

SOMA PAPERS & INDUSTRIES LIMITED
Consolidated Balance Sheet as at 31/03/2017

| | Note No. | As at 31/03/2017 | As at 31/03/2016 |
|--|-------------|---------------------|---------------------|
| EQUITY AND LIABILITIES: | | | |
| 1 Shareholders Fund | | | |
| Share capital | 1 | 1,40,21,500 | 1,40,21,500 |
| Reserves & surplus | 2 | 17,18,537 | 18,93,915 |
| 2 Share Application Money Pending Allotment | | | |
| 3 Non-Current Liabilities | | | |
| Long-term borrowings | | | |
| Other Long term liabilities | | | |
| Long term provisions | | | |
| 4 Current Liabilities | | | |
| Short-term borrowings | | | |
| Trade payables | 3 | 30,64,316 | 32,27,985 |
| Other current liabilities | 4 | 72,32,492 | 67,36,728 |
| Short-term provisions | | | |
| TOTAL | | 2,60,36,845 | 2,58,80,128 |

ASSETS

| | | | |
|-------------------------------|---|--------------------|--------------------|
| 5 Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 5 | 1,05,35,248 | 1,05,35,248 |
| Intangible Assets | | | |
| Capital work-in-progress | | | |
| Non-Current Investments | 6 | | - |
| Long Term Loans and Advances | 7 | 20,05,567 | 19,84,286 |
| 6 Current Assets | | | |
| Current Investments | | | |
| Inventories | | | |
| Trade Receivables | 8 | | - |
| Cash and bank balances | 9 | 1,34,93,122 | 1,33,57,685 |
| Short Term Loans and advances | | 2,909 | 2,909 |
| Other Current Assets | | | |
| TOTAL | | 2,60,36,845 | 2,58,80,128 |

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON ACCOUNTS

1 to 29

As per our report of even date attached
For Dharmesh Shah & Co
Chartered Accountants
F.R.N.138794W

D. A. Shah

Dharmesh Shah, Proprietor
M. No.106620
Mumbai, 29 May 2017



On behalf of the Board of Directors

G.S. Mansawala, Director (DIN 0127114) *G.S. Mansawala*

K. G. Gupta, Director (DIN 00997067)

Vikram Somani, Director (DIN 00054310) *Vikram Somani*

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

Saraswati Somani, Director (DIN 00286741) *S. Somani*

SOMA PAPERS & INDUSTRIES LIMITED
Consolidated Profit & Loss for the year ended 31/03/2017

| | Note No. | As at 31/03/2017 | As at 31/03/2016 |
|--|-------------|---------------------|---------------------|
| INCOME | | | |
| Revenue from operations | | - | - |
| Other Income | 10 | 2,44,597 | 5,94,522 |
| TOTAL | | 2,44,597 | 5,94,522 |
| EXPENDITURE | | | |
| Cost of materials consumed | | | |
| Purchase of finished goods | | | |
| (Increase)/Decrease in inventories of finished goods | | - | - |
| Employee benefit expense | 11 | 6,000 | 15,500 |
| Financial cost | | - | - |
| Depreciation and amortization expense | 5 | - | 4,131 |
| Other Expenses | 12 | 4,13,975 | 6,84,663 |
| TOTAL | | 4,19,975 | 7,04,294 |
| PROFIT | | | |
| Net profit/(loss) before Tax | | (1,75,378) | (1,09,772) |
| Provision for income tax | | | |
| Current Tax | | | - |
| Tax Provisions (Earlier Years) | | | (13,82,489) |
| Deferred Tax benefit [Refer note 11 of Schedule 16] | | | - |
| Net profit/(loss) after tax | | (1,75,378) | (14,92,261) |
| Basic and diluted earnings/(loss) per share before excepti | | (0.13) | (1.06) |



SIGNIFICANT ACCOUNTING POLICIES
NOTES ON ACCOUNTS

1 to 29

For Dharmesh Shah & Co
Chartered Accountants
F.R.N.138794W

D. A. Shah

Dharmesh Shah, Proprietor
M. No.106620
Mumbai, 29 May 2017



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

K. G. Gupta, Director (DIN 00997067)

Vikram Somani, Director (DIN 00054310)

Bharat Somani, Director (DIN 00286727)

Saraswati Somani, Director (DIN 00286741)

G.S. Mansawala
K.G. Gupta
Vikram Somani
Bharat Somani
Saraswati Somani

SOMA PAPERS & INDUSTRIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST MARCH, 2017

| | 2016-17 | 2015-16 |
|--|--------------------|--------------------|
| | Rs. | Rs. |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit/ (loss) before tax and extraordinary items | (1,75,378) | (1,09,772) |
| ADJUSTMENTS FOR : | | |
| Depreciation | - | 4,131 |
| Loss / (Profit) on sale of Investment | - | - |
| Provision for Tax | - | - |
| Interest | - | - |
| Interest income | - | - |
| Dividend income | (39) | (312) |
| | (39) | 3,819 |
| Operating profit before working capital changes | (1,75,417) | (1,05,953) |
| ADJUSTMENTS FOR WORKING CAPITAL CHANGES : | | |
| Trade and other receivables | (21,281) | 2,98,450 |
| Trade payables and other trade liabilities | 3,32,095 | - |
| | | 2,98,450 |
| Cash generated from operations | 1,35,397 | 1,92,497 |
| Proceeds from borrowings(net of repayment) | - | 80,192 |
| Less: Taxes (paid)/ Refund | - | - |
| | 1,35,397 | 2,72,689 |
| Net cash from operating activities | 1,35,397 | 2,72,689 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of Investment | - | - |
| Sale / (Purchase) of fixed assets | - | - |
| Dividend received | 39 | 312 |
| Interest received | - | - |
| Net cash from investing activities | 39 | 312 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings(net of repayment) | - | - |
| Interest paid | - | - |
| Net cash used in financing activities | - | - |
| Net increase in cash and cash equivalents (A+B+C) | 1,35,435 | 2,73,000 |
| Cash and cash equivalents - Opening balance | 1,33,57,685 | 1,30,84,685 |
| Cash and cash equivalents - Closing balance | 1,34,93,122 | 1,33,57,685 |
| Net increase/(decrease) as disclosed above | 1,35,435 | 2,73,000 |

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON ACCOUNTS

As per our report of even date attached
For Dharmesh Shah & Co
Chartered Accountants
F.R.N.138794W

D. A. Shah

Dharmesh Shah, Proprietor
M. No.106620
Mumbai, 29 May 2017



On behalf of the Board of Directors

G.S. Mansawala
G.S. Mansawala, Director (DIN 0127114)

K. G. Gupta, Director (DIN 00997067)

Vikram Somani
Vikram Somani, Director (DIN 00054310)

Bharat Somani
Bharat Somani, Director (DIN 00286932)

SOMA PAPERS & INDUSTRIES LIMITED
Notes on Financial Statements for the year ended 31/03/2017

| | As at 31/03/2017 | (₹) As at 31/03/2016 |
|--|---------------------|----------------------------|
| 1 SHARE CAPITAL | | |
| Authorised | | |
| 50,00,000 Equity shares of Rs. 10/- each | <u>5,00,00,000</u> | <u>5,00,00,000</u> |
| Issued, subscribed & paid-up | | |
| 14,02,150 Equity shares of Rs. 10/- each fully paid-up (includes 14,01,800 equity shares of Rs.10/- each fully paid up issued for consideration other than cash) | <u>1,40,21,500</u> | <u>1,40,21,500</u> |
| | <u>1,40,21,500</u> | <u>1,40,21,500</u> |
| Details of Equity Shares held by each shareholder holding more than 5% shares: | | |
| Particulars | | |
| SRS Trading and Agencies P Ltd | 40.35% | 40.35% |
| There are no new shares issued during the year under review. | | |
| 2 RESERVES & SURPLUS | | |
| Share premium account | 1,17,34,600 | 1,17,34,600 |
| Capital Reserve | 32,00,000 | 32,00,000 |
| Revaluation Reserve | 7,24,29,824 | 7,24,29,824 |
| Profit and Loss Account | | |
| Opening Balance | (8,54,70,509) | (8,39,78,248) |
| Add: Profit / (Loss) for the year | <u>(1,75,378)</u> | <u>(14,92,261)</u> |
| | (8,56,45,887) | (8,54,70,509) |
| TOTAL | <u>17,18,537</u> | <u>18,93,915</u> |
| 3 TRADE PAYABLE | <u>30,64,316</u> | <u>32,27,985</u> |
| 4 OTHER CURRENT LIABILITIES | | |
| Security deposits from dealers - Matured | 10,42,160 | 10,42,160 |
| Interest free sales-tax incentive loan | 2,30,323 | 2,30,323 |
| Interest accrued and due on loan and deposits | - | - |
| Interest accrued and due on sales tax loan | 25,56,556 | 25,56,556 |
| Advance from customers | 4,38,332 | 5,19,221 |
| Other payable | 22,50,121 | 23,88,468 |
| (includes liability for expenses and deposits) | | |
| Loan from Director | 7,15,000 | |
| TOTAL | <u>72,32,492</u> | <u>67,36,728</u> |



SOMA PAPERS & INDUSTRIES LIMITED
Notes on Financial Statements for the year ended 31/03/2017

| | <u>As at 31/03/2017 Rs.</u> | <u>As at 31/03/2016 Rs.</u> |
|---|-------------------------------------|-------------------------------------|
| 6 NON-CURRENT INVESTMENTS (Long-term, at cost) | | |
| <u>Investments in subsidiary company (Unquoted)</u> | | |
| In Vecron Industries Ltd. - equity shares of Rs.10/- each, fully paid-up | 2,70,00,000 | 2,70,00,000 |
| Other than trade | | |
| <u>Equity shares of Rs.10/- each fully paid up (Quoted)</u> | | |
| Adhunik Synthetics Limited | 25,000 | 25,000 |
| Aluminium Industries Limited | 18,75,000 | 18,75,000 |
| Conway Printers Limited | 2,50,000 | 2,50,000 |
| Gujarat Composite Limited | - | - |
| Titaghur Paper Mills Company Limited | 850 | 850 |
| | <u>2,91,50,850</u> | <u>2,91,50,850</u> |
| Less: Provision for permanent diminution in the value of long term investments. | (2,91,50,850) | (2,91,50,850) |
| TOTAL | <u>-</u> | <u>-</u> |
| Note : | | |
| Aggregate Book Value (net of provisions) Quoted | | - |
| Aggregate Market Value of quoted investments | | - |
| 7 LONG TERM LOANS AND ADVANCES (Unsecured - considered good, unless otherwise stated) | | |
| Loans to subsidiary company (considered doubtful) | 4,31,88,386 | 4,31,88,386 |
| Advances recoverable in cash or in kind or for value to be received | 72,139 | 6,597 |
| Other Advances | 7,67,506 | 8,06,967 |
| Deposits | 11,65,922 | 11,70,722 |
| Advance income tax and tax deducted at source | - | - |
| TOTAL | <u>4,51,93,953</u> | <u>4,51,72,672</u> |
| Less: Provision for doubtful loan to subsidiary company C/F | (4,31,88,386) | (4,31,88,386) |
| | <u>20,05,567</u> | <u>19,84,286</u> |
| 8 TRADE RECEIVABLES | | |
| Secured / Unsecured | - | - |
| TOTAL | <u>-</u> | <u>-</u> |
| 9 CASH AND BANK BALANCES | | |
| Cash-in-hand (including cheques in hand Rs. Nil, previous year Rs.Nil) | 2,857 | 3,857 |
| Balances with Scheduled Banks | | |
| - In current accounts | 1,34,90,265 | 1,33,53,828 |
| - In Unclaimed dividend account | | |
| - In fixed deposit account | | |
| (Refer Note 17) | | |
| TOTAL | <u>1,34,93,122</u> | <u>1,33,57,685</u> |



SOMA PAPERS & INDUSTRIES LIMITED
Notes on Financial Statements for the year ended 31/03/2017

| | Current Year Rs. | Previous Year Rs. |
|--|------------------------|-------------------------|
| 10 OTHER INCOME | | |
| <u>Interest & Other Income from:</u> | | |
| Dividend Income | 39 | 312 |
| Miscellaneous Income | 2,44,558 | 5,94,210 |
| TOTAL | <u>2,44,597</u> | <u>5,94,522</u> |
| 11 EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and Wages | 6,000 | 15,500 |
| | <u>6,000</u> | <u>15,500</u> |
| 12 OTHER EXPENSES | | |
| Conveyance | 767 | 250 |
| Repairs & Maintenance to Others | 3,850 | - |
| <u>Payment to auditors</u> | | |
| - Audit Fees | 30,000 | 26,000 |
| Advertisement & Publicity | 3,888 | |
| Filing Fees | 36,000 | |
| Printing & Stationary | 1,248 | - |
| Postage & telegram | - | 2,200 |
| Selling expenses | - | - |
| Storage Charges | 29,127 | 2,40,000 |
| Telephone expenses | - | 2,064 |
| Legal and Professional Charges | 1,80,544 | 90,774 |
| Registration & Transfer Fees | 33,205 | |
| Bank Charges | - | 57 |
| Miscellaneous expenses | 53,035 | 89,488 |
| Travelling Expenses | 14,831 | - |
| Listing Fees | 27,480 | 2,33,830 |
| TOTAL | <u>4,13,975</u> | <u>6,84,663</u> |



SOMA PAPERS & INDUSTRIES LIMITED

5 FIXED ASSETS

| SR. No. | DESCRIPTION | GROSS BLOCK (AT COST/BOOK VALUE) | | | DEPRECIATION | | | NET BLOCK | | | |
|---------|-----------------------------|----------------------------------|------------------|-------------------|-------------------------|-------------------------|---------------------|-------------------|-------------------------|-------------------------|-------------------------|
| | | As at 01/04/2016 Rs. | Additions Rs. | Deductions Rs. | As at 31/03/2017 Rs. | Up to 31/03/2016 Rs. | For the year Rs. | Deductions Rs. | Up to 31/03/2017 Rs. | As at 31/03/2017 Rs. | As at 31/03/2016 Rs. |
| 1 | Land (Freehold) | 1,05,35,247 | - | - | 1,05,35,247 | - | - | - | - | 1,05,35,247 | 1,05,35,247 |
| 2 | Air Conditioner | 42,368 | - | - | 42,368 | 42,368 | - | 42,368 | 42,368 | - | - |
| 3 | Office and Other Equipments | 2,92,847 | - | - | 2,92,847 | 2,92,847 | - | 2,92,847 | 2,92,847 | 0 | 0 |
| 4 | Furniture and Fixtures | 7,23,110 | - | - | 7,23,110 | 7,23,110 | - | 7,23,110 | 7,23,110 | 0 | 0 |
| | TOTAL | 1,15,93,573 | - | - | 1,15,93,573 | 10,58,325 | - | 10,58,325 | 10,58,325 | 1,05,35,248 | 1,05,35,248 |
| | Previous year | 1,15,93,573 | - | - | 1,15,93,573 | 10,54,194 | 4,131 | - | 10,58,325 | 1,05,35,248 | 1,06,14,509 |



SOMA PAPERS & INDUSTRIES LIMITED

SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements relate to Soma Papers and Industries Limited ('the Company') and its subsidiary company Vecron Industries Limited. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balance and intra - group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements.
- b) The difference between the cost of investment in the subsidiaries, over the net assets if any, at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Investment other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments"

Other significant accounting policies:



A. System of accounting

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

B. Use of Estimates

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

C. Fixed assets

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

D. Depreciation

- a) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act 2013. Due the change in depreciation rates short depreciation provided transferred to Profit and Loss Account.
- b) Depreciation on assets added/disposed off during the year has been provided for on pro-rata basis with reference to the month of addition/disposal.
- c) Continuous process plants as defined in Schedule XIV to the Companies Act, 1956 have been considered.

E. Investments

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

F. Inventories

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



G. Revenue recognition

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

H. Employee benefits

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

I. Foreign currency transactions

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

J. Expenditure during construction period

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

K. Research and development

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

L. Taxation

Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. In view of the previous years carry forward losses management is of the view that not to make any provision for tax as well as fringe benefit tax.

The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. In view of the losses provision for deferred tax has not been provided.

M. Provision and contingent liabilities

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

N. Impairment of assets

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



O. Borrowing Costs

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

13. The net worth of the both the Company is fully eroded and the Company is a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), for which a reference has been made to the Board of Industrial and Financial Reconstruction (BIFR) under Section 15 of SICA.
14. As per scheme of arrangement sanctioned by the Bombay High Court under Section 391 and 394 of Companies Act, 1956 made between Shree Vindhya Paper Mills Ltd and the Company, the coating division of Shree Vindhya Paper Mills Ltd. with its assets, investments, liabilities and reserves as at 31st December, 1991 has been transferred to and vested with the Company with effect from 1st January, 1992. However, certain assets and liabilities of the said division before its transfer though reflected in the accounts are yet to be transferred in the name of the Company.

13. Contingent liability not provided for in respect of:

(₹)

| | As at 31/03/2017 | As at 31/03/2016 |
|---|------------------------|------------------------|
| a) Claims against Company not acknowledged as debts | 4,37,567 | 4,37,567 |
| b) Guarantee given to financial institution for loans taken by its employees | 48,454 | 48,454 |
| c) Bank guarantee to constituents and others | 13,60,000 | 13,60,000 |
| d) Corporate Guarantee given to financial institutions and banks on behalf of Vecron Industries Limited (a wholly owned subsidiary Company) | 2,50,00,000 | 2,50,00,000 |
| e) Liability as may arise for non-payment of wages, PF, Gratuity and other labour dues since the date of closure of factory, as the case filed by the worker's union in Nashik Labour Court | Amount not ascertained | Amount not ascertained |
| f) Liability as may arise due to non-compliance of certain fiscal statute | Amount not ascertained | Amount not ascertained |
| g) Income Tax Penalty Demand | 19,38,082 | 19,38,082 |
| h) Liability for Interest on deferred sales tax liability | Amount not ascertained | Amount not ascertained |
| i) Sales Tax liability 1996-97 | 51,606 | 51,606 |
| j) Bank Liability - Subsidiary Company | 4,91,14,993 | 4,91,14,993 |

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



16. The auction proceed which were not utilised by bank for payment of any liabilities of the company has been kept by bank. The bank is not providing interest on such amount held.
17. Security deposit received from the dealers shown under the head "Current Liability" The management is of the view that Interest on deposit will not be paid hence not provided.

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

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

| | As at 31/03/2017 | As at 31/03/2016 |
|-------------------------|------------------|------------------|
| Directors' remuneration | Nil | Nil |

22. The Company has closed the business, hence segment reporting is not applicable.

23. The secondary segment, i.e. 'geographical segments by location of customers' is not applicable.

24. Related party disclosures:

Related party relationships

| | | |
|----|---|--|
| a) | Subsidiary Company (Enterprises where control exists) | Vecron Industries Limited |
| b) | Key management personnel | Bharat Somani Vikram Somani |
| c) | Enterprise in which Key management personnel have significant influence | SRS Trading & Agencies Private Limited |



Notes:

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

Transactions with related parties:

(₹)

| Particulars | Related parties | | | Total |
|-----------------------------------|------------------------------|---|--------------------------|------------------------------|
| | Subsidiary | Enterprise in which key management personnel have significant influence | Key management personnel | |
| Managerial remuneration | - (-) | - (-) | - (-) | - (-) |
| Loan taken | - (-) | - (-) | - (-) | - (-) |
| Loan given | - (-) | - (-) | - (-) | - (-) |
| Loan repaid | - (-) | - (-) | - (-) | - (-) |
| Balance receivable as at year end | 4,31,88,386 (4,31,88,386) | 10,87,068 (10,82,428) | - (-) | 4,42,75,454 (4,42,70,814) |
| Balance payable as at year end | - (-) | - (-) | - (-) | - (-) |
| Provision for doubtful loan | 4,31,88,386 (4,31,88,386) | - (-) | - (-) | 4,31,88,386 (4,31,88,386) |



Note :- Figures in brackets pertain to the previous year.

25. Earnings per share as per Consolidated Financial Statement:

Earnings / (loss) before exceptional item

| | Current Year Rs. | Previous Year Rs. |
|---|------------------------|-------------------------|
| (i) Net profit / (loss) after tax available for equity shareholders | (1,75,378) | (14,92,261) |
| (ii) Weighted average number of equity shares outstanding during the year | 1,402,150 | 1,402,150 |
| (iii) Basic and diluted earnings / (loss) per share | (0.13) | (1.06) |
| (iv) Nominal value of share | 10.00 | 10.00 |
| Earnings / (loss) per share after exceptional item | | |
| (i) Net profit / (loss) after tax available for equity shareholders | (1,75,378) | (14,92,261) |
| (ii) Weighted average number of equity shares outstanding during the year | 1,402,150 | 1,402,150 |
| (iii) Basic and diluted earnings / (loss) per share | (0.13) | (1.06) |
| (iv) Nominal value of share | 10.00 | 10.00 |

26. As per the Accounting standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the deferred tax assets (net) arising during the previous year on account of timing difference. Having regard to the net worth of the Company being fully eroded and the Company is a Sick industrial company within the meaning of SICA and uncertainty as to whether the Company can continue as a going concern, the deferred tax assets / liabilities has not been recognised.

27. In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities are adequate and not in the excess of the amount reasonably stated. The balances in case of sundry creditors, debtors and banks are subject to confirmation and reconciliations. The differences if any, as may arise will be accounted for on receipt of such information / reconciliation.

28. Payment to Auditor as:

| | |
|---|-----------|
| (a) Statutory Audit Fees | Rs.22,500 |
| (b) Tax Audit Fees | |
| (c) Certification and Consultation Fees | Rs. 7,500 |



29. Previous year figures have been regrouped and rearranged, wherever necessary.

For Dharmesh Shah & Co.
Chartered Accountants
FRN 138794W

D. A. & Co.

Dharmesh Shah
Proprietor
M. No.106620



On behalf of the Board of directors

G. S. Manasawala(DIN 0126114) - Director *G. S. Manasawala*

K. G. Gupta (DIN 00997067) - Director

Vikram Somani (DIN 00054310) - Director *Vikram Somani*

Bharat Somani (DIN 00286793) - Director *Bharat Somani*

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

Mumbai, Dated: 29th May, 2017

Mumbai, Dated:29th May, 2017

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **SOMA PAPERS & INDUSTRIES LIMITED** ("the Holding Company"), and its subsidiary (collectively referred to as "the Company" or "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for preparation of consolidated Ind AS financial statements in the terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, along with rules stipulated thereon. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the consolidated Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including



including Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows,; *subject to following observations:*

i) *preparation of accounts on the basis of a 'going concern' having consequential impact on the loss for the year, reserves and surplus and assets of the Company .*

ii) *non provision of interest on loans and deposits. (The amount remains unascertained).*

iii) *read together with Note no.26 regarding balances of Sundry debtors, Sundry Creditors, Balance with Bank and other advances being subject to confirmations/ reconciliation, and*

iv) *other notes appearing in the said Notes and those appearing elsewhere in the accounts, give the information required by the Companies Act, in the manner so required.*

Report on other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; *except para 13,14 and 16 of notes on consolidated Ind AS financial statement.*

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, *subject to "going concern" assumption considered for preparing accounts*

e) On the basis of written representations received from the Holding Company's directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 15 to the consolidated Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Dharmesh Shah & Co.

Chartered Accountants

Firm Reg. No. 138794W

D. A. Shah

Dharmesh Shah

Proprietor

Membership No. F-106620

Mumbai, Dated: 29th May, 2017



Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (l) 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 Holding Company") and its subsidiary company which is incorporated in India as of 31 March 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 authorisations of management and directors of the company; and



(3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Holding Company and its subsidiary Company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dharmesh Shah & Co.

Chartered Accountants

Firm Reg. No. 138794W

D. A. Shah

Dharmesh Shah

Proprietor

Membership No. F-106620

Mumbai, Dated: 29th May, 2017

