

# SOMI CONVEYOR BELTINGS LTD.



9th ANNUAL REPORT 2008 - 2009



## COMPANY INFORMATION

### **Board of Directors**

Mr. O P Bhansali, Chairman & Managing Director  
Mr. Vimal Bhansali, Whole Time Director  
Mr. Gaurav Bhansali, Whole Time Director  
Mr. Mahendra Rakecha, Independent & Non-Executive Director  
Mr. Yogesh Maheshwari, Independent & Non-Executive Director  
Mr. Ramesh Narayan Rathi, Independent & Non-Executive Director

### **Company Secretary & Compliance Officer**

Mr. Amit Baxi

### **Auditors**

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

### **Bankers**

Punjab National Bank  
Ratanada Colony Branch, Near Batti Chowrah,  
Ratanada, Jodhpur

### **Registered Office**

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

### **Site**

Ω H-2, 463-466, Sangaria Industrial Area, Jodhpur.  
Ω K.No-58, 58/5, 58/6, Village Tanawara, Tehsil Luni, District Jodhpur.

### **Registrar And Transfer Agent**

Mondkar Computers Pvt. Limited  
21, Shakil Niwas, Opp. Satya Sai Baba Temple,  
Mahakali Caves Road, Andheri (East),  
Mumbai - 400 093  
Tel: (+91 22) 28257641, 28366620  
Fax: (+91 22) 28262920



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## NOTICE

NOTICE is hereby given that the NINTH Annual General Meeting of the members of the Company will be held on Wednesday, 30<sup>th</sup> September, 2009 at 10.00 A.M at Its Registered office at 4F-15, "Oliver House", New Power House Road, Jodhpur-342001 transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31<sup>st</sup> March, 2009, Profit & Loss Account for the year ended on that date and the Reports of the Director's and Auditor's thereon.
2. To appoint a director in place of Mr. Ramesh Narayan Rathi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.

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

Place: Jodhpur  
Date : 1<sup>st</sup> September, 2009

(AMIT BAXI)  
Company Secretary

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

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED.
2. A shareholder or his proxy will be required to produce at the entrance of the Meeting Hall, the Attendance Slip sent herewith duly completed and signed. Neither photocopies nor torn/mutilated Attendance Slips will be accepted. The Validity of the Attendance Slip will, however, be subject to the Shareholder continuing to hold shares on the date of meeting.
3. A Member or his Proxy is requested to bring his copy of the Annual Report to the Meeting as extra copies will not be provided.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive).
5. Documents referred to in the Notice are open for Inspection at the Registered Office of the Company on all working days between 11.00 A.M and 1.00 P.M upto the date of Annual General Meeting and will also be available for inspection at the meeting.



6. Mondkar Computers Private Limited is our Registrar and Share Transfer Agent of the company. All the investor related communication may be addressed to them at their following address:

**MONDKAR COMPUTERS PRIVATE LIMITED**

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

Tel: +91-22-28257641, 28366620 Fax: +91-22-28262920

7. As required under the provisions of Clause 49(IV) (G) (i) of the Listing Agreement, particulars relating to Mr. Ramesh Narayan Rathi, Independent Director, who retires by rotation and whose reappointment has been proposed at the forthcoming Annual General Meeting, is enclosed in the Appendix to this Notice. Mr. Ramesh Narayan Rathi has confirmed that he is not disqualified for being appointed as a Director of the company and have filed Form DD-A with the company, for this purpose.

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

Place: Jodhpur  
Date : 1<sup>st</sup> September, 2009

(**AMIT BAXI**)  
Company Secretary

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

**APPENDIX TO ANNUAL GENERAL MEETING NOTICE**

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

Name Of Director	Date Of Birth	Date Of Original Appointment	Expertise In Specific Functional Areas	Qualifications	Directorships In Other Public Limited Companies	Membership of Board Committees In Other Public Limited Companies	Other Information	Remarks
Mr. Ramesh Narayan Rathi	18/07/1946	10/01/2007	Mr. Ramesh Narayan Rathi, 63 years of age, is diploma holder in Mechanical Engineering. He has 39 years of experience in various areas such as plant designing, commissioning, erecting and operations etc.	Diploma in Mechanical Engineering	NIL	NIL	* Independent & Non-Executive Director * Nil Shareholding in the Company	Retires by rotation at the forthcoming Annual General Meeting



# SOMI CONVEYOR BELTINGS LIMITED

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

## PROXY FORM

9<sup>TH</sup> ANNUAL GENERAL MEETING, 30<sup>TH</sup> SEPTEMBER, 2009

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

# Applicable for Member holding Shares in electronic form

I/We ..... of ..... being a member/members of the above named company, hereby appoint ..... of ..... or failing him..... of ..... as my/ our proxy to vote for me/us on my/our behalf at the NINTH ANNUAL GENERAL MEETING of the company, to be held on Wednesday, September, 30<sup>TH</sup>, 2009 at 10.00AM at 4F-15, "Oliver House" New Power House Road, Jodhpur-342001 and at any adjournment thereof.

Signed this..... day of .....2009

Signature.....

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

----- (Tear Across Line) -----

# SOMI CONVEYOR BELTINGS LIMITED

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

## ATTENDANCE SLIP

9<sup>TH</sup> ANNUAL GENERAL MEETING, 30<sup>TH</sup>SEPTEMBER, 2009

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

# Applicable for Member holding Shares in electronic form

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

I hereby record my presence at the NINTH ANNUAL GENERAL MEETING of the company on Wednesday, September, 30<sup>TH</sup>, 2009 at 10.00 AM at 4F-15, "Oliver House" New Power House Road, Jodhpur-342001

-----  
Members/Proxy's name in BLOCK Letters

-----  
Members/Proxy's Signature

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



## CHAIRMAN SPEECH

Dear Fellow Stakeholder,

Namaskar!

It gives me immense pleasure to welcome you to the SOMI CONVEYOR BELTINGS LIMITED *Parivaar*. I personally like to call it a *parivaar* as it resembles a closely knit unit where everybody cares for every other member for his well being and development. At SOMI we care for our stakeholders and leave no effort to provide a sustainable long term value for all the stakeholders.

Last year was a tough one. The country went through a major economic crisis which in turn witnessed to a sharp drop in overall demand. Your company being mostly dependent on infrastructure sector also witnessed the ill effects of this economic crisis. However, to my personal thinking 'Tough times are good times'. The true strength of a system is revealed in times of adversity. Bad times make you forcibly learn the sustainability techniques, which help you make a rapid vertical growth in better times. Similar has being the case with your company. Your company has not only come out from the difficult times but has made significant progress towards prosperity and growth.

Against this background, let me share with you the Financial Highlights of your company for F.Y. 2008-09:

- Net sales for this year were Rs. 2018.41 Lacs which was a 29.94 percent increase from previous year.
- Earnings before Taxes were Rs.214.42 Lacs, which were 5 percent below the previous year Earnings.
- Earnings after Taxes were Rs.122.58 Lacs, which were 12.48 percent below the previous year Earnings.

During the year under review, a series of unfortunate disclosures practices followed by some companies led to investors trust and faith been shaken and brought the spotlight back on governance practices being followed in corporate India. However at SOMI, I personally assure you that we religiously follow and maintain the highest standards of corporate governance practices and would continue to work in a transparent and professional manner for upholding the immense trust and faith reposed by our stakeholders in the company.

Consistent development is the *mantra* for long term survival. Your company believing in this philosophy has set out plans for adding one more conveyor belt manufacturing facility at its existing plant at Tanawara village. This would not only help the company in increasing its production capacity but would also provide it with the benefits of Large Scale Manufacturing. The Financial outflow on setting up this facility would be met out from internal accruals of the company.

Just Nine years from its inception, the company has built a strong foundation to enable itself to surge ahead towards faster growth and development. This growth story, both in the past and the coming future, however, is not possible without the continuing support of all the stakeholders - Customers, Employees, Intermediaries, Investors and the Government.

I therefore seek your whole-hearted support and encouragement in this ongoing journey.

**O P BHANSALI**  
**Chairman & Managing Director**



## DIRECTOR'S REPORT

To,  
The Members,

The Directors of your company have pleasure in presenting the Ninth Annual Report together with the audited statement of accounts for the year ended on 31<sup>st</sup> March, 2009.

### SUMMARISED FINANCIAL RESULTS

	2008-09	2007-08
Total Sales	2018.41	1553.23
Profit Before Interest, Depreciation and taxation	443.63	324.28
Interest	104.65	68.12
Depreciation	124.56	30.43
Profit Before Tax	214.42	225.73
Provision for Tax	27.21	90.80
Add/(Less) Deferred Tax	64.63	5.13
Profit After Tax	122.58	140.06
Add: Balance Brought Forward	278.40	138.35
Balance Carried Forward	200.99	278.40

### OPERATIONS

Your company has achieved sales of Rs.2018.41 in year 2008-09 and recorded a net profit of Rs.122.58 lacs during the year. The Board is confident of higher growth in the current year.

### SETTING UP OF ADDITIONAL MANUFACTURING FACILITY

The company is moving ahead by planning to set up an additional Conveyor Belt manufacturing facility at its existing plant located at Village Tanawara, Jodhpur. This would not only help the company in increasing its production capacity but would also provide it with the benefits of Large Scale Manufacturing. The Financial outflow on setting up this facility would be met out from internal accruals of the company.

### RESEARCH AND DEVELOPMENT

Research and developments are on going activities which have a significant role in providing inputs for developing new products, devising energy saving measures, upgrading methods of production and quality of products. These activities have helped the company in attaining leadership in its conveyor beltings products and substantial qualitative change in other operational areas.

### DIVIDEND

As a matter of sound and consistent accounting practice and management philosophy, your directors are of the opinion to make strong economic base for the company and in order to conserve the valued resources; your directors do not recommend any dividend for the financial year under review.

### CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements pursuant to Clause 41 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard are attached herewith.

### PUBLIC DEPOSITS

Your company has not accepted any deposit, within the meaning of section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 made there under.





## **CORPORATE GOVERNANCE**

We believe Corporate Governance is at the heart of Stakeholders value creation. Your Company has remained proactive in following the principles and practices of good Corporate Governance as an important step towards building investor confidence, improve investor's protection and maximize long-term shareholder value.

In compliance with one of the Corporate Governance requirements as per Clause 49 of the Listing Agreement, your Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

A separate report on Corporate Governance Compliance as stipulated by the Clause 49 of the Listing Agreement forms part of the Annual Report along with the requisite Certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated by revised Clause 49 of the Listing Agreement.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management's Discussion and Analysis on Company's Operational performance industry trends and other material changes with respect to company has been comprehensively discussed under the head Management Discussion and Analysis Report which forms part of this Annual Report.

## **DIRECTORS**

As per the provisions of Section 256 of the Companies Act, 1956 and provisions of the Articles of Association of the company Shri Ramesh Narayan Rathi, Independent Director of the company retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

## **DIRECTORS RESPONSIBILITY STATEMENT**

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

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of affairs of the Company as at 31<sup>st</sup> March, 2009 and of the profit of the Company for the year ended on that date;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the annual accounts on a going concern basis.

## **AUDITORS**

Your company's Auditors M/s P. Singhvi & Associates, Chartered Accountants, Jodhpur retire at the end of forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received a written certificate from the auditors to the effect that their re-appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

## **AUDITOR'S REPORT**

The Explanations/information in respect of the observations of the Auditors in their report on the Standalone accounts for the accounting year ended 31st March, 2009 are given in detail in Notes to Accounts. These Notes read with the relevant audit observations are self explanatory and need no comments or explanation under Section 217(3) of the Companies Act, 1956.



**INSURANCE**

Assets of your Company are adequately insured against various perils.

**HEALTH, SAFETY AND ENVIRONMENT**

The Company has Health & Safety policy, which has been implemented across all its locations. Health, Safety and Environment policies involve identifying the risks involved in daily activities of the Company and minimize its impact on personnel and environment. Your Company's management approach to Health, Safety and Environment involves proactive approach to create safe working environment, continuous safety education and training, periodic review of programs and evaluation of incidents. Proper segregation of hazardous and non-hazardous waste is being implemented on a regular basis.

**EMPLOYEES**

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

**CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

Continuous efforts to improve energy efficiency resulted in general improvement in energy consumption in the business.

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

Rs. In Lacs

<b>Energy Conservation</b>	<b>2008-09</b>	<b>2007-08</b>
Power and fuel Consumption	55.32	33.83
Foreign Exchange Earnings	25.11	NIL
Foreign Exchange Outgo	274.69	293.19

**ACKNOWLEDGEMENT**

The Directors extend their sincere thanks to the Bankers, Financial Institutions, Government authorities, Customers, Shareholders of your Company and all others who have been associated with the Company for their cooperation, continued support and for the confidence reposed by them in the Management of the Company.

The Directors also appreciate all the employees of the Company for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in its sector.

**FOR AND ON BEHALF OF THE BOARD**

Place: Jodhpur  
Date: 1<sup>ST</sup> September, 2009

**O P BHANSALI**                      **GAURAV BHANSALI**  
**(Managing Director)**      **(Whole time Director)**

**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate Governance is an integral part of values, ethics and best business practices followed by the company. The core values of the company are:

- Commitment to excellence and customer satisfaction;
- Maximizing long term shareholders value;
- Socially valued enterprise; and
- Caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders value and commitment to high standard of business ethics. The company has in place a code of corporate ethics and conduct, reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

**2. BOARD OF DIRECTORS:**

The business of the company is conducted by the management under the directions of the Board. The Board formulates the strategy, regularly reviews the performance of the company and ensures that the previously agreed objectives are met on a consistent basis.

**a) COMPOSITION OF BOARD OF DIRECTORS**

The Company has sufficient number of independent directors on its Board, and the present composition of the Board is as under:

Name	Category**	Attendance at Board & Audit Committee Meeting		Whether Attended AGM Held on 30.09.2008	No. of Directorship in other Public Limited Companies	No. of Committee Position Held in other Public Limited Companies	
		Board	Audit *			Chairman	Member
Mr. Om Prakash Bhansali	PE CMD	9	NA	YES	NIL	NIL	NIL
Mr. Vimal Bhansali	PE WTD	9	NA	YES	NIL	NIL	NIL
Mr. Gaurav Bhansali	PE WTD	9	2	YES	NIL	NIL	NIL
Mr. Mahendra Rakecha	INE	8	2	YES	NIL	NIL	NIL
Mr. Yogesh Maheshwari	INE	8	NA	YES	NIL	NIL	NIL
Mr. Ramesh Narayan Rathi	INE	6	2	NO	NIL	NIL	NIL

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

INE = Independent Non Executive, WTD = Whole Time Director,

\* NA = Not Applicable. Not applicable as the director is not the member of the Audit Committee.

**b) DETAILS OF BOARD MEETINGS HELD DURING THE YEAR:**

Date of Board Meeting	01/04/08	14/05/08	21/05/08	05/06/08	09/06/08	17/07/08	01/09/08	30/10/08	29/01/09
Board Strength	6	6	6	6	6	6	6	6	6
No. of Directors Present	4	5	6	6	6	6	6	5	5



### c) BOARD PROCEDURE

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

### d) CODE OF CONDUCT

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

### e) DISCLOSURES REGARDING APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

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

The Brief resume and other information required to be disclosed is provided in the Notice of the Annual General Meeting.

## 3. COMMITTEES OF THE BOARD

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

### a) AUDIT COMMITTEE

The Audit Committee comprises of three Directors, of whom two are Non-Executive and one is Whole Time Director appointed in line with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange read with section 292A of the Companies Act, 1956.

The Audit committee consists of:

1. Mr. Mahendra Rakecha, Chairman of Audit Committee, Non-Executive & Independent Director.
2. Mr. Ramesh Narayan Rathi, Non-Executive & Independent Director.
3. Mr. Gaurav Bhansali, Whole Time Director.

Mr. Amit Baxi, the Company Secretary of the Company acts as Secretary to the Audit Committee.

During the year under scrutiny, two Audit Committee meetings were held on 30<sup>th</sup> October, 2008 and 29<sup>th</sup> January, 2009. Both these meetings were attended by all the members of the Audit Committee.

### *Broad Terms of Reference*

1. Oversight of our company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of the audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.

- c. Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems for the purpose of financial reporting.
  7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audits.
  8. Discussion with internal auditors of any significant findings and follow-up thereon.
  9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  10. Discussion with statutory auditors before the audit commences, about the nature and Scope of the audit as well as post audit discussion to ascertain any area of concern.
  11. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  12. To review the functioning of the "whistle blower" mechanism, if and when introduced.
  13. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and /or other Committee(s) of Directors of our company.

#### **b) SHARE TRANSFER-CUM-INVESTORS GRIEVANCE COMMITTEE**

The Share Transfer-Cum-Investors Grievance Committee comprises of two Non-Executive and one Whole Time Director. The committee specifically looks into matters pertaining to redressal of the shareholder and investor complaints like transfer of shares, non-receipt of the declared dividends etc.

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

1. Mr. Vimal Bhansali Chairman of the Committee, Whole Time Director
2. Mr. Mahendra Rakecha, Non-Executive & Independent Director
3. Mr. Ramesh Narayan Rathi , Non-Executive & Independent Director

Mr. Amit Baxi, the Company Secretary of company acts as Secretary to the committee.

One meeting of the Share Transfer cum Investor Grievance Committee was held on 29<sup>th</sup> January, 2009 and was attended by all the members of the Committee. The Shareholder's complaints received during the year were resolved satisfactorily and at the end of the year no complaints were pending for redressal.

#### **Brief Terms of Reference**

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

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

**c) REMUNERATION COMMITTEE**

A Remuneration Committee comprising three Non-Executive Director is functional, for review and decisions on the remuneration package of the Managing Director.  
The Remuneration Committee consists of:

1. Mr. Yogesh Maheshwari, Chairman of the Committee, Non-Executive & Independent Director
2. Mr. Mahendra Rakecha, Non-Executive & Independent Director
3. Mr. Ramesh Narayan Rathi, Non-Executive & Independent Director

Mr. Amit Baxi, the Company Secretary of company acts as Secretary to the committee.

One meeting of the Remuneration Committee was held on 29<sup>th</sup> January, 2009 and was attended by all the members of the Committee.

**Details of Remuneration to all the directors:**

The Company has only one Managing Director Mr. Om Prakash Bhansali and Two Whole time Directors . Mr. Vimal Bhansali and Mr. Gaurav Bhansali. The remuneration payable to them has been fixed by the Board of Directors as per Section 198, 269, 309 read with Schedule XIII of the Companies Act 1956 after receiving sanction from the Shareholders in a duly held General Meeting.

Non-Executive Directors are not paid any type of remuneration or sitting fees or share in profits or otherwise. The remuneration of any proposed appointee to the Board shall be in conformity with the provisions of the Companies Act, 1956.

Annual Amount in Rs.					
Name of Directors	Remuneration	Commission	Value of Perquisites/ Reimbursement of Expenses	Sitting Fees	Total Remuneration
Mr. Om Prakash Bhansali, Chairman and Managing Director	Rs. 4,32,000/-	NIL	NIL	NIL	Rs. 4,32,000/-
Mr. Vimal Bhansali; Whole time Director	Rs. 2,28,000/-	NIL	NIL	NIL	Rs. 2,28,000/-
Mr. Gaurav Bhansali, Whole time Director	Rs. 2,28,000/-	NIL	NIL	NIL	Rs. 2,28,000/-
<b>TOTAL</b>	<b>Rs. 8,88,000/-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>Rs. 8,88,000/-</b>

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

**4. SUBSIDIARY COMPANIES**

The company does not have any Subsidiary company.

**5. GENERAL BODY MEETINGS**

**Date, Time and Location where last Three AGMS held:**

Date	Time	Location
30.09.2006	11.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 001
29.09.2007	11.30 a.m	4F-15, "Oliver House", New Power House Road, Jodhpur-342 001
30.09.2008	10.00 a.m	Marudhara Industries Association Hall, 'MIA House', Marudhara Industrial Area, Basni, IInd Phase, Jodhpur-342005



**WHETHER ANY SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMs:**

- 30<sup>th</sup> September 2006: Two Special Resolutions were passed in this AGM
- 29<sup>th</sup> September 2007: One Special Resolution was passed in this AGM
- 30<sup>th</sup> September 2008: No Special Resolution was passed in this AGM

**WHETHER ANY EXTRA ORDINARY GENERAL MEETING HELD DURING THE YEAR:** No Extra Ordinary General Meeting was held during the year under review.

**WHETHER SPECIAL RESOLUTION WERE PUT THROUGH POSTAL BALLOT EXERCISE:** No

**DETAILS OF VOTING PATTERN:** Not Applicable.

**PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE:** Not Applicable.

**WHETHER ANY RESOLUTIONS ARE PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT:**  
None of the special resolutions are required to be put through postal ballot.

**PROCEDURE FOR POSTAL BALLOT:** Not Applicable.

## **6. DISCLOSURES**

- a) There were no materially significant related party transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in financial Section of this Annual Report.
- b) In the preparation of the financial statements, the Company has followed the Accounting policies and practices as prescribed in the Accounting Standards and there is no change in the accounting treatment during the year under review.
- c) The implementation of the risk assessment and minimization procedure is under progress and the board members are periodically informed of the status.
- d) Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.
- e) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.
- f) The Chief Executive Officer & Chief Financial Officer has furnished a Certificate to the Board for the year ended on 31st March, 2009 in compliance with Clause 49 of Listing Agreement.
- g) The company publishes Quarterly/Half yearly/Annual results as required under the Listing Agreement. The results are normally published in one English and one Hindi daily. During the last year the results were published in the Business Standard/Financial Express and Dainik Navjyoti newspapers. The results are also forwarded to the Stock Exchanges as soon as these are taken on record/approved. In addition, disclosures with regard to Shareholding Pattern, Quarterly Secretarial Capital Audit Report, Corporate Governance Compliance Report, etc. are sent to the Stock Exchange as required under various regulations.

## **7. GENERAL SHAREHOLDERS INFORMATION**

**a) Date, time and venue of the 9th Annual General Meeting:**

Wednesday, 30<sup>th</sup> September, 2009 at 10.00 A.M at 4F-15, "Oliver House" New Power House Road, Jodhpur-342001

**b) Financial Calender**

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

Particulars	Tentative Schedule
<b>Quarterly Results</b>	
Quarter ending on 30th June, 2009	Not Applicable
Quarter ending on 30th September, 2009	October 2009
Quarter ending on 31st December, 2009	January 2010
Annual Results of 2009-10	Within 3 months of the close of financial year

**c) Book closure date:**

The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 24<sup>th</sup> September, 2009 to Wednesday, 30<sup>th</sup> September, 2009 (both days inclusive) for the purpose of 9th Annual General Meeting.

**d) Listing on Stock Exchanges:**

The Company's shares are listed on the Bombay Stock Exchange Limited with effect from 24th July, 2008.  
**BSE CODE: 533001**

**e) \*Market Price Data (BSE Index):**

Month	July, 2008	Aug	Sept	Oct	Nov	Dec	Jan, 2009	Feb	March
<b>High</b>	37.65	23.95	22.90	16.30	12.55	13.90	12.89	11.25	11.05
<b>Low</b>	20.00	19.00	13.00	7.40	9.21	10.06	8.03	8.00	8.50

BSE Index:            1<sup>st</sup> April, 2008        15627  
                               31<sup>st</sup> March, 2009        9709

\* Note: The Shares of the company were listed on BSE in July, 2008.

**f) Registrars and Share Transfer Agents:**

MONDKAR COMPUTERS PRIVATE LIMITED  
 21, Shakil Niwas, Opp: Satya Sai Baba Temple,  
 Mahakali Caves Road, Andheri (East),  
 Mumbai - 400 093.  
 Tel: +91-22-28257641, 28366620  
 Fax: +91-22-28262920

**g) Shareholding (as on 31<sup>st</sup> March, 2009):**

DISTRIBUTION OF SHAREHOLDING AS AT 31 <sup>st</sup> March 2009				
No. of Equity Shares Held	No. of Shares	% to Capital	No. of Holders	% to Total
1-500	505385	4.290	2282	67.876
501-1000	372866	3.165	530	15.764
1001-2000	535348	4.545	383	11.392
2001-3000	127117	1.079	50	1.487
3001-4000	20306	0.172	6	0.178
4001-5000	92249	0.783	20	0.595
5001-10000	226656	1.924	29	0.863
10001 & above	9899729	84.041	62	1.844
<b>TOTAL</b>	<b>11779656</b>	<b>100.000</b>	<b>3362</b>	<b>100.000</b>



**h) Dematerialization of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialized form. The Company's shares are regularly traded on the 'Bombay Stock Exchange Limited'. The shares in physical form are processed by the Registrar and transfer Agent and approved by the Share Transfer Committee. The applications for transfer of shares held in physical form are received at the office of the RTA of the company. All valid transfers are processed within 30 days from the lodgement.

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

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

**j) Site location:**

- H-2, 463-466, Sangaria Industrial Area, Jodhpur.
- K.No-58, 58/5, 58/6, Village Tanawara, Tehsil Luni, District Jodhpur.

**k) Address of Correspondence:**

Mr. Amit Baxi  
COMPANY SECRETARY & COMPLIANCE OFFICER  
4 F-15, "Oliver House",  
New Power House Road, Jodhpur-342001.  
Tel.: +91-0291-2610472, 2637565, 2637564  
Fax: +91-0291-2432307  
E-mail: info@ombhansali.com

## **MANAGEMENT DISCUSSION AND ANALYSIS**

As per the requirement of the Listing Agreement as part of the Directors Report or in addition thereto a Management Discussion & Analysis Report forming part of the Ninth Annual Report to the Members is given below discussing the key issues:

### **OVERVIEW**

- Net sales for this year was Rs.2018.41 Lacs which was a 29.94 percent increase from Previous year.
- Earnings before Taxes were Rs.214.42 Lacs, which were 5 percent below the previous year Earnings.
- Earnings after Taxes were Rs.122.58 Lacs, which were 12.48 percent below the previous year Earnings.

### **INDUSTRY SCENARIO**

Somi Conveyor Beltings Limited is one of the largest Rubber Conveyor Belt Manufacturing Company In India. The Company has two Manufacturing Units at Jodhpur (Rajasthan). The Conveyor Belts, which are used by the Cement, Steel, Power and other industries to transport materials and goods as a part of the Conveyor System used for material handling. Rubber Conveyor Belts are manufactured by using Various Raw Material Such as rubber, rubber chemicals and various kinds of fabric and steel wire mesh. Except the fabric all the raw materials are available as stock to sale locally as well imported. The average life of a rubber conveyor belt varies from industry to industry and application to application. Generally, the life of a conveyor belt is around 6-12 months. Rubber Conveyor belts therefore, have a large replacement market, but large part of the rubber conveyor belting industry is in the unorganized sector and therefore no definite industry specific data is available.

### **COMPANY'S PERFORMANCE**

Your company has performed better in comparison to previous year. Your company has achieved sales to the tune of Rs.2018.41 Lacs and PBDIT to the tune of Rs.338.98 Lacs which shows growth of 29.94% and 32.33% over the previous year. During the year your company has started production from Unit II and started marketing the products all over India as well as from abroad. As the new unit is producing larger width belts up from 1400mm to 2000mm wide which are mainly used by Government undertakings such as Coal India, State Electricity Boards Iron Ore Mines, etc. Wherein purchases are made through bidding process, which takes 6-8 months in finalizing the orders. Therefore the tremendous results are expected in current financial year as the company has secured various supply contracts from Coal India, NTPC, SEB etc.

### **OUR STRENGTHS**

The Company has qualified; experienced and highly successful promoters, management, operations and technical teams who contribute to its growth and help it to successfully craft and implement its strategy. The Company believes that its competent, experienced and skilled operational and technical team is its key strength in sustaining business operations and management team is well placed to provide strategic leadership and direction to explore new emerging opportunities as well as constantly improve the current operations. The Company has recruited several professional who are expert in rubber technology, management and plant operation.

The Company also has the locational advantage as Rajasthan is known for its rich reserves of chemicals and stones, which form the basic raw material for cement and mining industry. This has led to establishment and growth of big industries in this area and to name a few: Shree Cement, J.K.Cement, Ambuja Cement, Laxmi Cement, Birla Cement, Mangalam Cement, SEB's Thermal Power Generation Units etc.. All these industrial undertakings and SEB's require conveyor belts for their material handling. This enhances the scope for demand of our products.

The Company is continuously making efforts to reduce the operational costs so as to increase the margins and remain competitive in the market globally. The new Plant & Machinery installed enable our Company to manufacture quality rubber conveyor belts, reduce the wastage, and also helps in reducing the Manpower requirements.

The Company is concentrating on securing orders from the public sector, which are issued on basis of bidding process. This will enable our Company to access large orders and will also enhance the image of our Company in the industry. The Company has already secured orders from public sector undertakings such as

Karnataka Power Corporation Limited, Andhra Pradesh Power Generation Corporation Limited, Suratgarh & Kota Thermal at Rajasthan, MPGENCO (MP), all subsidiaries of Coal India such as BCCL, WCL, ECL, CCL, and SECL. The Company has recently secured orders from Neyveli Lignite Corporation, Tamil Nadu Electricity Board and NTPC which has added more confidence and strengths to The Company.

The continuous development of various types of conveyor belts for special purposes as required by different industries such as Tiger M-27, SA-54, SC-36, SEHR 36, SEFR-81, also our company follows high quality standards, guidelines and specifications as specified by the customers for our products and processes.

Recently The Company has joined hands with **MEP-OLBO GmbH-Germany** and developed **New Generation STA** Conveyor Belts which will replace the Steel Cord Beltings worldwide. MEP-OLBO GmbH-Germany will extend the technical support and know-how and state of art German Expertise for this product.

### **OUR CONCERNS**

There are certain factors which may cause our actual results to differ materially from our expectations. Among them are:

- i) our ability to successfully implement our strategy, our growth and expansion plans and
- ii) the changes in various economic parameters including growth, inflation and interest rate;

### **INTERNAL CONTROL SYSTEM AND THE ADEQUACY:**

Effective and adequate internal control systems are in place to ensure that all assets are safe guarded and protected against unauthorized use and the transactions are recorded and reported correctly. Such controls are subject to periodical review to ensure efficiency of operations, accuracy and promptness of financial reporting and compliance with all applicable statutory requirements. Compliance with various applicable laws are monitored through a procedure whereby the units send monthly reports of compliance to the Board regularly. A comprehensive report is placed before the board on risk assessment and minimization procedures adopted by the units.

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

### **HUMAN RESOURCE DEVELOPMENT**

Your company considers that a dedicated and enlightened work force is the back bone of any organization in achieving business goals. The company's HR initiatives stem from this philosophy. Your Company has maintained satisfactory, peaceful and cordial relations with its employees and further plans to improve better for consideration of most valuable asset of Human Resource in the Organization as well as to set a unique trend in the Industry in the coming future.

### **CAUTIONARY STATEMENT**

Management Discussion and Analysis Report contains forward looking statements, which may be identified by use of words in that direction or connoting the same. All statements that address expectations or projections about the future including, but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements.

The company's actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events.

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**Somi Conveyor Beltings Limited**

I have examined the compliance of Corporate Governance by Somi Conveyor Beltings Limited ("the Company") for the financial year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

**S. SINGHVI & CO.**

**CS. Shweta Singhvi, Proprietor  
Company Secretaries  
C. P. No. 7660**

**Place: Jodhpur  
Date: 1<sup>st</sup> September, 2009**

### DECLARATION

I, O P Bhansali, Chairman and Managing Director of Somi Conveyor Beltings Limited hereby declare that as of 31st March, 2009, all the Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

**For Somi Conveyor Beltings Limited**

O P Bhansali  
**Chairman & Managing Director**

**Place: Jodhpur**  
**Date: 1<sup>st</sup> September, 2009**

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### CEO/CFO CERTIFICATION

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

I have reviewed the financial statements and the cash flow statements for the year 2008-09 and that to the best of our knowledge and belief:

1. These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal control system and that i have evaluated the effectiveness of the internal control system of the Company and i have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which I am aware and the steps i have taken or propose to take to rectify these deficiencies.
5. I further certify that i have indicated to the auditors and the Audit Committee:
  - a) There have been no significant changes in internal control system during the year.
  - b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Date: 1<sup>st</sup> September, 2009  
Place: Jodhpur

**O P Bhansali**  
**CHAIRMAN, MD & CEO/CFO**

## AUDITORS REPORT

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

1. We have audited the attached Balance Sheet of Somi Conveyor Beltings Limited as at 31st March 2009, the Profit & Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These Financial Statement are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further, to our comments in the Annexure referred to above, we report that:
  - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - II. In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of the books;
  - III. The Balance sheet, the Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - IV. In our opinion, the Balance sheet, Profit & Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 subject to non-compliance of AS-15 on Retirement Benefits.
  - V. On the basis of written representation received from the directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of section 274 (1) (g) of the Companies Act, 1956;
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with significant accounting policies and notes thereon, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view;
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
  - b) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date and
  - c) In the case of the Cash Flow Statement, of the cash flows, for the year ended on that date.

FOR P.SINGHVI & ASSOCIATES  
CHARTERED ACCOUNTANTS

(PRAVEEN SINGHVI)  
PARTNER  
M.No. 71608

PLACE: JODHPUR  
DATED: 01<sup>ST</sup> SEPTEMBER 2009

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2009 OF SOMI CONVEYOR BELTINGS LTD.,**

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

- i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management during the year and no material discrepancies between the book records and the physical records have been noticed..
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the period.
- ii) (a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Company Act, 1956.
- (b) The Company has not taken unsecured loans from directors.
- iv) (a) In our opinion and according to the information and explanations given to us, certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) (a) In our opinion and according to the information and explanations given to us, during the year under audit the contracts and arrangements which need to be entered in the register have been duly entered under section 301 of the companies act,1956
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not taken any deposit under Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975.
- vii) In our opinion the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the company and the nature of its business.
- viii) As explained to us, the Central government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.



- ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, and cess as at March 31, 2009 on account of any dispute.
- x) The Company has no accumulated losses as at March 31, 2009 and it has not incurred any cash losses in the year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any bank as at the balance sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.
- xvi) In our opinion and according to the information and explanations given to us, the company has taken term loan of Rs.850.00 lacs from Punjab National Bank for expansion work of Unit – II at village tanawara, Jodhpur, which has been applied for the said purpose.
- xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Company Act, 1956 during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has raised money to the tune of Rs.2179.78 lacs public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

FOR P.SINGHVI & ASSOCIATES  
CHARTERED ACCOUNTANTS

(PRAVEEN SINGHVI)  
PARTNER  
M.No. 71608

PLACE: JODHPUR  
DATED: 01<sup>ST</sup> SEPTEMBER 2009



BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009

PARTICULARS	SCHEDULE	As at 31.03.2009 Amount - Rs.	As at 31.03.2008 Amount - Rs.
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>SHARE HOLDERS FUND</u></b>			
Share Capital	"A"	117796560	55517040
Share Application Money		--	46850000
Reserves & Surplus	"B"	260609312	92652434
<b><u>LOAN FUND</u></b>			
Secured	"C"	81722090	118814957
Deferred Tax Liability / (Assets)	"D"	6136165	(326581)
	Total	466264127	313507850
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>			
Gross Block	"E"	279109067	74641780
Less: Depreciation		24922663	12467147
Net Block		254186404	62174633
Capital Work-In-Progress		31063354	178142331
Investments	"F"	12503000	3000
Security Deposit	"G"	6264388	5038661
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
Cash And Bank Balances	"H"	5161628	3098626
Inventory	"I"	102654672	55015496
Sundry Debtors	"J"	37975862	20955672
Loan And Advances	"K"	20779502	18424822
		166571664	97494616
<b><u>Less : CURRENT LIABILITIES &amp; PROVISIONS</u></b>			
Sundry Creditors	"L"	14102120	24135458
Provisions for Expenses	"M"	5022054	11303539
		19124174	35438997
Miscellaneous Expenditure (To the extent not written off)	"N"	14799491	6093606
	TOTAL	466264127	313507850
Significant Accounting Policies	"S"		
Notes to the Accounts	"T"		

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR P. SINGHVI & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(PRAVEEN SINGHVI)  
PARTNER  
M.No.71608

(O P BHANSALI)  
MANAGING DIRECTOR

PLACE: JODHPUR  
DATED: 01<sup>ST</sup> SEPTEMBER 2009

(GAURAV BHANSALI)  
WHOLE TIME DIRECTOR

(AMIT BAXI)  
COMPANY SECRETARY

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2009**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>Year Ended on 31.03.2009 Amount - Rs.</b>	<b>Year Ended on 31.03.2008 Amount - Rs.</b>
<b><u>INCOME</u></b>			
Sales	"O"	201841208	155322734
Other Income	"P"	1762462	3449870
<b>TOTAL</b>		<b>203603670</b>	<b>158772604</b>
<b><u>EXPENDITURE</u></b>			
Cost of Goods Sold	"Q"	147027062	118705275
Other Costs	"R"	22678772	14451498
Depreciation		12455515	3043135
<b>TOTAL</b>		<b>182161349</b>	<b>136199908</b>
Profit Before Tax		21442321	22572696
Provision for Tax		(2622842)	(9018220)
Provision for FBT		(98655)	(61723)
Deferred Tax		(6462746)	513151
Profit After Tax		12258078	14005904
Balance Brought Forward From Previous Year		27840443	13834539
Balance Carried To Balance Sheet		40098521	27840443
<b>Earning Per Share (Basic/Diluted)</b>		<b>1.24</b>	<b>2.64</b>
Significant Accounting Policies	"S"		
Notes to the Accounts	"T"		

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR P. SINGHVI & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(PRAVEEN SINGHVI)  
PARTNER  
M.No.71608

(O P BHANSALI)  
MANAGING DIRECTOR

PLACE: JODHPUR  
DATED: 01<sup>ST</sup> SEPTEMBER 2009

(GAURAV BHANSALI)  
WHOLE TIME DIRECTOR

(AMIT BAXI)  
COMPANY SECRETARY



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS		As at 31.03.2009 Amount - Rs.	As at 31.03.2008 Amount - Rs.
<b><u>SCHEDULE "A"</u></b>			
<b><u>SHARE CAPITAL</u></b>			
<b><u>AUTHORISED</u></b>			
25000000 Equity Shares of Rs.10.00 Each (Previous Year 25000000 Equity Shares of Rs.10.00 Each)		250000000	250000000
		250000000	250000000
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>			
11779656 (Previous Year 5551704) Equity Shares of Rs.10.00 Fully Paid up		117796560	55517040
		117796560	55517040
Share Application Money		---	46850000
		---	46850000
<b><u>SCHEDULE "B"</u></b>			
<b><u>RESERVES AND SURPLUS</u></b>			
General Reserve			
Net Profit			
As per last Balance Sheet	27840443		
Add: Appropriated during the year	12258078	40098521	27840443
Share Premium		26118000	26118000
Add: Addition during the year		155698800	---
		181816800	26118000
Re-Valuation Reserve		38693991	38693991
		260609312	92652434
<b><u>SCHEDULE "C"</u></b>			
<b><u>SECURED LOANS</u></b>			
Working Capital Loan (Secured by way of Hypothecation of current assets present and future including entire stocks, raw materials, consumable stores and spares, finished goods and book debts.)		41673056	47222909
Term Loan from Bank's (Secured by way of Hypothecation of Plant and Machinery)		40049034	71592048
		81722090	118814957
<b><u>SCHEDULE "D"</u></b>			
<b><u>DEFERRED TAX LIABILITY/(ASSETS)</u></b>			
Deferred Tax		6136165	(326581)
		6136165	326581

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009**
**SCHEDULE "E"**  
**FIXED ASSETS**

PARTICULARS	GROSS BLOCK AS ON 01-04-08	ADDITIONS (DEDUCTIONS) DURING THE PERIOD	TOTAL	DEPRECIATION		Depreciation Reversed back*	Net Block	
				UP TO 31-03-2008	For the Year		AS ON 31.03.2009	AS ON 31.03.2008
Land**	52623405	NIL	52623405	NIL	NIL	NIL	<b>52623405</b>	52623405
Building	8860515	72895734	81756249	4296053	5091626	706475	<b>73075045</b>	4564462
Computer	759451	72790	832241	726794	112565	227367	<b>220249</b>	32657
Plant & Machinery	10518768	129774121	140292889	6391702	9119568	1347030	<b>126128649</b>	4127066
Furniture & Fixtures	350328	70825	421153	228332	40174	54176	<b>206823</b>	121996
Vehicles	1529314	1382838	2912152	824267	552392	157640	<b>1693133</b>	705047
Vehicles ( C )	---	270978	270978	---	31878	NIL	<b>239100</b>	
<b>Total</b>	<b>74641781</b>	<b>204467286</b>	<b>279109067</b>	<b>12467148</b>	<b>14948203</b>	<b>2492688</b>	<b>254186404</b>	62174633
Capital Work-in-Progress	178142331	-147078977	31063354	--	--	--	<b>31063354</b>	178142331
<b>TOTAL</b>	<b>252784112</b>	<b>57388309</b>	<b>310172421</b>	<b>12467148</b>	<b>14948203</b>	<b>2492688</b>	<b>285249758</b>	240316964

\* Note No.2 in Schedule's' of Significant Accounting Policy

\*\* Includes Revaluation on 15<sup>th</sup> February, 2006 and 16<sup>th</sup> February, 2006 by an external valuer.

<b><u>SCHEDULE "F"</u></b>		
<b><u>INVESTMENT</u></b>		
National Saving Certificates		3000
Investment in Shares (Allotment Pending)		---
		<b>12500000</b>
		<b>12503000</b>
		3000
<b><u>SCHEDULE "G"</u></b>		
<b><u>SECURITY DEPOSITS</u></b>		
		<b>6264388</b>
		<b>6264388</b>
		5038661
		5038661
<b><u>SCHEDULE "H"</u></b>		
<b><u>CASH AND BANK BALANCES</u></b>		
Cash in Hand		46187
With Scheduled Bank in Current A/c		394999
FDR ( For BG/LC Margin)		4720442
		<b>5161628</b>
		1191219
		(19435)
		1926842
		3098626
<b><u>SCHEDULE "I"</u></b>		
<b><u>INVENTORIES</u></b>		
Stock of Raw Materials		79598650
Work-in-Progress		6666663
Finished Goods		16389359
		<b>102654672</b>
		34831943
		2090572
		18092981
		55015496
<b><u>SCHEDULE "J"</u></b>		
<b><u>SUNDRY DEBTORS &amp; ADVANCES</u></b>		
( Unsecured and Considered Good)		
More Than Six Months		11370395
Less Than Six Months		26605467
		<b>37975862</b>
		2215091
		18740581
		20955672



## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	As at 31.03.2009	As at 31.03.2008
	Amount - Rs.	Amount - Rs.
<b><u>SCHEDULE "K"</u></b>		
<b><u>LOANS AND ADVANCES</u></b>		
Advance to Raw Material Suppliers	1977898	192747
Advance Against Factory Expenses	808461	426114
Advance to Staff	2648860	615611
Advance Payment Against Taxes	12331004	12092531
Advance to Others	2500048	1745278
Advance Against IPO Expenses	7595	2835110
Prepaid Insurance	505636	517431
	<b>20779502</b>	<b>18424822</b>
<b><u>SCHEDULE "L"</u></b>		
<b><u>SUNDRY CREDITORS</u></b>		
For Capital Goods	1231591	12398191
For Trade	10086711	10897717
For Expenses	1739880	565624
Advance from Customers	1043938	273926
	<b>14102120</b>	<b>24135458</b>
<b><u>SCHEDULE "M"</u></b>		
<b><u>PROVISIONS FOR EXPENSES</u></b>		
Provision for General Expenses	1781460	2045984
Statutory Dues	3240594	9257555
	<b>5022054</b>	<b>11303539</b>
<b><u>SCHEDULE "N"</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
(To the extent not written off)		
Preoperative Expenditure	14799491	6093606
	<b>14799491</b>	<b>6093606</b>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009**

PARTICULARS		Year Ended on 31.03.2009 Amount - Rs.		Year Ended on 31.03.2008 Amount - Rs.
<b>SCHEDULE "O"</b>				
<b><u>SALES</u></b>				
Sales (Domestic)		226111114		180912983
Sales ( Export)		2511386		----
Less: Central Excise Duty		26781292		25590249
		<b>201841208</b>		<b>155322734</b>
<b>SCHEDULE "P"</b>				
<b><u>OTHER INCOME</u></b>				
Interest on FDR		1060868		104575
Insurance Claim		169340		185295
Income from Treasury Deal		----		3160000
Other Interest Received		159150		----
Income from DEPB License		326896		----
Discount Received		43768		----
Other Income		2400		----
Bank Interest		40		----
		<b>1762462</b>		<b>3449870</b>
<b>SCHEDULE "Q"</b>				
<b><u>COST OF GOODS SOLD</u></b>				
Raw Material Consumption				
Opening Stock	34831943		11745580	
Add: Raw Material Purchase	178307960		149164427	
Less: Closing Stock	<u>79598650</u>	<b>133541253</b>	<u>34831943</u>	126078064
 (Increase) / Decrease in Stock				
Opening Stock of W I P	2090572		191930	
Opening Stock of Finished Goods	18092981		1807416	
Less: Closing Stock of W I P	6666663		2090572	
Less: Closing Stock of Finished Goods	<u>16389359</u>	<b>(2872469)</b>	<u>18092981</u>	<b>(18184207)</b>
 Manufacturing and Other Expenses				
Power & Fuel	5532276		3383269	
Consumable Stores	3268099		300703	
Repairs & Maintenance	972566		764384	
Testing Charges	5323		6209	
Factory Expenses	162054		26837	
Freight Expenses	5059775		4761207	
Packing Expenses	1304588		1546212	
Economic Rent & Ser. Charges	13417		13417	
Water Expenses	<u>40180</u>	<b>16358278</b>	<u>9180</u>	10811418
		<b>147027062</b>		<b>118705275</b>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

PARTICULARS	Year Ended on 31.03.2009 Amount - Rs.	Year Ended on 31.03.2008 Amount - Rs.
<b>SCHEDULE "R"</b>		
<b><u>Other Cost</u></b>		
Employee Cost	4168860	3478005
Administrative Expenses	1510283	1614564
Auditors Remuneration	140000	56180
Finance Charges	891586	573156
Interest	10464973	6812241
Insurance	707520	261743
Donation	500	--
Selling & Distribution Expenses	4175941	1273308
Office Rent	110000	110000
Prior Period Expenses	----	42785
Other Expenses	509109	229516
	<b>22678772</b>	<b>14451498</b>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31<sup>ST</sup> MARCH, 2009

**SCHEDULE "S": STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**

**1. ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention, on accrual basis, in conformity in all material aspects with the generally accepted accounting principles and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**2. FIXED ASSETS AND DEPRECIATION**

- a) Fixed Assets are stated at their original cost (net of CENVAT where applicable) including freight, duties, customs and other incidental expenses relating to acquisition and installation.
- b) Depreciation has been provided on written down value method.

**3. INVESTMENTS**

Long term investments intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognize a decline in the value of Investments.

**4. INVENTORIES**

Raw material and stores and spares are valued at cost or net realizable value. Cost is arrived on a first in first out basis and includes applicable manufacturing overheads.

**5. REVENUE RECOGNITION**

Revenue from sale of goods is accounted for on the basis of dispatch of goods. Sales are inclusive of excise duty and net of sales return and trade discounts.

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009**
**6. TAXATION**
**a) INCOME TAX PROVISION**

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

**b) DEFERRED TAX**

As per AS-22 issued by the Institute of Chartered Accountants of India, Company provides for deferred tax using the liability method, based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

Deferred Tax Assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realized in future.

The Calculation of Deferred Tax is as under:

	Deferred Tax Asset/(Liability) As on 01.04.2008	Current Year (Change) / Credit	Deferred Tax Asset/(Liability) As on 31.03.2009
<b>Depreciation</b>	291675.00	(6515744.00)	(6224069.00)
<b>Provision for Gratuity</b>	34906.00	52998.00	87904.00
<b>Brought forward Loss</b>	NIL	NIL	NIL
<b>Net</b>	<b>326581.00</b>	<b>(6462746.00)</b>	<b>(6136165.00)</b>

**7. FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions, other than those covered by forward contracts, are accounted for at the exchange rate prevailing on the transaction date. Gain / loss arising out of fluctuation in rate between transaction date and settlement date in respect of revenue items are recognized in the Profit and Loss Account.

In respect of transaction covered by forward exchange contracts the difference between the contract rate and the spot rate on the date of the transaction is amortized as expense or income over the life of the contract.

**8. RESEARCH AND DEVELOPMENT**

Equipment purchased for research and development is capitalized when commissioned and included in the gross block of fixed assets. Revenue expenditure on research and development is charged in the period in which it is incurred.

**9. RETIREMENT BENEFITS**
**(i) Defined contribution Plans**

Company's contribution paid/ payable during the year to provident fund are recognized in the Profit and Loss Account.

**(ii) Defined Benefit Plan**

The gratuity will be paid as and when employee leaves. Liability towards gratuity is not based on actuarial valuation carried out by the an authorized actuary which is not in compliance with AS-15(revised) issued by the Institute of Chartered Accountants of India. However, same has been done by the company itself, which has been provided in the Books of Accounts amounting to Rs. 155920.00.

**10. BORROWING COST**

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which the asset is ready to use as part of the cost of that asset. Interest on working capital is charged to revenue accounts following the AS-16 issued by the Institute of Chartered Accountants of India.



**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009**

**11. PRIOR PERIOD EXPENSES**

Particulars	31.03.2009	31.03.2008
Gratuity	Nil	Rs.42785/-

**12. IMPAIRMENT OF FIXED ASSETS**

The company has complied with the AS-28 on Impairment of Fixed Assets prescribed by the companies (Accounting Standard) rules, 2006.

**13. SEGMENT REPORTING**

The Company has only one reportable segment (AS-17) for the year ended on 31<sup>st</sup> March, 2009, which is manufacturing and sale of industrial conveyor belts.

**SCHEDULE "T": NOTES ON ACCOUNTS**

**1. DEPRECIATION**

Depreciation has been provided on written down value method at the rates and in the manner specified under Schedule XIV of the Companies Act, 1956. However, there is change in method from straight line method followed in previous years to written down value method, due to which depreciation to the tune of **Rs. 2492688.00** was excessively charged which have been reversed back in the current year with retrospective effect. Profit for the current year is over-stated by the same amount.

**2. WORKING CAPITAL**

The Working capital facilities amounting to Rs.600 lacs (previous year Rs. 600.00 Lacs) have been sanctioned by bank and are secured by hypothecation of stocks, spares and book debts.

**3. CONTINGENT LIABILITIES NOT PROVIDED FOR:**

	31.03.2009	31.03.2008
Letter of Credit	9916560/-	NIL
Bank Guarantee	8880159/-	5162000/-

**4. FOREIGN CURRENCY TRANSACTION**

The amount of exchange rate difference in respect of forward exchange contract has been recognized in the Profit and Loss Account amounting to Rs. 175635/-(previous year Rs.182884/-).

**5. PRE OPERATIVE EXPENSES**

Company has made expenditure on new project to the tune of Rs147.99 lacs, however management has decided to amortise in next five years.

**6. RELATED PARTY DISCLOSURES**

In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosure In respect of transactions with the Company's related parties are as follows:

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009**
**A. List of Related parties with whom transaction have taken place and relationship**

Particulars	Financial Year ended 31.03.2009	Financial Year ended 31.03.2008
Nature of Relationship	Name of Party	Name of Party
Key Management Personnel ('KMP')	O P Bhansali Vimal Bhansali Gaurav Bhansali	O P Bhansali Vimal Bhansali Gaurav Bhansali
Relative of Key Management Personnel ('RKMP')	OM Kumari Bhansali Priya Bhansali Ruchi Bhansali Madhu Mehta	OM Kumari Bhansali Priya Bhansali Ruchi Bhansali Madhu Mehta
Related parties where KMP/RKMP exercise Significant influence	Oliver Micon Inc Earth Movers Enterprises OM Prakash Bhansali HUF Vimla Bhansali HUF Gaurav Bhansali HUF	Oliver Micon Inc Earth Movers Enterprises Om Prakash Bhansali HUF Vimla Bhansali HUF Gaurav Bhansali HUF

**B. Transaction during the Year with Related Parties: -**

Particulars	Name of Relation Ship	(Rs. Lakhs)	
		31.03.2009	31.03.2008
<b>Sales of Goods</b>	Related parties where KMP / RKMP exercise significant influence	15.40	12.72
Purchases	Related parties where KMP/ RKMP exercise significant influence	0.61	--
Managerial Remuneration	Key Management Personnel ('KMP')	8.88	8.88
Sitting Fee	Key Management Personnel ('KMP')	--	--
Interest Paid	Key Management Personnel ('KMP')	--	--
	Relatives of Key Management Personnel ('RKMP')	--	--
Sales Incentive	Key Management Personnel ('KMP')	--	--
Subscription to Purchase of Equity shares	Key Management Personnel ('KMP')	56.25	468.50
	Relatives of Key Management Personnel ('RKMP')	--	--
Loan Received	Key Management Personnel ('KMP')	--	--
	Relatives of Key Management Personnel ('RKMP')	--	22.00
Loan Paid	Key Management Personnel ('KMP')	--	--
	Relatives of Key Management Personnel ('RKMP')	--	22.00

**C. Out Standing Balances**

<b>Sales of Goods</b>	Related parties where KMP/RKMP exercise Significant influence	15.45	14.96
<b>Loans</b>	Key Management Personnel ('KMP')	22.68	--
	Relatives of Key Management Personnel ('RKMP')	--	--

**7. EARNING PER SHARE (EPS) :**

Particulars	31.03.2009	31.03.2008
Net Profit After Tax	123.82	140.06
No. of Equity Shares Weighted Average	9953927	5303460
Earning Per Share*	1.24	2.64
Price Per Share	10	10

\* EPS (Basic/Diluted) CALCULATED ACCORDING TO AS-20

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009**
**8. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and liquid investments as per AS-3 on cash flow statement.

**9. CAPITAL WORK-IN-PROGRESS**

In respect of supply-cum-erection, the value of supplies received at site and accepted is treated as Capital Work-in-Progress.

Incidental Expenditure during construction (net) including corporate office expenses for the year is apportioned to Capital Work-in-Progress on the basis of accretion thereto.

Deposit work/Cost plus contracts are accounted on the basis of statement of account received of account received from the contracts.

**10. SUPPLEMENTARY STATUTORY INFORMATIONS**
**a) Managing Director's Remuneration**

Particulars	Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
Salaries	432000	432000
Total	432000	432000

**b) Executive Director's and Whole Time Directors Remuneration**

Particulars	Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
Salaries	456000	456000
Total	456000	456000

**c) Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for Calculation of Remuneration to the Managerial Personnel.**

Particulars	Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
Profit Before Tax as per Profit and Loss Account*	21442321	22572696
Add : Managerial Remuneration	888000	888000
Depreciation as per Books	12455515	3043135
Less: Deduction under section 349 and 350		
Depreciation under Section 349	12455515	3043135
Net Profit for the purpose of Managerial Remuneration	22330321	23460696
Maximum Remuneration Payable up to 10% of the above to Whole-time Directors	2233032	2112716

\* The Profit and Loss account include Rs.888000/- (Previous Year Rs.888000/-) towards remuneration to the Managerial personnel.

**d) Details of Payment to Auditors**

Particulars	Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
Audit Fees	140000	56180
Total	140000	56180

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009**
**11. Utilisation of Fund Received from IPO of Equity Shares**

Sl No.	Particulars	Estimated utilization Amount (Rs. In Lacs)	Actual utilization up to 31 March, 2009(Rs. In Lacs)
1	Setting up of new manufacturing unit (including Land & Land Development, civil construction, Plant and machinery, Misc Fixed Assets and Interest during construction Period)	1514.35	1512.14
2	Purchase of Land and Building from the promoters of our Company for Office Purpose.	85.40	59.00
3	Margin Money Required for the enhanced Working Capital	300.00	300.00
4	Expenses of the Issue	280.00	214.02
5	Total	2179.75	2085.16

12. The company is in the process of identifying Micro and Medium Enterprises as defined under the Micro, Small and medium enterprises Development Act, 2006. Hence disclosure relating to amounts unpaid as at the year end together with interest payable thereon has not been given.
13. Previous year's figures have been re-cast, regrouped and re-arranged wherever considered necessary to make them comparable.

**ADDITIONAL INFORMATION PURSUANT TO PART- II OF SCHEDULES VI TO THE COMPANIES ACT, 1956.**

LICENSED CAPACITY			Not Applicable			
			31.03.2009		31.03.2008	
A	Capacity Production	Mtrs	302400		151200	
B	Production (Conveyor Belt)	Mtrs	112923.39		94365.00	
			Qty.	Value (Rs. In lacs)	Qty.	Value (Rs. In lacs)
C	Turnover	Mtrs/Rs.	115779	2302.20	90425	1,809.12
D	Opening Stock	Mtrs/Rs.	7939.00	180.93	3999	18.00
E	Closing Stock	Mtrs/Rs.	5083	163.89	7939.00	180.93
F	Purchases of Raw Material	Kgs/Rs.	2087763.23	1783.08	2031076.30	1,491.64
G	Consumption of Raw Material	Kgs/Rs.	1866613.93	1335.41	1796401.90	1,260.78
H	Consumable Stores	Rs.		32.68		3.01
I	CIF Value of Imports	Rs.		267.95		383.31
	Raw Material	Rs.		267.95		85.63
	Capital Goods	Rs.		----		297.68
J	Expenditure in Foreign Currency	Rs.				
	Raw Material	Rs.		274.69		78.99
	Capital Goods	Rs.		----		214.20
K	Earnings in Foreign Currency	Rs.		NIL		NIL
L	Amount Remitted in foreign currency on account of Dividend	Rs.		NIL		NIL

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

PARTICULARS	For the year ended 31.03.2009	For the year ended 31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	2,14,42,321	2,25,72,696
Depreciation Charged	1,24,55,515	30,43,135
Interest Charged	1,04,64,973	6,812,241
Interest Received	(17,62,462)	(3,449,870)
<b>Operating Profit Before Working Capital Changes</b>	<b>4,26,00,347</b>	<b>2,89,78,202</b>
Trade and Other Receivable	(1,70,20,190)	1,60,75,499
Inventories	(4,76,39,176)	(4,12,70,570)
Trade Payables & Provisions	(95,62,461)	1,78,05,235
Loans & Advances and Other Current Assets	(13,73,417)	(1,00,68,342)
Advance Tax Paid	(9,81,263)	5,84,929
<b>Cash Generated From Operations</b>	<b>(3,39,76,160)</b>	<b>1,21,04,953</b>
Direct Taxes paid	(94,73,859)	(64,12,924)
<b>Net Cash From Operating Activities (a)</b>	<b>(4,34,50,019)</b>	<b>56,92,029</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase / Acquisition of Fixed Assets	(5,73,88,309)	(12,12,63,669)
Security Deposit	(12,25,727)	(43,47,756)
Purchase of Investment	(1,25,00,000)	
Preliminary Expenses Incurred	(87,05,885)	(29,02,189)
Interest Received	17,62,462	34,49,870
<b>Net Cash used in Investing Activities (b)</b>	<b>(78,057,459)</b>	<b>(12,50,63,744)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Issuance of Shares	6,22,79,520	1,74,12,000
Share Application Money (Pending allotment)	(4,68,50,000)	33,20,000
Share Premium Received	15,56,98,800	2,61,18,000
Secured Loans	(3,70,92,867)	7,56,01,225
Unsecured Loans	-	(500,000)
Interest Paid	(1,04,64,973)	(68,12,241)
<b>Net cash from Financing Activities (c)</b>	<b>12,35,70,480</b>	<b>11,51,38,984</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>	<b>20,63,002</b>	<b>(42,32,731)</b>
Cash & Cash Equivalent As At 31.03.2008 Opening Balance	30,98,626	73,31,357
Cash & Cash Equivalent As At 31.03.2009 Closing Balance	51,61,628	30,98,626

Notes: 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (Revised) on Cash Flow Statements as prescribed by Companies (Accounting Standard) Rules, 2006.  
2. Previous year's figures have been regrouped and rearranged wherever considered necessary.

FOR P. SINGHVI & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(PRAVEEN SINGHVI)  
PARTNER  
M.No.71608

(O P BHANSALI)  
MANAGING DIRECTOR

PLACE: JODHPUR  
DATED: 01<sup>ST</sup> SEPTEMBER 2009

(GAURAV BHANSALI)  
WHOLE TIME DIRECTOR

(AMIT BAXI)  
COMPANY SECRETARY



**INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 BALANCE SHEET  
ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No 

0	1	6	4	8	0
---	---	---	---	---	---

 State Code 

1	7
---	---

Balance Sheet Date 

3	1	0	3	2	0	0	9
---	---	---	---	---	---	---	---

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue 

6	2	2	7	9
---	---	---	---	---

 Right Issue 

N	I	L
---	---	---

Bonus Issue 

N	I	L
---	---	---

 Private Placement 

N	I	L
---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)

Total Liabilities 

4	6	6	2	6	4
---	---	---	---	---	---

1	2
---	---

 Total Assets 

4	6	6	2	6	4
---	---	---	---	---	---

1	2
---	---

SOURCES OF FUNDS

Paid-up capital 

1	1	7	7	9	6
---	---	---	---	---	---

5	6
---	---

 Reserves & Surplus 

2	6	0	6	0	9
---	---	---	---	---	---

3	1
---	---

Secured Loans 

0	8	1	7	2	2
---	---	---	---	---	---

0	9
---	---

 Unsecured Loan 

0	0	0	0	0	0
---	---	---	---	---	---

0	0
---	---

DEFERRED TAX LIABILITIES 

0	0	6	1	3	6
---	---	---	---	---	---

1	6
---	---

APPLICATION OF FUNDS

Net Fixed Assets 

2	8	5	2	4	9
---	---	---	---	---	---

7	5
---	---

 Investments 

0	1	2	5	0	3
---	---	---	---	---	---

0	0
---	---

Net Current Assets 

1	4	7	4	4	7
---	---	---	---	---	---

4	9
---	---

 Misc. Expenditure 

0	1	4	7	9	9
---	---	---	---	---	---

4	9
---	---

Accumulated Losses 

N	I	L
---	---	---

 Security Deposits 

0	0	6	2	6	4
---	---	---	---	---	---

3	9
---	---

IV. Performance of Company (Amount in Rs. Thousands)

Total Income 

2	0	3	6	0	3
---	---	---	---	---	---

6	7
---	---

 Total Expenditure 

1	8	2	1	6	1
---	---	---	---	---	---

3	5
---	---

Profit Before Tax (-) 

0	2	1	4	4	2
---	---	---	---	---	---

3	2
---	---

 Profit After Tax (-) 

0	1	2	2	5	8
---	---	---	---	---	---

0	8
---	---

Earning per Share (Rs.) 

		1		2	4
--	--	---	--	---	---

 Dividend Rate % 

N	I	L
---	---	---

V. Generic Name of Two Principal Products/Services of Company  
(As per monetary terms)

Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E
Products Description	C	O	N	V	E	Y	O	R		B	E	L	T	S
Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E
Production Description	N	O	T		A	P	P	L	I	C	A	B	L	E

FOR P. SINGHVI & ASSOCIATES  
CHARTERED ACCOUNTANTS

(PRAVEEN SINGHVI)  
PARTNER  
M.No.71608

PLACE: JODHPUR  
DATED: 01<sup>ST</sup> SEPTEMBER 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

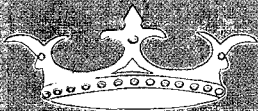
(O P BHANSALI)  
MANAGING DIRECTOR

(GAURAV BHANSALI)  
WHOLE TIME DIRECTOR

(AMIT BAXI)  
COMPANY SECRETARY

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