMBAI DATE: 29<sup>TH</sup> JUNE, 2020**

**“Annexure C”**

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Directors of Soma Papers And Industries Limited are pleased to present the Management Discussion & Analysis (“MD & A”) Report for the Year ended 31<sup>st</sup> March, 2020.

1. **INDUSTRY STRUCTURE AND DEVELOPMENTS:** As of now the Company is not engaged in any activity and the management is looking for a right opportunity to make the Company operational.
2. **OPPORTUNITIES & THREATS:** The Company is currently looking out for opportunities in all respects. The threats are that it is becoming more and more difficult to search for a suitable match.
3. **OVERALL REVIEW:** Due to scarcity of working capital funds, the Company is not able to perform any business activities. To make the Company operational, the Board is making its best effort to implement the cost reduction measures to the extent feasible. Several cost cutting measures have already been undertaken by the Company.
4. **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:** The company has a single segment viz., Coated Papers.
5. **RISKS AND CONCERNS:** The Company’s future development would depend upon the commencement of its operational activities.

6. **INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:** The Company is following a proper and adequate system of internal control in respect of all its activities. Further, all transactions entered into by the Company are fully authorized, recorded and reported correctly.
7. **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:** During the year under review, the Company has incurred Loss after Tax of Rs.11,62,052/- as against Loss after Tax of Rs.40,75,273/- during the previous year.
8. **OUTLOOK:** The outlook depends on the partner that is brought in to add value.
9. **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO:** During the year under review, there were no significant changes in Key Financial Ratios of the Company as compared to previous financial year.
10. **MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:** The relationship with the staff with all levels remained cordial during the year.
11. **CAUTIONARY STATEMENT:** Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement due to external factors. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

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

**Bharat Somani**  
Managing Director  
(DIN: 00286793)

**Vikram Somani**  
Director & CFO  
(DIN: 00054310)

Place: Mumbai Date: 29<sup>th</sup> June, 2020

#### Annexure D

**Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014:**

Sr. No.	Particulars	Disclosures
1.	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-2020.	Not Applicable
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-2020 as compared to 2018-2019 means part of the year.	a) Mr. Rajesh Kadu – Company Secretary (Appointed w.e.f. 24 <sup>th</sup> November, 2018): Not Applicable b) Mr. Vikram Somani – Chief Financial Officer (Appointed w.e.f. 22 <sup>nd</sup> March, 2019): Not Applicable These were new appointments and hence, not comparable
3.	Percentage increase in the median remuneration of employees in the financial year 2019-2020 compared to 2018-2019.	Not Applicable
4.	Number of permanent employees on the rolls of the company.	2 employee as on 31 <sup>st</sup> March, 2020
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year.	Not Applicable
6.	Percentile increase in managerial remuneration.	Not Applicable
7.	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not Applicable.

8.	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
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**For and on behalf of the Board of Directors  
For Soma Papers and Industries Limited**

**Vikram Somani  
Director & CFO  
(DIN: 00054310)**

**Bharat Somani  
Managing Director  
(DIN: 00286793)**

**Registered Office:**

3<sup>rd</sup> Floor, Indian Mercantile Chambers, Ramji Kamani Marg, Ballard Estate, Mumbai 400001.

**Place: Mumbai Date: 29<sup>th</sup> June, 2020**

**DECLARATION AS REQUIRED UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I hereby declare that all the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct and Code of Conduct for Independent Directors, as applicable for Board Members/ Senior Management Personnel as adopted by the Company for the Financial Year ended 31<sup>st</sup> March, 2020.

**Place: Mumbai  
Date: 29<sup>th</sup> June, 2020**

**Bharat Somani, Managing Director  
(DIN: 00286793)**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SOMA PAPERS & INDUSTRIES LIMITED**

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of SOMA PAPERS & INDUSTRIES LIMITED ("*the Company*") which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies (hereinafter referred to as the "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid Ind AS financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and loss, *changes in equity* and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) Note 7 of Ind AS financial statements, the Company has given Loans and Advances amounting to Rs. 14,33,983/- which are outstanding from long time. In the absence of recovery and confirmation/communication from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable.

- b) Note 12 of Ind AS financial statements, advance received from customers amounting to Rs. 4,38,332/- are subject to confirmation from respective parties and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable.
- c) Note 24 of Ind AS financial statements, the Company has accumulated losses and net worth of the Company is continuously eroding. The Company has incurred a net loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the management is expecting improved results in coming years and have plans to improve revenue & other financial parameters. Hence, the financial statements of the Company have been prepared on a going concern basis.
- d) The Company has written back certain long aged Trade payables amounting to Rs. 4,64,822/- during the year. The Company had also written back certain long aged Trade payables amounting to Rs. 25,15,038/- and Deposit payables amounting to Rs. 10,42,160/- in the previous financial year 2018-19. However in absence of any confirmation from the parties, we are unable to obtain appropriate audit evidence for the same.
- e) Note 25 of Ind AS financial statements, 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. 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 accounting of the above transaction has been done in previous year on the basis of communication from bank. No confirmations from banks, debenture holders, electricity department Sales Tax Authority or Labour court have been received against the proceeds distributed by Bank.

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of Matter

We draw attention to the following:

- a) Note 12 of Ind AS financial statements, the Company has long outstanding statutory dues such as Sales tax, Income Tax Deducted at Source, etc., amounting to Rs. 17,67,233/- due to which the company may be liable for interest and penal consequences under the respective laws.
- b) We have been informed that the Company's borrowings from various lenders have been settled in 2009-10. However, as per records in MCA, the charges are still outstanding.
- c) We draw attention to Note No.29 to the Financial Statements of the Company, wherein financial impact of COVID-19 on the operations of the Company has been disclosed. Further, the extent to which the COVID -19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Basis for Qualified Opinion section or Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to communicate in our report.

## Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexures to Board's Report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we

are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 of the aforesaid Ind AS financial statements.
  - b) Except for the effects of the matter described in the 'Basis of qualified opinion' paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books.
  - c) The company does not have any branches. Hence, the provisions of section 143(3)(c) is not applicable.
  - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - e) Except for the effects of the matter described in the 'Basis of qualified opinion' paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- f) In our opinion, the going concern matter described under the paragraph c of Basis for Qualified Opinion above, may have an adverse effect on the functioning of the company.
  - g) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - h) There is no adverse remark relating to the maintenance of accounts and other matters connected therewith.
  - i) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”
  - j) In our opinion and to the best of our information and according to the explanations given to us, we report as under 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 as referred to Note 17 (A) to the Ind AS financial statement.
    - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided any managerial remuneration during the year and hence provisions of section 197 of the Act are not applicable to the Company.

For GMJ & Co., Chartered Accountants  
(FRN: 103429W)

(CA S. Maheshwari), Partner  
M.No.: 038755; UDIN: 20038755AAAABU7064

Place: Mumbai; Date: June 29, 2020

Re: SOMA PAPERS & INDUSTRIES LIMITED

Annexure ‘A’ to the Independent Auditors’ Report  
(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i. In respect of the Company’s Fixed assets:
 

The Company does not hold any fixed assets as at March 31, 2020, therefore the provisions of Clause 3 (i) (a), (b) and (c) of the said Order is not applicable to the Company.
- ii. There is no inventory in hand. Therefore, Clause 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted loans, secured or unsecured to firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 except advance given to a related party.
  - (a) In our opinion and according to the information and explanations given to us, the terms and conditions of such advances are prima facie prejudicial to the interest of Company.
  - (b) 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.
  - (c) There is overdue amount of loans granted to Companies, listed in the registers maintained under section 189 of the companies Act, 2013.

- iv. In our opinion, on the basis of information and explanations given to us, during the year, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of Loans, Investment, Guarantees and Securities, wherever applicable.
- v. In our opinion, on the basis of information and explanations given to us, the company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- vi. On the basis of information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the goods dealt by the Company. Therefore, the provisions of clause 3 (vi) of the Order are not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- a) The company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable, *subject to note 12 other tax liability shown as payable as on Balance Sheet date Rs. 17,67,233 (Year wise break-up is not available with the Company).*
- b) According to the information and explanations given to us, there are no dues which have not been deposited on account of any dispute in respect of income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, as at March 31, 2020.
- viii. In our opinion and according to the information and explanations given to us, the Company has no dues to Financial Institutions, banks, Government during the year under audit and the Company has not issued any debentures.
- ix. According to the information and explanations given to us and based on the records and documents produced before us, during the year the company has not raised money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans during the year. Therefore, the provisions of Clause 3(ix) of the said Order are not applicable to the Company.
- x. On the basis of the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. On the basis of examination of records and documents and the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the year. Therefore, the reporting under Clause 3(xi) of the said Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, therefore the provisions of Clause 3(xii) of the said Order are not applicable to the Company.
- xiii. According to the information and explanation given to us all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable. The details of such related party transactions have been disclosed in the financial statements (Note 18) as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.
- xiv. On the basis of examination of records and documents and the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. On the basis of examination of records and documents and the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of section 192 of Companies Act, 2013. Therefore, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For GMJ & Co., Chartered Accountants  
(FRN: 103429W)

(CA S. Maheshwari), Partner  
M.No.: 038755; UDIN: 20038755AAAABU7064

Place: Mumbai Date: June 29, 2020

Re: SOMA PAPERS & INDUSTRIES LIMITED

Annexure – ‘B’ to the 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 March 31, 2020 in conjunction with our audit of the 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 the internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the 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 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 March 31, 2020, 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 GMJ & Co., Chartered Accountants  
(FRN: 103429W)

(CA S. Maheshwari), Partner  
M.No.: 038755; UDIN: 20038755AAAABU7064

Place: Mumbai, Date: June 29, 2020

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2020**

(Amount in INR)

Particulars	Notes	March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Financial Assets			
(i) Investments	4	3,174,628	4,218,222
		<b>3,174,628</b>	<b>4,218,222</b>
<b>Current assets</b>			
(a) Financial Assets			
(i) Trade Receivables	5	6,000	6,000
(ii) Cash and Cash Equivalents	6	864,147	1,424,734
(iii) Other Financial Assets	4	149,343	118,331
(b) Other Current Assets	7	1,433,983	1,433,688
		<b>2,453,473</b>	<b>2,982,753</b>
<b>TOTAL</b>		<b>5,628,101</b>	<b>7,200,975</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	8	14,021,500	14,021,500
(b) Other Equity	9	(13,439,843)	(12,277,791)
		<b>581,657</b>	<b>1,743,709</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	10		
Total outstanding dues of Micro enterprises and Small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	420,822
(ii) Other Financial Liabilities	11	2,786,879	2,830,879
(b) Other Current Liabilities	12	2,259,565	2,205,565
		<b>5,046,444</b>	<b>5,457,266</b>
<b>TOTAL</b>		<b>5,628,101</b>	<b>7,200,975</b>

Significant Accounting Policies and Notes Forming Part of the Financial Statements. 1 to 30

As per our report of even date attached

For GMJ & Co  
Chartered Accountants  
FRN: 103429W

For and on behalf of the Board of Directors

Sanjeev Maheshwari  
Partner  
M.No. 038755  
UDIN: 20038755AAAABU7064

Bharat Somani  
Managing Director  
(DIN: 00286793)

Saraswati Somani  
Director  
(DIN: 00286741)

Vikram Somani  
Director & CFO  
(DIN: 00054310)

Rajesh Kadu  
Company Secretary  
(M.No. A55503)

Place: Mumbai  
Date : 29th June 2020

Place: Mumbai  
Date: 29th June, 2020

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in INR)

Particulars	Notes	2019-20	2018-19
<b>REVENUE</b>			
Other income	13	502,721	3,725,687
<b>Total Revenue (I)</b>		<b>502,721</b>	<b>3,725,687</b>
<b>EXPENSES</b>			
Finance costs	14	-	121,253
Other expenses	15	1,664,773	7,679,707
<b>Total Expenses (II)</b>		<b>1,664,773</b>	<b>7,800,960</b>
<b>Loss before exceptional items and tax (I-II)</b>		<b>(1,162,052)</b>	<b>(4,075,273)</b>
Exceptional Items		-	-
<b>Loss before tax</b>		<b>(1,162,052)</b>	<b>(4,075,273)</b>
<b>Tax expense:</b>			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax		-	-
<b>Loss after Tax</b>		<b>(1,162,052)</b>	<b>(4,075,273)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>		-	-
<b>B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:</b>		-	-
<b>Other Comprehensive income for the year, net of tax</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>(1,162,052)</b>	<b>(4,075,273)</b>
<b>Earnings per share for profit attributable to equity shareholders</b>	16		
Basic and Diluted EPS		(0.83)	(2.91)

Significant Accounting Policies and Notes Forming Part of 1 to 30 the Financial Statements.

As per our report of even date attached

For GMJ & Co  
Chartered Accountants  
FRN: 103429W

For and on behalf of the Board of Directors

Sanjeev Maheshwari  
Partner  
M.No. 038755  
UDIN: 20038755AAAABU7064

Bharat Somani  
Managing Director  
(DIN: 00286793)

Saraswati Somani  
Director  
(DIN: 00286741)

Vikram Somani  
Director & CFO  
(DIN: 00054310)

Rajesh Kadu  
Company Secretary  
(M.No. A55503)

Place: Mumbai  
Date : 29th June 2020

Place: Mumbai  
Date: 29th June, 2020

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in INR)

Particulars	Notes	2019-20	2018-19
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Loss before income tax :		(1,162,052)	(4,075,273)
<b>Adjustments for:</b>			
(Gain)/Loss on sale of investments		23,446	(111,233)
Changes in fair value of financial assets at fair value through profit or loss		752,924	293,824
Dividend and interest income classified as investing cash flows		(61,345)	(57,254)
Sundry balances written back		(464,822)	(3,557,198)
Sundry balances written off		-	1,171,052
Finance costs		-	121,253
<b>Change in operating assets and liabilities:</b>			
(Increase)/Decrease in trade receivables		464,822	3,556,328
Increase/(decrease) in trade payables		(420,822)	(3,686,091)
(Increase)/decrease in other financial assets		(783,936)	850,035
(Increase)/decrease in other current assets		(295)	295
(Increase)/decrease in other bank balance		-	1,765
Increase/(decrease) in other financial liabilities		(44,000)	2,830,878
Increase/(decrease) in other current liabilities		54,000	(4,174,157)
<b>Cash generated from operations</b>		<b>(1,642,080)</b>	<b>(6,835,776)</b>
Less: Income taxes paid		-	-
<b>Net cash inflow from operating activities</b>		<b>(1,642,080)</b>	<b>(6,835,776)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for purchase of investments		-	-
Proceeds from sale of investments		1,020,148	7,350,825
Dividends received		61,345	57,256
<b>Net cash outflow from investing activities</b>		<b>1,081,492</b>	<b>7,408,082</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of borrowings		-	-
Interest paid		-	(121,253)
<b>Net cash inflow (outflow) from financing activities</b>		<b>-</b>	<b>(121,253)</b>
Net increase (decrease) in cash and cash equivalents		(560,587)	451,053
Cash and Cash Equivalents at the beginning of the financial year		1,424,734	973,681
<b>Cash and Cash Equivalents at end of the year</b>		<b>864,147</b>	<b>1,424,734</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>			
Cash and cash equivalents as per above comprise of the following:			
Cash and cash equivalents		864,147	1,424,734
<b>Balances per statement of cash flows</b>		<b>864,147</b>	<b>1,424,734</b>

Significant Accounting Policies and Notes Forming Part of the Financial Statements.

1 to 30

As per our report of even date attached

For GMJ & Co  
Chartered Accountants  
FRN: 103429W

For and on behalf of the Board of Directors

Sanjeev Maheshwari  
Partner  
M.No. 038755  
UDIN: 20038755AAAABU7064

Bharat Somani  
Managing Director  
(DIN: 00286793)

Saraswati Somani  
Director  
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Vikram Somani  
Director & CFO  
(DIN: 00054310)

Rajesh Kadu  
Company Secretary  
(M.No. A55503)

Place: Mumbai  
Date : 29th June 2020

Place: Mumbai  
Date: 29th June, 2020

**SOMA PAPERS AND INDUSTRIES LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

**A Equity Share Capital**

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
<b>March 31, 2019</b>			
Numbers	1,402,150	-	1,402,150
Amount	14,021,500	-	14,021,500
<b>March 31, 2020</b>			
Numbers	1,402,150	-	1,402,150
Amount	14,021,500	-	14,021,500

**B Other Equity**

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
<b>As at April 1, 2018</b>	11,734,600	(19,937,119)	(8,202,519)
Profit for the period	-	(4,075,273)	(4,075,273)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	11,734,600	(24,012,391)	(12,277,791)
<b>As at March 31, 2019</b>	11,734,600	(24,012,391)	(12,277,791)
Profit for the period	-	(1,162,052)	(1,162,052)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	11,734,600	(25,174,443)	(13,439,843)
<b>As at March 31, 2020</b>	11,734,600	(25,174,443)	(13,439,843)

Significant Accounting Policies and Notes Forming Part of the Financial Statements.

1 to 30

**As per our report of even date attached**

For GMJ & Co  
Chartered Accountants  
FRN: 103429W

For and on behalf of the Board of Directors

Sanjeev Maheshwari  
Partner  
M.No. 038755  
UDIN: 20038755AAAAABU7064

Bharat Somani  
Managing Director  
(DIN: 00286793)

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Director  
(DIN: 00286741)

Vikram Somani  
Director & CFO  
(DIN: 00054310)

Rajesh Kadu  
Company Secretary  
(M.No. A55503)

Place: Mumbai  
Date : 29th June 2020

Place: Mumbai  
Date: 29th June, 2020



## **SOMA PAPERS AND INDUSTRIES LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

#### **1 Corporate Information**

The financial statements comprise financial statements of Soma Papers and Industries Limited (the company) and for the year ended March 31, 2020. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at G .D. Somani Marg, Panchak, Nasik Road, Nasik-422101 , Maharashtra.

The Company is principally engaged in the Manufacturing Activity but stopped w.e.f August 4, 2004

The financial statements were authorised for issue in accordance with a resolution of the directors on June 29, 2020.

#### **2 Significant Accounting Policies**

##### **2.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015(as amended).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value

The financial statements are presented in Indian Rupees (INR)

##### **2.2 Summary of significant accounting policies**

###### **(a) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

###### **Recognising revenue from major business activities**

###### **(i) Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

###### **(ii) Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

###### **(iii) Dividend income**

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

###### **(b) Taxes**

###### **(i) Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

## **SOMA PAPERS AND INDUSTRIES LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **(ii) Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **(c) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### **(i) As a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(ii) **As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(d) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(e) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

**Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out/weighted average basis.

**Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis/weighted average.

**Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis/weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(f) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) **Financial assets**

*Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(1) **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**(2) Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**(3) Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**(4) Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Interest in subsidiaries, associates and joint ventures are accounted at cost.

***Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

***Impairment of financial assets***

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 21 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(ii) **Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

**(1) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

**(2) Loans and borrowings**

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**(3) Financial guarantee contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**(iii) Reclassification of financial assets**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**(iv) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(g) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within XX days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(h) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**(i) Provisions**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent liabilities recognised in a business combination**

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(j) **Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, pension, post-employment medical plans; and
- (b) defined contribution plans such as provident fund.

**Pension and gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Post-employment medical obligations**

Company provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

**Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## **SOMA PAPERS AND INDUSTRIES LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(k) **Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**1 Current/non current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

**3 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates and judgements**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**4. FINANCIAL ASSETS**

(Amount in INR)		
Particulars	March 31, 2020	March 31, 2019
<b>(A) INVESTMENTS</b>		
<b>Non Current</b>		
<b>(1) Investments carried at fair value through Profit and Loss</b>		
<b>Quoted</b>		
<b>(a) Investments in Equity Instruments</b>		
Nil Equity shares of Bajaj Hindusthan Sugar Limited (March 31,2019: 2000)	-	15,800
Nil Equity shares of Elecon Engineering Co. Limited (March 31,2019: 1000)	-	63,000
Nil Equity shares of Mukand Limited (March 31,2019: 1000)	-	54,100
Nil Equity shares of SBI Life Insurance Co. Limited (March 31,2019: 500)	-	291,700
2,000 Equity shares of South Indian Bank Limited (March 31,2019: 2,000)	11,400	33,000
3,289 Equity shares of Vodafone Idea Limited (March 31, 2019: 1,000)	10,196	18,250
4,000 Equity shares of Ambuja Cements Limited (March 31,2019: 3,000)	622,800	705,900
Nil Equity share of Adhunik Synthetics Limited (March 31,2019 : Nil)	25,000	25,000
Nil Equity shares of Aluminium Industries Limited (March 31,2019 : Nil)	1,875,000	1,875,000
Nil Equity shares of Conway Printers Limited (March 31,2019 : Nil)	250,000	250,000
Nil Equity shares of Titaghur Paper Mills Company Limited (March 31,2019 : Nil)	850	850
300 Equity shares of Infosys Limited (March 31,2019 : Nil)	192,450	-
<b>Total (A)</b>	<b>2,987,696</b>	<b>3,332,600</b>
<b>(b) Investments in Mutual Funds</b>		
836.429 Units of Franklin India Prima Plus (March 31, 2019: 836.429 )	347,659	504,061
11,755.26 Units of ICICI Prudential Balanced Fund (March 31,2019: 11,755.26)	1,245,555	1,580,377
78,917.255 Units of Reliance MIP (March 31,2019:78,917.255)	744,569	952,034
<b>Total (B)</b>	<b>2,337,782</b>	<b>3,036,472</b>
<b>Total (A + B)</b>	<b>5,325,478</b>	<b>6,369,072</b>
Less: Aggregate amount of provision for impairment in the value of investments	(2,150,850)	(2,150,850)
<b>Total</b>	<b>3,174,628</b>	<b>4,218,222</b>
<b>(B) OTHER FINANCIAL ASSETS</b>		
<b>Current</b>		
<b>Financial assets carried at amortised cost</b>		
Other financial assets	149,343	118,331
<b>Total</b>	<b>149,343</b>	<b>118,331</b>

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**5. TRADE RECEIVABLES**

(Amount in INR)		
Particulars	March 31, 2020	March 31, 2019
<b>Current</b>		
Trade Receivables from customers	6,000	6,000
	<b>6,000</b>	<b>6,000</b>
<b>Breakup of Security details</b>		
Secured, considered good	-	-
Unsecured, considered good	6,000	6,000
Which Have Significant Increase In Credit Risk	-	-
Doubtful	-	-
	<b>6,000</b>	<b>6,000</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Doubtful	-	-
	<b>6,000</b>	<b>6,000</b>

**6. CASH AND CASH EQUIVALENTS**

(Amount in INR)		
Particulars	March 31, 2020	March 31, 2019
Balances with banks:		
- On current accounts	861,289	1,421,877
Cash on hand	2,858	2,857
	<b>864,147</b>	<b>1,424,734</b>

**7. OTHER ASSETS**

(Amount in INR)		
Particulars	March 31, 2020	March 31, 2019
<b>Current</b>		
<b>Advances other than Capital advances</b>		
- Advance to a related party (Refer note 18)*	1,433,983	1,433,983
<b>Others</b>		
- Other Receivables	-	(295)
<b>Total</b>	<b>1,433,983</b>	<b>1,433,688</b>

\* Advance given to a party which is outstanding from long time. The Management estimates that it is bonafide and recoverable.

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**8. SHARE CAPITAL**

**i. Authorised Share Capital**

(Amount in INR)

	Equity Share	
	Number	Amount
<b>At April 1, 2018</b>	5,000,000	50,000,000
Increase/(decrease) during the year	-	-
<b>At March 31, 2019</b>	5,000,000	50,000,000
Increase/(decrease) during the year	-	-
<b>At March 31, 2020</b>	<b>5,000,000</b>	<b>50,000,000</b>

**ii. Issued Capital**

	Number	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
<b>At April 1, 2018</b>	1,402,150	<b>14,021,500</b>
Issued during the period		-
<b>At March 31, 2019</b>	1,402,150	<b>14,021,500</b>
Issued during the period		-
<b>At March 31, 2020</b>	<b>1,402,150</b>	<b>14,021,500</b>

**iii. Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv. The Company does not have a holding or subsidiary company.

**v. Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	% holding	Number	% holding
<i>Equity shares of INR 10/-each fully paid</i> SRS Trading & Agencies Pvt. Ltd.	565,736	40.35%	565,736	40.35%

**vi. Shares reserved for issue under options**

None of the above shares are reserved for the issue under option/contract/commitments for sale of shares or disinvestment.

vii. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**9. OTHER EQUITY**

<b>Reserves and Surplus</b>		<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	
Securities Premium	11,734,600	11,734,600	
Retained Earnings	(25,174,443)	(24,012,391)	
	<b>(13,439,843)</b>	<b>(12,277,791)</b>	

**(a) Securities Premium**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Opening balance	11,734,600	11,734,600
Add: Changes during the year	-	-
<b>Closing balance</b>	<b>11,734,600</b>	<b>11,734,600</b>

**(b) Retained Earnings**

	<b>(Amount in INR)</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Opening balance	(24,012,391)	(19,937,118)
Loss for the year	(1,162,052)	(4,075,273)
<b>Closing balance</b>	<b>(25,174,443)</b>	<b>(24,012,391)</b>

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>10. TRADE PAYABLES</b>		
<b>(Amount in INR)</b>		
<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Current</b>		
Trade Payables to Micro and Small Enterprises (Refer Note 23)	-	-
Trade Payables to Creditors other than Micro Enterprises And Small Enterprises	-	420,822
<b>Total</b>	<b>-</b>	<b>420,822</b>

<b>11. OTHER FINANCIAL LIABILITIES</b>		
<b>(Amount in INR)</b>		
<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Current</b>		
<b>Financial Liabilities at amortised cost</b>		
Interest accrued and due on borrowings*	2,786,879	2,786,879
Payable for Expenses	-	44,000
<b>Total</b>	<b>2,786,879</b>	<b>2,830,879</b>

*\*Note: Interest is accrued and Due on Sales Tax Incentive Loan and includes Interest payable on Statutory Liabilities and Interest is outstanding from long time.*

<b>12. OTHER LIABILITIES</b>		
<b>(Amount in INR)</b>		
<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Current</b>		
Advance received from Customers	438,332	438,332
Statutory Liabilities*	1,767,233	1,767,233
Payable for Expenses	54,000	-
<b>Total</b>	<b>2,259,565</b>	<b>2,205,565</b>

\*includes Sales Tax, WBST, TNGST, etc.

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**13. OTHER INCOME**

(Amount in INR)

Particulars	2019-20	2018-19
Dividend income	61,345	57,256
Net gain on sale of Investments	(23,446)	111,233
Sundry balances written back*	464,822	3,557,198
	<b>502,721</b>	<b>3,725,687</b>

\* It includes written back long aged trade payables.

**14. FINANCE COST**

(Amount in INR)

Particulars	2019-20	2018-19
Interest expense on debts and borrowings	-	121,253
	-	<b>121,253</b>

**15. OTHER EXPENSES**

(Amount in INR)

Particulars	2019-20	2018-19
Advertisement	33,645	-
Payments to auditors (Refer note below)	29,500	34,220
Legal and professional fees	423,692	401,822
Repairs & maintenance - other	23,154	-
Telephone and internet expenses	-	8,496
Miscellaneous expenses	5,674	1,200
BSE Penalties	-	5,142,260
Listing Fees	389,400	619,258
Conveyance Expenses	5,318	4,500
Income Tax Paid	-	5,085
Sundry balances written off	-	1,171,052
Bank charges	1,467	(2,010)
Fair value loss on financial instrument at Fair value through profit and loss	752,924	293,824
<b>Total</b>	<b>1,664,773</b>	<b>7,679,707</b>

**(a) Details of Payments to auditors**

(Amount in )

	2019-20	2018-19
<b>As auditor</b>		
Audit Fee including GST	29,500	34,220
	<b>29,500</b>	<b>34,220</b>

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**16. EARNINGS PER SHARE**

(Amount in INR)		
Particulars	March 31, 2020	March 31, 2019
<b>(a) Basic and Diluted earnings per share</b>	(0.83)	(2.91)
<b>(b) Reconciliations of earnings used in calculating earnings per share</b>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(1,162,052)	(4,075,273)
Adjustments for calculation of diluted earnings per share	-	-
<b>Profit attributable to the equity holders of the company used in calculating diluted earnings per share</b>	<b>(1,162,052)</b>	<b>(4,075,273)</b>
<b>(c) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,402,150	1,402,150
Adjustments for calculation of diluted earnings per share	-	-
<b>Weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	<b>1,402,150</b>	<b>1,402,150</b>
Face Value per share	10	10

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**17. COMMITMENTS AND CONTINGENCIES**

**A. Contingent Liabilities**

	(Amount in INR)	
	March 31, 2020	March 31, 2019
<b>i. Guarantees excluding financial guarantees</b>		
Corporate Guarantee given to financial institutions and banks on behalf of Vecron Industries Limited	-	25,000,000
<b>ii. Other money for which the company is contingently liable</b>		
Income tax Penalty Demand	2,316,516	1,938,082



**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**18. RELATED PARTY TRANSACTIONS**

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Country of Incorporation
<b>Key Management Personnel (KMP)</b>	
Bharat Somani - Managing Director	
Vikram Somani - Director and Chief Financial Officer	
Saraswati Somani - Director	
Dharmesh Shah - Director	
Govindlal Manasawala - Director	
Ashish Gupta - Director	
Rajesh Kadu - Company Secretary	
<b>Enterprises in which Key Management Personnel have significant influence</b>	
SRS Trading & Agencies Private Limited	India

(ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Relationship	Nature of Transaction	March 31, 2020	March 31, 2019
Rajesh Kadu	Key Managerial Personnel	Legal and Professional Fees	240,000	80,000

(iii) Outstanding Balance of Related Parties

Name	Nature of Relationship	March 31, 2020	March 31, 2019
SRS Trading & Agencies Private Limited	Enterprises in which Key Management Personnel have significant influence	1,433,983	1,433,983

(iv) Key Management Personnel Compensation

	March 31, 2020	March 31, 2019
Short-term Employee Benefits	240,000	80,000

**19. SEGMENT REPORTING**

The company is engaged in only one reportable operating segment i.e Coated Papers

Hence, disclosure required by Ind AS 108 - 'Segment Reporting' are not applicable to the company

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**20. FAIR VALUE MEASUREMENTS**

**i. Financial Instruments by Category**

(Amount in INR)

Particulars	Carrying Amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>FINANCIAL ASSETS</b>				
<b>Amortised cost</b>				
Trade Receivables	6,000	6,000	6,000	6,000
Cash and Cash Equivalents	864,147	1,424,734	864,147	1,424,734
Other bank balance	-	-	-	-
Other Financial Assets	149,343	118,331	149,343	118,331
<b>FVTPL</b>				
Investment in Equity Instruments	3,174,628	4,218,222	3,174,628	4,218,222
<b>Total</b>	<b>4,194,119</b>	<b>5,767,287</b>	<b>4,194,119</b>	<b>5,767,287</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Amortised cost</b>				
Borrowings	-	-	-	-
Trade Payables	-	420,822	-	420,822
Other financial liabilities	2,786,879	2,830,879	2,786,879	2,830,879
<b>Total</b>	<b>2,786,879</b>	<b>3,251,701</b>	<b>2,786,879</b>	<b>3,251,701</b>

The management assessed that the fair value of cash and cash equivalent, other bank balance, trade receivables, trade payables, borrowings and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

**ii. Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Assets and liabilities measured at fair value - recurring fair value measurement:

Particulars	March 31, 2020			Total	March 31, 2019			Total
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Financial Assets</b>								
<i>Non-Current Investments in equity shares measured at FVTPL</i>	836,846	-	-	836,846	1,181,750	-	-	1,181,750
<i>Non-Current Investments in mutual funds measured at FVTPL</i>	2,337,782	-	-	2,337,782	3,036,472	-	-	3,036,472
<b>Total Financial Assets</b>	<b>3,174,628</b>	<b>-</b>	<b>-</b>	<b>3,174,628</b>	<b>4,218,222</b>	<b>-</b>	<b>-</b>	<b>4,218,222</b>

**Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

**iii. Valuation technique used to determine fair value**

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in INR)

**21. FINANCIAL RISK MANAGEMENT**

The company's activity expose it to market risk, liquidity risk and credit risk. The Company's management oversees the management of these risks and ensures that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

**(i) Foreign currency risk**

Currency risk is not material as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The management is responsible for the monitoring of the Company' interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable and competitive cost of funding.

**(iii) Other price risk**

The Company is not exposed to other price risk.

**(B) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, investments carried at amortised cost, as well as credit exposures to customers including outstanding receivables and unbilled revenues.

**Trade receivables**

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

**Cash and Cash Equivalents**

Credit Risk on cash and cash equivalent is generally low as the said who have been assigned high credit rating by international and domestic rating agencies.

**(C) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

**Liquidity Exposure as at 31st March, 2020**

(Amount in INR)

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial Assets</b>				
Investments	-	3,174,628	-	3,174,628
Trade Receivables	6,000	-	-	6,000
Cash and Cash Equivalents	864,147	-	-	864,147
Other Financial Assets	149,343	-	-	149,343
<b>Total Financial Assets</b>	<b>1,019,490</b>	<b>3,174,628</b>	<b>-</b>	<b>4,194,119</b>
<b>Financial Liabilities</b>				
Trade Payables	-	-	-	-
Other Financial Liabilities	2,786,879	-	-	2,786,879
<b>Total Financial Liabilities</b>	<b>2,786,879</b>	<b>-</b>	<b>-</b>	<b>2,786,879</b>

**Liquidity Exposure as at 31st March, 2019**

(Amount in INR)

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial Assets</b>				
Investments	-	4,218,222	-	4,218,222
Trade Receivables	6,000	-	-	6,000
Cash and Cash Equivalents	1,424,734	-	-	1,424,734
Other Financial Assets	118,331	-	-	118,331
<b>Total Financial Assets</b>	<b>1,549,065</b>	<b>4,218,222</b>	<b>-</b>	<b>5,767,287</b>
<b>Financial Liabilities</b>				
Trade Payables	420,822	-	-	420,822
Other Financial Liabilities	2,830,879	-	-	2,830,879
<b>Total Financial Liabilities</b>	<b>3,251,701</b>	<b>-</b>	<b>-</b>	<b>3,251,701</b>

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in INR)

**22. CAPITAL MANAGEMENT**

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	March 31, 2020	March 31, 2019
Trade payables	-	420,822
Borrowing	-	-
Other payable	2,786,879	2,830,879
Less: cash and cash equivalents	(864,147)	(1,424,734)
<b>Net Debt</b>	<b>1,922,732</b>	<b>1,826,967</b>
Equity Share Capital	14,021,500	14,021,500
Other Equity	(13,439,843)	(12,277,791)
<b>Total Capital</b>	<b>581,657</b>	<b>1,743,709</b>
<b>Capital and net debt</b>	<b>2,504,390</b>	<b>3,570,676</b>
<b>Gearing ratio</b>	<b>76.77</b>	<b>51.17</b>

**SOMA PAPERS AND INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in INR)

**23. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)**

Particulars	March 31, 2020	March 31, 2019
Principal amount due to suppliers under MSMED Act, 2006*	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Payment made to suppliers ( other than interest ) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act, ( other than Section 16 )	-	-
Interest paid to suppliers under MSMED Act, ( Section 16 )	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

\* Amount includes due and unpaid of INR Nil (March 31, 2019: INR Nil)

The information has been given in respect of such vendors to the extent they could be identified as "Mico and Small" enterprises on the basis of information available with the Company.

**24. GOING CONCERN**

The Company has accumulated losses and net worth of the Company is continuously eroding. However, these accounts have been prepared on a "going concern" basis as the required financial support will be given by the promoters and they have plans to improve revenue & other financial parameters

25. 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 utilized 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 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. 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.

26. As per the Indian Accounting standard (Ind AS) 12 "Income Taxes" issued by the Institute of Chartered Accountants of India, having regard to the net worth of the Company being fully eroded and uncertainty as to whether the Company can continue as a going concern, the deferred tax assets/ liabilities has not been recognized.

27. In the opinion of the management, current assets, loans and advances have a value on realization 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.

**28. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The amendment to standard issued up to the date of issuance of the Company's financial statements, but not yet effective as of the date of the Company's financial statements is disclosed below. The Company intends to adopt the amendment to standard when it becomes effective.

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

**A. Issue of Ind AS 117 – Insurance Contracts**

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

Application of this standard is not expected to have any significant impact on the Company's financial statements.

**B. Amendments to existing Standards**

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

29. There has been no significant impact on the operations and financial position of the Company on account of the outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government.

30. Previous year figures have been regrouped / rearranged wherever necessary to conform to the current years' presentation.

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**Significant Accounting Policies and Notes Forming Part of the Financial Statements.**

**1 to 30**

**As per our report of even date attached**

**For GMJ & Co  
Chartered Accountants  
FRN: 103429W**

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

**Sanjeev Maheshwari  
Partner  
M.No. 038755  
UDIN: 20038755AAAABU7064**

**Bharat Somani  
Managing Director  
(DIN: 00286793)**

**Saraswati Somani  
Director  
(DIN: 00286741)**

**Vikram Somani  
Director & CFO  
(DIN: 00054310)**

**Rajesh Kadu  
Company Secretary  
(M.No. A55503)**

**Place: Mumbai  
Date : 29th June 2020**

**Place: Mumbai  
Date: 29th June, 2020**