

# Sumce Industries LTD.



# Chairman's Message....

### Dear Shareholders,

It is my privilege to share with you that your Company has delivered a robust performance despite considerable headwinds. The reality is that the dynamism in business is the demand of the day and we have to be in readiness to change as per the demands of the times. I am excited about the future of our company and confident of traversing the path of sustainability very successfully.

In markets around the world, economic conditions are ever-changing. Your company has restrained its position in the industry due to proactive planning, efficient use of resources, capitalising on emerging opportunity and striving on cutting edge technology.

The Indian economy grew by 7.3% in FY 2014-15 led by strong growth in the industrial and service sectors, despite slowdown in the agricultural sector due to poor monsoons. Further, this growth is expected to further improve to 7.4% in FY 2015-16 according to the Central Statistics Office. In fact, the International Monetary Fund has also received India's forecasted growth rate upwards to 7.2% in FY 2015-16 and 7.5% in FY 2016-17 surpassing China, making India the fastest growing major economy in the world by 2016.

I, believe there are several reasons to be optimistic. India's economy is in the midst of a recovery with lower fiscal and current account deficit, lower inflation and weak commodity prices. To this end, a number of steps have been taken through the Union Budget 2015-16. Basic corporate tax rate is being reduced from 30 per cent to 25 per cent over the next 4 years. The General Anti Avoidance Rules (GAAR) stand deferred by another two years which will address some of the concerns of the foreign investors. A fortuitous drop in international crude prices during the last year has also helped strengthen our economy's macro-fundamentals to a large extent. Our Hon'ble Prime Minister has very clearly articulated his vision statement "Make in India" that calls for positioning India as a manufacturing hub.

Your company has creating a more robust business model and focussing on manufacturing value added yarns with diversified applications and expanding its market reach. The demand for man-made fibres is showing signs of improvement and we are hopeful that the demand for polyester will see further revival. Polyester demand will be driven by its growing relevance in daily life across home textiles, apparel, automotive, furnishing fabrics, technical textile and non-woven segments.

The company has achieved consolidated turnover of Rs. 1165.33 Crores and acquired net profit of Rs. 21.65 Crores an increase of 12.5% over previous year' earning. The total export of goods during the year 2014-15 was Rs. 114.33 Crores.

Innovation and excellence are pillars of organisational transformation and we are concentrating on it to make our product world class with significance increase in the global footprints.

I take this opportunity to thank for continued trust and confidence in the Company by our Stakeholders, Bankers and Thanks to our esteemed Board of Directors for their constant guidance and support. I am also grateful to our customers for reposing faith in our capability to serve them and employees for their relentless efforts and our community for its support and understanding.

Shankarlal Somani Chairman cum Mg. Director

(This does not purport to be part of the proceeding at the meeting)

### **TWENTY SEVENTH**

#### **ANNUAL REPORT**

#### **BOARD OF DIRECTORS**

Shri Shankarlal Somani Shri Sumeet Kumar Somani Shri Bhagchand Chordia Shri Dinesh Sharan Khare Shri Devi Prasad Saboo Shri Atma Ram Sarda Smt. Ganga Devi Somani

Executive Chairman cum Mg. Director Executive Director & CFO Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director

#### **27th ANNUAL GENERAL MEETING**

DATE: Wednesday, 30th September, 2015

VENUE : Conference Hall, Bombay Market,

Umarwada, Surat-395 010.

TIME : 10:00 A.M.

### COMPANY SECRETARY

**Shri Anil Kumar Jain** 

# STATUTORY AUDITORS PRADEEP SINGHI & ASSOCIATES

Chartered Accountants, Surat

### **INTERNAL AUDITOR**

RRA & CO.

Chartered Accountants, Surat

#### **SECRETARIAL AUDITOR**

Shri Dhiren R. Dave

Practicing Company Secretary, Surat

### **BANKERS**

Bank of Baroda
Bank of India
IDBI Bank Ltd.
Union Bank of India
Canara Bank
State Bank of India
Central Bank of India
Dena Bank

#### **REGISTERD OFFICE**

504, Trividh Chamber, Opp. Fire Station, Ring Road, Surat - 395 002. (Gujarat)

Ph.: (0261) 2328902 Fax: (0261) 2334189

E-mail: sumeetindus@yahoo.com Web: www.sumeetindustries.com

#### **FACTORY**

Block No. 289, 291, 292, Village : Karanj (Kim), Tal. : Mandvi, Dist. : Surat-394 110. (Gujarat)

Ph.: 090999 78189

# REGISTRAR & SHARE TRANSFER AGENT M/S. BIGSHARE SERVICES PVT. LTD.

E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), MUMBAI - 400 072.

Ph. : (022) 40430200 / 28470652 E-mail : investor@bigshareonline.com

#### **INSTRUCTION TO THE MEMBERS**

Members are requested to bring their copy of Annual Report at the meeting, as copies of the same will not be circulated at the AGM as a measure of economy.

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#### **NOTE**

SHAREHOLDERS ARE REQUESTED NOT TO BRING CHILDREN IN THE MEETING HALL.

### FIVE YEARS OPERATING & FINANCIAL DATA

OPERATING DATA					(₹in Lacs)
PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11
Sales & Income from operation	93117.27	110799.61	115933.78	82447.64	82458.71
Other Income	94.38	-1607.12	-1130.36	-541.96	351.96
Increase (Decrease) in Inventories	714.50	-105.28	5907.96	1476.56	-243.11
Total	93926.15	109087.21	120711.38	83382.24	82567.56
Purchase of Finished Goods	11407.38	33815.62	29451.12	19735.21	21226.35
Raw Material Consumed	60050.64	55567.31	71989.19	49721.82	48769.17
Staff Cost	1238.50	1154.78	1069.54	741.52	551.09
Manufacturing Expenses	12350.21	9664.16	9822.80	5184.07	4486.02
Administrative & Selling & Dist. Exp.	868.17	714.65	1311.34	2181.71	1404.33
Interest & Depreciation	5509.21	5503.75	4161.73	2282.94	2000.95
Total	91424.11	106420.27	117805.72	79847.27	78437.91
Profit / (Loss) before Taxation	2502.04	2666.94	2905.66	3534.97	4129.65
Taxation	656.31	905.40	989.73	1122.97	685.40
Profit / (Loss) after Taxation	1845.73	1761.54	1915.93	2412.00	3444.25
Earning per Share (EPS)	3.18	3.04	3.29	4.14	8.61
FINANCIAL DATA					
Share Capital	# 7803.97	# 7803.97	* 6828.97	* 6828.97	* 4999.52
Share Application Money	0.00	0.00	870.00	870.00	870.00
Reserve & Surplus	16131.50	14285.77	12574.22	10928.11	5684.60
Deferred Tax Liability	4716.66	4150.58	3277.26	2332.56	1491.59
Loan Funds **	44174.98	47535.27	40374.34	38292.42	24246.75
Capital & Funds Employed	72827.11	73775.59	63924.79	59252.06	37292.46
Fixed Assets (Gross) ***	55911.50	54675.31	48528.14	43540.57	25144.37
Depreciation	13331.48	11527.23	9145.98	7164.91	1168.81
Fixed Assets (Net)	42580.02	43148.08	39382.16	36375.66	19143.24
Investments	2479.64	1566.24	77.95	59.14	126.72
Current Assets	43417.27	41501.83	38709.00	26156.96	21037.12
Current Liabilites & Provisions	15649.82	12440.56	14244.32	3349.97	3033.68
Net Current Assets	27767.45	29061.27	24464.68	22806.99	18003.44
Misc. Exp. not written off	0.00	0.00	0.00	10.27	19.06
Capital & Funds Applied	72827.11	73775.59	63924.79	59252.06	37292.46

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<sup>\*</sup>Includes Preference Share Capital of Rs. 20.00 Crores

<sup>\*</sup> Includes Preference Share Capital of Rs.10.00 Crores

<sup>\*\*</sup> Includes Secured & Unsecured Loan

<sup>\*\*\*</sup> Includes Capital Work in Progress

	Milestones and Achievements
2015	Modified FDY line for manufacturing of Bright FDY and Color FDY yarns.
2015	Commissioned 25 nos. of TFO machines for plying & twisting for manufacturing Carpet Yarns.
2014	Commissioned 4 (Four) Texturising Machines with total capacity of 7200 TPA.
2013	Commissioned Waste Recycling Plant with 5400 TPA.
2013	Enhanced Spinning Capacity of Plant from 40600 TPA to 51450 TPA.
2012	Enhanced Spinning Capacity of the Plant from 53000 TPA to 100000 TPA with total project cost of Rs. 150.00 Crores.
2012	Commissioned 8.6 MW Gas based Genset Captive Power Plant, thereby total capacity of the captive power generation increased to 17.10 MW.
2010	Commissioned successfully Expansion cum Backward Integration Project with total investment of Rs. 150.00 Crores and increased company's capacity from 12000 tons to 100000 tons (More than 8 times).
2009	Commissioned 6 MW Gas based Genset Captive Power Plant, enhancing the capacity of captive power generation by 8.5 MW.
2009	Commissioned fully imported C.P. PLANT (Continuous Polymerization Plant) of 288 tones per day capacity or 100000 tones per annum as Expansion cum Backward Integration Project.
2007	Converted its coal based power plant of 2.5 MW to Gas based Gen Set Power Plant for further reducing its power cost. The Company has tie-up with Gujarat Gas Company for supplying the Gas through Pipeline for the said Power Plant.
2006	Installed 60 Water Jet Looms to manufacture 3.5 Million meters Woven Fabric per annum.
2005	Installed Polyester Spinning Plant to manufacture 12000 MT Polyester Filament Yarn (POY) per annum with capital investment of Rs. 300 Million.
2004	Increased the capacity of Texturising & Twisting to 3900 MT & 2000 MT respectively per annum.
1999	Installed coal based power plant of 2.5 MW for captive power generation with capital investment of Rs. 60 Million.
1997	Increased the capacity of Polypropylene Multifilament Yarn to 3900 MT per annum with capital investment of Rs. 144 Million.
1996	Changed Name of the Company (Sumeet Synthetics Limited to Sumeet Industries Limited).
1995	Installed capacities of Texturising & Twisting of 1500 MT per annum for value addition with total project cost of Rs. 45 Million.
1993	Installed capacity of 1500 tons per annum of Polypropylene Multifilament yarn with total project cost of Rs. 200 Million.
1992	Conversion from Private Limited to Public Limited.
1988	Incorporation of Sumeet Synthetics Private Limited.

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#### **NOTICE**

NOTICE is hereby given that the 27th Annual General Meeting of SUMEET INDUSTRIES LIMITED will be held at Conference Hall, Bombay Market, Umarwada, Surat on Wednesday, 30th Day of September, 2015 at 10:00 A.M. to transact the following businesses:

#### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt;
  - i) the audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the reports of Board of Directors and the Auditors thereon.
  - ii) the audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015 together with the report of the Auditors thereon.
- To appoint a Director in place of Shri Atma Ram Sarda (DIN No. 06713264), who retires by rotation and being eligible, offer himself for re-appointment.
- To appoint M/S Pradeep Singhi & Associates, Chartered Accountants (ICAI Registration No.108029W) as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

#### **SPECIAL BUSINESS**

#### 04. APPOINTMENT OF MR. DINESH SHARAN KHARE AS AN INDEPENDENT DIRECTOR

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made there under read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement and pursuant to Article of the Articles of Association of the Company, Mr. Dinesh Sharan Khare (DIN: 00383743), who was appointed as an Independent Non-Executive Director of the Company on August 13, 2015 after their resignation as Executive Director and whose term of office expires at this Annual General Meeting in terms of Section 161 of Companies Act, 2013 and in respect of whom the Company has pursuant to Section 160 of Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 5 (five) consecutive years commencing from 13/08/2015."

# 05. RE-APPOINTMENT OF MR. SUMEET KUMAR SOMANI AS EXECUTIVE DIRECTOR OF THE COMPANY AND FIXING OF REMUNERATION

To consider and if thought fit to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, and 203, read with rules framed thereunder and Schedule V and other applicable provisions (including any Statutory modifications or re-enactments thereof for the time being in force), if any, of the Companies Act, 2013 (hereinafter referred to as 'The Act'), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Sumeet Shankarlal Somani (DIN: 00318156), as a Whole Time (Executive) Director (hereinafter referred to as "Executive Director") of the Company for a period of five years with effect from 1st

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October, 2015 on such terms and conditions, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Sumeet Shankarlal Somani."

"RESOLVED FURTHER THAT in the event of any enhancement of the limits specified in Schedule V to the Act, the Board of Directors be and is hereby authorised to vary and/or upwardly revise the remuneration within such enhanced limits."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, to give effect to the Resolution."

#### 06. RATIFICATION OF APPOINTMENT OF COST AUDITOR

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 35000/-(Rupees Thirty Five Thousand only) be paid to M/s. V. M. PATEL & ASSOCIATES, (Firm Registration No. 101519), the Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the Financial Year ending March 31, 2016, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 07. COMMISSION TO NON-EXECUTIVE DIRECTORS

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provision of Section 197 and other applicable provisions, if any, of the Companies Act 2013 ('the Act'), as amended from time to time, commission not exceeding 1% (One percent) of the net profits of the Company for each financial year, calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst all or some of the Directors of the Company (other than the Managing Director and Executive Director(s)) in such amounts or proportions and in such manner and in all aspects as may be decided by the Board of Directors of the Company and such payments shall be made out of profits of the Company for each year, for a period of five consecutive financial years, commencing from 1st April, 2015."

### Registered Office:

504, Trividh Chambers, Opp. Fire Station, Ring Road, Surat - 395 002.

By order of the Board Directors

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Place : Surat Date : 13-08-2015 Sd/-**Shankarlal Somani** Chairman cum Mg. Director

#### **NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER.
- 2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- 3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- 4. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
- Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 2 days in advance of the Annual General Meeting.
- 6. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz M/s. Bigshare Services Pvt. Ltd Those holding shares in dematerialized form may intimate any change in their addresses or bank details/mandates to their Depository Participants (DP) immediately.
- 7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 24th September, 2015 to Wednesday, the 30th September, 2015 (both days inclusive).
- 8. Pursuant to Section 125 of the Companies Act, 2013 corresponding to Section 205A of the Companies Act, 1956, all unclaimed dividends for the financial year 2006-07 have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Those members who have so far not encashed their dividend warrants for the financial year 2009-10, 2010-11 & 2011-12 are requested to approach the Company or RTA for payment thereof. Kindly note that once unclaimed and unpaid dividend is transferred to the Investor Education and Protection Fund, members will have to approach IEPF for such dividend.
- Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.

- 10. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2015 is uploaded on the Company's website www.sumeetindustries.com and may be accessed by the members.
- 11. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 12. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.
- 13. Company's environment friendly agenda and to participate in MCA's Green Initiative, members are requested to register/update their e-mail address with their Depository Participants. Members who are holding shares in physical form are requested to send their e-mail address at investor@bigshareonline.com for updation.
- 14. Non-Resident Indian members are requested to inform the company's Registrar and Transfer Agents (M/s. Bigshare Services Pvt. Ltd.), immediately of :
  - a) Change in their Residential status on return to India for permanent settlement.
  - b) Particulars of their Bank Account maintained in India with complete name of the Bank, branch address, account type and account number with MICR code, if not furnished earlier.
- 15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar.

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16. Voting through electronic means: In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means, as an alternative to vote physically at the AGM, and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL). It may be noted that this e-voting facility is optional.

#### The instructions for shareholders voting electronically are as under :-

Pursuant to provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 27th Annual General Meeting to be held on Wednesday, the 30th September, 2015, at 10:00 A.M. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Wednesday, 30th September, 2015.

The voting period begins on 27/09/2015 (10:00 A.M. IST) and ends on 29/09/2015 (05:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23/09/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

#### In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> </ul>
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporate.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s)
  which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which
  they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to
  verify the same.

#### In case of members receiving the physical copy:

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- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 27/09/2015 (10:00 A.M. IST) and ends on 29/09/2015 (05:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23/09/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xviii) Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015 and the members who not casting their vote electronically, may only cast their vote at the Annual General Meeting.

Mr. Dhiren R. Dave, Practicing Company Secretaries (Membership No. FCS 4889), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same and declare the result of the voting forthwith.

The voting rights of shareholders shall be in proportion to their shares of the paid equity capital of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizers' Report shall be placed on the Company's website www.sumeetindustries.com and on the website of CDSL within three days of the passing of the resolutions at the 27th Annual General Meeting of the Company on 30th September, 2015, and communicated to the BSE Ltd and National Stock Exchange of India Ltd within the prescribed period.

Any person, who acquires the shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. 23/09/2015, may obtain the Login ID and password by sending the request to helpdesk.evoting@cdslindia.com. However, if the share holder is already registered with CDSL for remote e-voting then such member can use the existing User ID and password for casting his/her vote.

In pursuance of Clause 49 (VIII) (E) of the Listing Agreement with the Stock Exchanges, the particular of the aforesaid directors seeking appointment or re-appointment in the AGM are as given below:

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Name of Director	Mr. Sumeet Shankarlal Somani	Mr. Dinesh Sharan Khare	Mr. Atma Ram Sarda
Date of Birth	11/11/1980	24/07/1966	01/07/1963
Date of Appointment	01/06/2004	17/12/2001	30/09/2013
Expertise in specific functional areas	Project Management and Business Development	Sales Production and Marketing	Finance
Qualifications	M.Com, PGDBM	B. Text	Chartered Accountant
Shareholding in the Company as on 13th August, 2015	11,44,000	Nil	Nil
List of other public limited companies in which Directorship held as on 13th August, 2015	None	None	None
Chairman / Member of the Committees of the Board across all public companies of which he is a Director as on 13th August, 2015	None	None	None
Relationships between Directors inter-se	Son of Shri Shankarlal Somani, CMD of the Company	Nil	Nil

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#### EXPLANATORY STATEMENTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### **ITEM NO.: 04 (Independent Director)**

Mr. Dinesh Sharan Khare (DIN: 00383743) has been appointed as an Independent Director of the Company with effect from 13/08/2015 by the Board of Directors of the Company. In terms of Section 161 of the Companies Act, 2013, Mr. Dinesh Sharan Khare holds office as an Independent Director upto the date of this Annual General Meeting. The Company has received a notice in writing along with deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company. In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with the Listing Agreement as amended from time to time, Mr. Dinesh Sharan Khare is proposed to be appointed as an Independent Director for a consecutive period of 5 years from the date of his appointment.

In terms of Section 149, Section 152 and any other applicable provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.

In the opinion of the Board, Mr. Dinesh Sharan Khare fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. The Copy of the draft letter for appointment of Mr. Dinesh Sharan Khare as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dinesh Sharan Khare as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dinesh Sharan Khare as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Dinesh Sharan Khare, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out in item No. 4.

### **ITEM NO.: 05**

Mr. Sumeet Shankarlal Somani (DIN: 00318156) who has over 12 years of experience in textile business operations, joined the company w.e.f 01/06/2004 as an additional Director. Later, he appointed as a Whole Time Director for a period of five years on certain terms and conditions which were approved by the Members at the 17th Annual General Meeting of the Company held on 30/09/2005. In view of his successful tenure and experience of business operations, the Board of Directors have, at its meeting held on 13th August, 2015, based on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Sumeet Shankarlal Somani, Executive Director of the Company, subject to approval of Members at the Annual General Meeting.

Brief resume of Mr. Sumeet Shankarlal Somani, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors, inter-se, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which is forming part of the Notice.

Mr. Sumeet Shankarlal Somani is presently Executive Director of the Company. He is member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, and CSR Committee of the Company. He is holding 11,44,000 Equity Shares of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sumeet Shankarlal Somani as a Executive Director of the Company. Upon his re-appointment as a Director, Mr. Sumeet Shankarlal Somani shall continue to hold office as a Executive Director of the Company.

The main terms and conditions of Mr. Sumeet Shankarlal Somani's re-appointment are as follows:

#### Tenure of Appointment :

From 01/10/2015 to 30/09/2020

#### 2. Nature of Duties:

Mr. Sumeet Shankarlal Somani, Whole Time Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company including performing duties as assigned by the Board from time to time by serving on the Boards of such associate companies and/or subsidiaries or any other executive body or any committee of such a company.

#### 3. Remuneration:

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(a) Salary: Rs. 2,00,000 per month; up to a maximum of Rs. 3,00,000 per month.

The annual increments which will be effective 1st October each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the "NRC") and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

(b) Benefits, Perquisites and Allowances:

Details of Benefits, Perquisites and Allowances are as follows:

- (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (i.e. gas, electricity and water charges) for the said accommodation or House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 60% of Salary per annum or such other suitable amount as may be decided by the Board of Directors.
- (ii) Reimbursement of hospitalisation and actual medical expenses incurred as per the Rules of the Company (this includes mediclaim insurance premium).
- (iii) Car facility and telecommunication facility as per the Rules of the Company.
- (iv) Reimbursement of actual travelling expenses for proceeding on leave once in a year in respect of self and family.
- (v) Reimbursement of membership fess subject to maximum of two clubs, including admission and life membership fees.
- (vi) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the Rules of the Company.
- (vii) Payment of premium in respect of personal accident policy, amount should not be exceed Rs. 100000/- P.A.
- (viii) Leave as per Company's rules. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisite.

- (ix) Reimbursement of entertainment expenses, travelling and all other expenses, actually and properly incurred for the purpose of company's business.
- (x) No sitting fees shall be paid for attending the meeting of the Board of Directors of Committee thereof.

#### (c) Incentive Remuneration:

Incentive Remuneration could be paid annually, at the discretion of the Board, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

#### 4. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Sumeet Shankarlal Somani, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, benefits, perquisites and allowances, as specified above, subject to such further approvals as may be required under the Act, as amended from time to time.

#### 5. Insurance:

The Company will take an appropriate Directors and Officers Liability Insurance Policy and pay premium for the same. The Company shall maintain such insurance cover for his entire term, subject to the terms and conditions of such policy in force from time to time.

#### 6. Personnel Policies:

All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the him, unless specifically provided otherwise.

### 7. Other terms of appointment :

- (i) Mr. Sumeet Shankarlal Somani shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- (ii) The terms and conditions of his appointment as the Executive Director may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule V to the Act, or any amendments made hereinafter in this regard, in such manner as may be agreed to between the Board and Mr. Sumeet Shankarlal Somani, subject to such approvals as may be required.
- (iii) The appointment may be terminated by either party by giving to the other party, six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any prorated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.
- (iv) The employment of the Executive Director may be terminated by the Company without notice or payment in lieu of notice:
  - (a) if the Executive Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
  - (b) in the event of any serious repeated or continuing breach (after prior warning) or non observance by the Executive Director of any of the stipulations contained in the Agreement to be executed between the Company and Executive Director; or,
  - (c) in the event the Board expresses its loss of confidence in the Executive Director.

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- (v) In the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- (vi) Upon the termination by whatever means of his employment under the Agreement:
  - (a) the Executive Director shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167 (1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.
  - (b) the Executive Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.
- (vii) Mr. Sumeet Shankarlal Somani is appointed as a Executive Director by virtue of his employment in the Company and his appointment is subject to the provisions of Section 167(1)(h) of the Companies Act, 2013. Mr. Sumeet Shankarlal Somani is liable to retire by rotation.
- (viii) The Executive Director covenants with the Company that he will not during the continuance of his employment with the Company accept any other directorships in any company or body corporate, without the prior written consent of the Board.
- (ix) If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Sumeet Shankarlal Somani will cease to be the Executive Director and also cease to be a Director of the Company and the Agreement shall forthwith terminate.

In compliance with the provisions of Sections 196 and 197 and other applicable provisions of the Act read with Schedule V to the Act, the terms of appointment and remuneration specified above are now being placed before the Members in General Meeting for their approval. The Board commends the Resolution at Item No. 5 for acceptance by the Members.

Mr. Sumeet Shankarlal Somani is interested and concerned in the Resolution at Item No. 5 of the Notice as it relates to his own appointment. Mr. Shankarlal Sitaram Somani, CMD and Smt. Gangadevi Shankarlal Somani, Director relatives of Mr. Sumeet Shankarlal Somani may be deemed to be interested in the Resolution at Item No. 5, to the extent of their shareholding interest, if any, in the Company. Other than above named, no other Director or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 5 of the Notice.

#### **ITEM NO.: 06**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. V. M. PATEL & ASSOCIATES, Cost Auditor (Firm Registration No. 101519), as the Cost Auditors to conduct the audit of cost records of the Company for the Financial Year ending March 31, 2016.

The remuneration of the Cost Auditors was fixed by the Board of Directors as Rs. 35000/- (Rupees Thirty Five thousand only) upon the recommendation of the Audit Committee. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, approval of the members is sought for the resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2016

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

#### **ITEM NO.: 07**

Taking into consideration the increased role of Directors in the emerging competitive environment and the added responsibilities of Non-Executive Directors, it is proposed to pay commission in addition to sitting fees to the Non-Executive Directors of the Company. Accordingly, it is proposed in terms of Section 197 of the Act that the Directors (apart from the Managing Director and Executive Director(s)) be paid for each of the five financial years commencing 1st April, 2015, a commission not exceeding one per cent of the net profits of the Company computed in accordance with the Act. Such remuneration will be distributed amongst all or some of the Directors at the discretion of the Board in such proportion and manner as the Board may from time to time determine.

As per the provisions of Clause 49 of the Listing Agreement, all fees/compensation, payable to Non-Executive Directors shall be fixed by the Board of Directors and shall require approval of Members in General Meeting. However, no approval of Members is required if payment of Sitting fees to Non-Executive Directors is made within the limits prescribed under the Act. The Sitting fees paid to the Non-Executive Directors of the Company are well within the limits prescribed under the Act.

The Resolution proposed at Item No. 7 is an enabling Resolution. No remuneration will accrue or become payable to the Directors until the Board at its discretion and within the limit approved by the Members, decides to distribute the amount of commission after taking into account all the relevant circumstances and the provisions of the Act.

All the Non-Executive Directors are deemed to be interested in the Resolution at Item No. 7 to the extent of commission that may be received by them. The relatives of the Non-Executive Directors may be deemed to be interested in the Resolution at Item No. 7 to the extent of their shareholding interest, if any, in the Company. The Managing Director or Key Managerial Personnel of the Company or their respective relatives are not interested in the Resolution at Item No. 7 of the Notice.

#### Registered Office:

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504, Trividh Chambers, Opp. Fire Station, Ring Road, Surat - 395 002.

By order of the Board Directors

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Place : Surat Date : 13-08-2015 Sd/-Shankarlal Somani Chairman cum Mg. Director



#### **DIRECTOR'S REPORT**

# To The Members of Sumeet Industries Limited

Your Directors have pleasure in presenting the 27th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2015.

Your Company has delivered a robust performance despite considerable headwinds. The Company has registered consolidated revenue of Rs. 1165.33 Crores with Net Profit of Rs. 21.65 Crores. We, remained resolute and relentless in our quest for strengthening our cost-competiveness, better management of working capital and operational excellence across all businesses.

#### FINANCIAL RESULTS (STANDALONE)

(₹ in lacs)

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Particulars	2014-15	2013-14
Sales & Income form operation	93117.27	110799.61
Other Income	94.38	-1607.12
Profit before Financial cost, Depreciation		
and Exceptional items & Tax ( EBIDTA )	8011.24	8170.69
Less : Interest	3536.00	3050.90
Depreciation	1973.20	2452.85
Profit before Tax	2502.04	2666.94
Less: Provision for Taxation		
Current tax	500.60	559.00
Mat Credit	(462.87)	(559.00)
Deferred Tax	566.07	873.33
Profit after Tax	1898.24	1793.62
Less: Taxation for previous year	52.50	32.08
profit available for appropriation	1845.74	1761.54
Dividend on Equity & Pref. Shares	-	-
Transfer to General Reserve	1845.74	1761.54

#### **OPERATIONS**

The company has posted a satisfactory performance for the year under review. The company has produced 86068.41 Tons of Pet Chips / Polyester / Polypropylene Multifilament Yarn and dispatched 83034.86 Tons of Pet Chips / Polyester / P.P. / Poly yarns.

Income from operation (Consolidated) of the company has marginally decreased from Rs. 1228.12 Crores to Rs. 1165.33 Crores. EBIDTA has been increased from Rs. 84.26 Crores to 85.47 Crores and Net profit after Tax (Consolidated) has been increased from Rs. 19.25 Crores to Rs. 21.65 Crores in comparison to last year. Our earning per shares stand at Rs. 3.73 and Book Value per Shares at Rs. 38.63 (Based on equity shares) as on 31st March, 2015.

The year 2014-15 remained one of the challenging year as the polyester industry faced several challenges. Firstly, crude prices saw a sharp decline during the year, which triggered reduction in prices for Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG) (key raw materials for polyester manufacturing). Secondly, the government levied Anti-Dumping Duty on PTA imports, which resulted in an increase in raw material cost.

Your Company focused on widening product basket by adding value added products, expanding market reach, cost optimisation, and elevating people potential. As a result, your company has creating a dynamic business model.



#### **DIVIDEND**

The Board of directors do not recommended to declare dividend during the year due to ploughing back the profit to be utilized in the setting up new modification cum expansion programs and general corporate purposes.

#### **EXPAINSION & MODERNISATION**

During the year under review your company has successfully commissioned 4 (Four) new Texturising machines as forward integration with total capacity of 20 Tons per day to produce DTY yarns of varied deniers & filaments and also in the process of setting up another 4 (four) new machines.

#### **NEW PROJECT**

In the Current financial year, the company has modified 4 (four) position of its existing FDY Line for Manufacturing Colour FDY Yarns. Colour FDY Yarns will be further processed on 30 Nos. of TFO Machineries which is going to be installed for plying and twisting the yarns. Twisted & Heat set Yarns will finally be used in manufacturing carpets.

The company is also exploring enhancing the capacity of manufacturing recycled chips from Waste Recycling Plant by importing some more machinery of new technologies.

#### **OVERSEAS SUBSIDIARY COMPANY**

The company has a wholly owned subsidiary company in Singapore registered with Registrar of Companies and Business, Singapore. Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with Stock Exchanges, the company has prepared Consolidated Financial Statements of the Company and its subsidiaries are included in the Annual Report.

#### **EXPORTS**

The company has been exploring all the possibilities for exporting its products. During the year under review, your company has exported products worth of Rs. 114.33 Crores.

At present company is exporting to Egypt, Saudi Arabia, China, Argentina, Poland, Vietnam, Philippines, Portugal, Morocco, Columbia, Bangladesh, Russia, Ethiopia, Mexico, Nepal, Brazil, Peru, Algeria, Thailand, U.S.A, Singapore and Turkey etc. The company is weighing further possibilities to export its value added newly developed Carpet Yarns. Exploring export markets has been a key area of focus for the company. Your Company expects more growth in the overall export sales in the current year also.

#### **DEPOSITORY SYSTEM**

As members are aware, the company's shares are compulsorily tradable in the electronic form. As on March 31, 2015 almost 94.67% of the Company's total paid-up capital representing 5,80,39,738 shares were in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the Depositories.

#### **Credit Rating**

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by Brickwork Ratings India Limited as below:-

Long Term Borrowing: BWR BBB, Outlook: Stable

Short Term Borrowing: BWRA3+

#### **FIXED DEPOSITS**

The Company has invited deposits from public in accordance with the Section 73 and 74 of the Companies Act, 2013 (corresponding Section 58 A of the Companies Act, 1956) to the tune of Rs. 396.14 Lacs during the financial year 2013-14. No fresh deposits have been invited and nor any deposits have been renewed in the financial year 2014-15. Total outstanding deposits after repaying on maturity as on 31.03.2015 has been remained Rs. 2,15,04,000/- . There were no deposits, which were claimed but not paid by the Company as on date.

#### **DIRECTORS**

Mr. Devi Prasad Saboo (DIN No. 00095024), Director of the company, would retire by rotation at the ensuing Annual General Meeting and pursuant to his unwillingness to act as a Director, ceased to be Director of the Company w.e.f. 30.09.2015

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Mr. Dinesh Sharan Khare, presently Executive Director of the company has shown his unwillingness to continue to act as a Director, but on the request of the Board of Directors of the company in the meeting held on 13.08.2014, they consented to act as independent director of the company with effect from that date. Mr. Dinesh Sharan Khare is a Textile engineer having more than 28 years of experience in the field of Textile industry. The Board is very much obliged to him for providing his guidance and knowledge by continuing to act as a director in the capacity of Non-Executive Independent Director.

The period of appointment of Mr. Sumeet Kumar Somani (DIN No.00318156) to act as a Executive Director (Whole Time) will expire on 30.09.2015. The Board, in its meeting held on 13.08.2015, has, subject to the approval of members in the ensuing Annual General Meeting extended the terms of his appointment to act as a Executive Director (Whole time) for a further period of five years w.e.f. 1st October, 2015.

#### **DETAILS OF COMMITTEE DIRECTORS**

The Committee shall comprise of at least two non-executive directors, at least half of whom shall be independent Directors. The Board may appoint the Chairperson of the Committee whether executive or non-executive as member of this committee.

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholders Relationship/Grievance Committee of Directors, number of meetings held of each Committee during the financial year 2014-15 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forming part of the report.

#### **AUDITORS**

#### a) Statutory Auditors

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 26th Annual General Meeting of the Company held on September 30, 2014, appointed M/s. Pradeep Singhi & Associates, Chartered Accountants, (ICAI registration no.: 108029W) as Statutory Auditors of the Company to hold the office until the conclusion of the next Annual General Meeting of the Company. Members are requested to reappoint them at the Annual General Meeting.

#### b) Cost Auditors

The Company has been maintaining cost accounting records in respect of manufacture of polyester yarns pursuant to directives of the Central Government. The company has been appointed M/s. V. M. PATEL & ASSOCIATES, (Firm Registration No. 10519) as Cost Auditors, for conducting the audit of cost records for the financial year 2015-16 and approval of the members is being sought for ratification of their remuneration.

#### c) Internal Auditors

The Board has appointed M/s. RRA & Co., Chartered Accountants (ICAI Registration Number 112115W) as Internal Auditors of your company for the financial year 2015-16. The report prepared by the Internal Auditors is to be reviewed by the Statutory Auditors & Audit Committee.

#### d) Secretarial Auditors

M/s. Dhiren R. Dave, Practising Company Secretary (CP No. 2496, Membership No. 4889) were appointed as Secretarial Auditor, to conduct secretarial audit of the company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31 March 2015 is annexed herewith and forms part of the Annual Report as **Annexure-1**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re- appointed Dhiren R. Dave, Practising Company Secretary, as secretarial auditors of the Company for the financial year 2015-16.

#### MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Clause 49 (VIII) (D) of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report for the FY 2014-15 duly reviewed by Audit Committee and approved by Board forms part of this Report.



#### PERSONNEL AND RELATD DISCLOSURES

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the company. Pursuant to the provisions of the Companies (Appointment & Remuneration of managerial personnel) rules 2014, no employee is drawing remuneration in excess of the prescribed limits. Your company also appreciates that revenue and profit growth cannot take place without the right equality of people. To that effect, your company has undertaken a series of measures that ensures that the most appropriate people are recruited in to the organization.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure-2** forming part of the Annual Report.

#### INTERNAL CONTROL SYSTEM

Your Company has a well established Internal Control system to ensure an effective internal control environment that provides assurance on the efficiency of conducting business, including adherence to the 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 disclosures. The Internal Auditor certifies on the assurance of adequacy of Internal Control System on quarterly basis which are regularly reviewed by the Audit Committee. Independence of the audit is ensured by the direct reporting of internal audit function to the Audit Committee of the Board.

#### CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing on a sustained basis. The Company assists schools situated at near by villages by distributing dresses & books among poor students and computers to nearby situated primary schools etc. Technical education and training are imparted to the employees through Industrial Training and Workshops. Emphasis was laid on creation of awareness amongst the villagers about the need to protect the environment. CSR activities carried out by the Company have strengthened the relationship with local people.

As stipulated under schedule VII of the Companies Act, 2013, the company has undertaken various activities under CSR compliance during the year under report, the company has spent a sum of Rs. 34.62 Lacs towards CSR activities in line with compliance with section 135 of the Companies Act, 2013. The shortfall Rs. 5.42 Lacs in the amount spent on CSR activities during the year ended on 31st March,2015 is intended to be utilised in future upon identification of suitable projects within your Company's CSR policy.

The details of amount spent on CSR activities during the year are mentioned in **Annexure-3** forms part of the Annual report.

#### **INDUSTRIAL RELATIONS**

The Company continued to maintain harmonious and cordial relations with its workers in all its businesses during the year under report. Your company firmly believes that a dedicated work force constitute the primary source of sustainable competitive advantage.

#### PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors state that during the year under review, there were no cases filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **RISK MANAGEMENT**

Risk Management is the systematic process of understanding, measuring, controlling and communicating organization's risk exposures while achieving its objectives. The company's risk management policy stems from a philosophy of pursuing sustainable growth and creating economic value while calibrating and mitigating risks. The Board of Directors regularly review risks and threats and takes suitable steps to safeguard its interest and that

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there is no element of risk identified that may threaten the existence of the Company. The focus shifts from one area to another area depending upon the prevailing situation. The Risk Management Policy has been reviewed and found adequate to the requirements of the Company by independent firms of Chartered Accountants and approved by the Board. A detailed report on significant risks and mitigation is forming part of Management's Discussion and Analysis.

#### **INSURANCE**

All the properties of the Company including buildings, plant and machineries and stocks have been adequately insured.

#### LOANS, GUARANTEES OR INVESTMENT MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Loans, guarantees and investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year 2014-15 till the date of this report. Further there was no change in the nature of business of the Company.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT.

During the year under consideration, there were no such instances.

#### **EMPLOYEE STOCK OPTION**

The company has not issued any Employee Stock Option.

#### **CASH FLOW ANALYSIS**

The Cash Flow Statement for the year under reference in terms of Clause 32 of the Listing Agreement with the stock exchanges forms part of the Annual Report.

#### FOREIGN EXCHANGE TRANSACTIONS

In order to hedge the company's exposure to foreign exchange and interest rate, the company enters into forward contracts. The volatility witnessed in the global markets has reiterated the need for robust forex management systems and prudent investment practices. All forex exposures are hedged upon the occurrence of an exposure. In case of liabilities in respect of foreign currency loans obtained for acquisition of fixed assets, the variation in the liabilities arising out of exchange rates at the year end have been capitalized during the year as per Companies (Accounting Standard) Amendment Rules, 2009.

#### ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the **Annexure-4** forming part of this report.

#### **RESEARCH & DEVELOPMENT**

The Company is giving great emphasis to innovation in product and process technology and operational efficiencies. The company has set up a separate fully equipped well designed lab for testing of MEG and PTA and developing better quality of Pet chips and Yarns with different deniers and filaments. It has institutionalized a multiple-stage quality control system at the material handling, operations and finished goods stage. Efforts are made to explore and develop more valued added category of yarns. The enhanced quality so developed has been performing well in the domestic as well as in international market. Successful efforts are being made to reengineer the products & process to reduce cost and optimize material consumption. The product lines of the plant are designed to change product with minimum changeover losses and thus meet customer requirement even for small quantities.



#### CONTRACTS AND ARRANGEMENT WITH RELATED PARTY

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Such transactions form part of the notes to the financial statements provided in this Annual Report.

During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

#### CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms integral part of this Annual Report.

- (i) The Company has complied with all the mandatory provisions of Clause 49 of the Listing Agreement relating to the Corporate Governance.
- (ii) Pursuant to Clause 49 of the listing agreement with Stock-Exchanges, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance and a Management Discussion and Analysis Statement as stipulated under Clause 49 of the Listing agreement forms integral part of this Annual Report.

#### **EXTRACT OF ANNUAL RETURN**

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The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 in prescribed Form MGT-9 (Annexure-5) is forming part of the Annual Report.

#### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

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

#### **DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS**

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section.

#### WHISTLE BLOWER MECHANISM

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil mechanism/Whistle Blower Policy. This policy is explained in corporate governance report.



#### POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

#### **Nomination & Remuneration Policy**

The Board of Directors of the company in view of enforcement of Companies Act, 2013 read with rules framed there under and amendment to Clause 49 of the Listing Agreement, re-designated the Remuneration Committee as "Nomination and Remuneration Committee" at the Meeting held on August 11, 2014.

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement (as may be amended from time to time). Emphasis is given to persons from diverse fields or professionals.

#### **Policy on Remuneration**

Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that :-

- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen is industry
  driven in which it is operating taking into account the performance leverage and factors such as to attract and
  retain quality talent. The remuneration policy is in consonance with the existing industry practice.
- For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

#### **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee. This evaluation is led by the Chairman of the Board Governance, Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board.

The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

Independent directors have three key roles — Governance, Control and Guidance. Some of the performance indicators based on which the independent directors are evaluated include:

- (a) Ability to contribute and monitor our corporate governance practices.
- (b) Ability to contribute by introducing international best practices to address top-management issues.
- (c) Active participation in long-term strategic planning.
- (d) Commitment to the fulfilment of a director's obligations and fiduciary responsibilities.

#### **KEY MANAGERIAL PERSON**

Mr. Shankaral Somani who is Managing Director (Executive), Mr. Sumeet Kumar Somani, the Executive Director and Chief Financial Officer and Mr. Anil Kumar Jain, Company Secretary who have been appointed before commencement of the Companies Act, 2013 are the Key Managerial Personnel of the company.

#### **ACKNOWLEDGEMENT**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for devoted services of the Executives, Staff and workers of the Company for its success.

On behalf of the Board of Directors

Sd/-

Shankarlal Somani Chairman cum Mg. Director

Place : Surat

Date: 13th August 2015

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#### ANNEXURE TO DIRECTORS' REPORT

#### **ANNEXURE - 1**

To,
The Members
Sumeet Industries Limited,
Surat.

#### **Secretarial Audit Report**

For the financial year ended March 31, 2015
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SUMEET INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015, generally complied with the statutory provisions listed hereunder and also that the Company has generally followed board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- 1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2015 according to the provisions of:
- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings;

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- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
  - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; There are no events occurred during the year which attracts provisions of these regulations hence not applicable
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -There are no events occurred during the year which attracts provisions of these regulations hence not applicable
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There are no events occurred during the year which attracts provisions of these regulations hence not applicable.

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- (vi) Factories Act, 1948
- (vii) Industrial Disputes Act, 1947
- (viii) The Payment of Wages Act, 1936
- (ix) The Minimum Wages Act, 1948
- (x) Employees State Insurance Act, 1948
- (xi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (xii) The Payment of Bonus Act, 1965
- (xiii) The Payment of Gratuity Act, 1972
- (xiv) The Contract Labour (Regulation and Abolition) Act, 1970
- (xv) The Maternity Benefit Act, 1961
- (xvi) The Employees Compensation Act, 1923
- (xvii) The Apprentices Act, 1961

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- (xviii) Equal Remuneration Act, 1976
- (xix) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- (xx) The Environment (Protection) Act, 1986 (read with The Environment (Protection) Rules, 1986)
- (xxi) The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.
- (xxii) The Water (Prevention and Control of Pollution) Act, 1974 (read with Water (Prevention and Control of Pollution) Rules, 1975)
- (xxiii) The Air (Prevention and Control of Pollution) Act, 1981 (read with Air (Prevention and Control of Pollution) Rules, 1982)

(xxiv) and all other laws applicable to the company not mentioned hereinabove.

- 1. I have also examined compliance with the applicable clauses of the following:
  - i) Secretarial Standards issued by The Institute of Company Secretaries of India were not made mandatory by the Government of India during the period; hence clauses of such standards are not made applicable and hence not commented upon.

ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

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

- 1. Company has not spent required amount for the CSR activities to the extent of Rs. 5.42 Lacs.
- 2. Company and the promoters has been imposed heavy penalty by SEBI under PFUTP Regulations and SEBI Act and also restrained the company and promoters from accessing the securities market for the period up to 2 and 3 years respectively in exercise of the power conferred U/s. 19 of the SEBI Act read with Section 11 and 11 B thereof and Section 12 A of the SCRAAct, 1956 and Regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) Regulation, 2003.
- I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

- I further report are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 4. I further report that during the audit period the company has taken major steps and enter into events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc as stated below:
  - (a) SEBI order imposing heavy penalty on company and its promoters for the violation of provisions of PFUTP Regulations and SEBI Act and also restrained the company and promoters from accessing the securities market for the period up to 2 and 3 years respectively in exercise of the power conferred U/s. 19 of the SEBI Act read with Section 11 and 11 B thereof and Section 12 A of the SCRA Act, 1956 and Regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) Regulation, 2003.

DHIREN R DAVE COMPANY SECRETARY

FCS: 4889

CP: 2496

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Place : Surat

Place : Surat

Date: 13th August 2015

Date: 13th August 2015

To,
The Members
Sumeet Industries Limited,
Surat.

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

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

DHIREN R DAVE COMPANY SECRETARY

FCS: 4889 CP: 2496

#### **ANNEXURE TO DIRECTORS' REPORT**

#### **ANNEXURE - 2**

#### FORM AOC - 1

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2015 are given below:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March, 2015:-

(₹ in lacs)

Name of the Director / KMP & Designation	Remuneration	% increase in Remuneration in F.Y. 2014-15	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
Shri Shankarlal Somani Chairman & Mg. Director	30.00	-	15.51	The Profit before tax marginally declined by 0.90% but Profit after tax
Shri Sumeet Kumar Somani Executive Director & CFO	3.00	-	1.55	(PAT) registered growth of 12.44% as compared
Shri Dinesh Sharan Khare Executive Director	7.62	29.15	3.94	to last year.
Anil Kumar Jain Company Secretary	4.86	12.00	2.51	

The Non-Executive Independent Directors of the Company are entitled for sitting fees, consultancy fees and reimbursement of expenses as per the statutory provisions and are within the prescribed limits. The details of sitting fees and consultancy fees paid to independent directors are provided in the Corporate Governance Report forms a part of the Annual Report.

- 2. Percentage increase in the median remuneration of employees in the financial year: 8.38%
- 3. Number of permanent employees on the rolls of Company as on 31st March. 2015: 461

4. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an increase in remuneration of 8%-9%. The Profit before tax marginally declined by 0.90% but Profit after tax (PAT) registered growth of 12.44% as compared to last year.

The increase in remuneration of employees is in line with the market trends and closely linked to corporate performance, business performance and individual performance.

5. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

Total remuneration of Key Managerial personnel increased by 12%, whereas the profit After tax increased by 12.44% as compared to last year.

Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market

quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Date	Closing Market Price per Share (Rs.)	Earnings Per Share (Rs.)	Price Earnings Ratio	Market Capitalisation ₹(in Crores)
31.03.2014	18.30	3.32	5.51	106.21
31.03.2015	11.45	3.73	3.07	66.45
% Change	(37.43)	12.35	(44.28)	(37.43)

The Company made its Initial Public Offer (IPO) in 1993. An amount of Rs. 1000 invested in the IPO towards 100 shares of Rs. 10/- each was worth Rs.1145 (100 shares of Rs. 11.45 each) as on 31st March, 2015, excluding dividend. After considering Rights shares offered and, Bonus issue of shares from time to time, 100 shares of Rs.10/- each issued in 1993 have become 330 shares of Rs. 10/- each.

7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstance for increase in managerial remuneration:

Average Percentile increase in Remuneration of employees other than Managerial Personnel was 8.38% and average increase in remuneration of Managerial Personnel was 12%.

Average increase in remuneration of both, managerial and non-managerial personnel were determined based on the overall performance of the Company.

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8. Key parameters for any variable component of remuneration availed by the Directors:

Key result areas of the managerial personnel are broadly to achieve Company's growth and performance target, achieving the same against various adverse externalities globally, devising sustenance strategy to combat global forces like competition, exchange rate etc, which, in turn, enhance shareholders' value. Remuneration of the managerial personnel is based on the Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

- Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NIL
- 10. Affirmation that the remuneration is as per Remuneration policy:

The Company affirms that the remuneration paid is as per the Remuneration policy of the Company

11. Pursuant to the provisions of the Companies (Appointment & Remuneration of managerial personnel) rules 2014, no employee is drawing remuneration in excess of the prescribed limits. •••••••••••••••••••••••••••••••••••••

#### ANNEXURE TO DIRECTORS' REPORT

#### **ANNEXURE - 3**

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(Pursuant to Section 134 (3) (O) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) rules, 2014)

The CSR Policy sets out the Company's commitment and approach towards Corporate Social Responsibility for improving the quality of life of the communities it serves. Through the CSR theme of building sustainable livelihoods, the Company endeavours to facilitate livelihood opportunities and promote socio-cultural development.

The focus areas for CSR activities are:

#### I) Education:

Sumeet Industries will undertake initiatives for imparting training to develop language skills to enhance individual employability of youth in marginalized and deprived sections of the society.

Supporting projects and programs for education and development of children from weaker sections of the society directly or through Charitable Trusts, as considered necessary.

#### 2) Health:

Providing financial assistance to institutions, hospitals, charitable trusts and NGOs pursuing projects and programs benefiting paediatrics and cancer patients, people suffering from AIDS, the Blind, Deaf and Dumb.

Organising blood donation camps, various health check – up camps.

#### 3) Disaster relief:

Contributions towards disaster relief and rehabilitation through appropriate agencies as and when required.

In addition to the identified areas of focus mentioned above, the Company may also undertake other activities defined in Schedule VII of the Companies Act, 2013.

The CSR policy has been uploaded on the website of the Company at www.sumeetindustries.com.

Average net profit of the company for last three Financial years: Rs. 20.02 Crores

Details of CSR spent during the financial year:

- a) Total amount to be spent for the financial year: Rs. 34.62 Lacs
- b) Amount unspent, if any: Rs. 5.42 Lacs
- c) Manner in which amount spent during the financial year is detailed below:

#### DETAILS OF CSR EXPENESES FOR THE FINANCIAL YEAR 2014-15

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Sr. No.	CSR Project of activities identified	Sector in which the project is covered	Projects or Programs undertaken (Place)	Amount outlay (budjet) or project or program wise	Amount spent on the projects/ programs	Cumulative expenditure up to the reporting period	Amount Spent : Director or through implementing agency
1	Promotion of Education	Education	Surat	32.00	32.00	32.00	Maheshwari Shikshan Sansthan
2	Health Care	Medical	Bhilwara	1.50	1.50	1.50	Shree Bangur Maheshwari Medical Welfare Society
3	Health Care	Blood Donation Camp	Karanj (Surat)	0.15	0.12	0.12	Direct
4	Animal Care	Gauseva		2.00	1.00	1.00	Bhartiya Govansh Rakshan Sanvaerdhan Samiti
		Total :		35.65	34.62	34.62	

The shortfall Rs. 5.42 Lacs in the amount spent on CSR activities during the year ended on 31st March,2015 is intended to be utilised in future upon identification of suitable projects within your Company's CSR policy.

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This is to confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

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#### **ANNEXURE TO DIRECTORS' REPORT**

#### **ANNEXURE - 4**

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

#### A. Conservation of Energy:

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Energy conservation is a high priority area for the Company. Our continued effort to reduce and optimize the use of energy consumption has shown positive results. The company continuously pursues the process of energy conservation through improved operational and maintenance practices.

- a) Energy Conservation measures taken by the Company
- 1) Installation of capacitance bank on HT and LT bus to improve power factor
- 2) Reduction in heat loss by applying better Thermal Insulation on downthern boilers in spinning area.
- 3) Proactive measures taken for preventing air and steam leakage.
- 4) Energy efficient motors installed in place of old motors.
- 5) Energy efficient spray pumps installed in quench POY.
- 6) Installation of Energy Monitoring System for greater accuracy of energy consumption
- 7) LED lights were installed in place of florescent being more energy efficient.
- Additional investments and proposals, if any, being implemented for reduction of consumption of energy

- 1) Modification & improvement of process system on regular basis as per market demand
- Indigenous development of different electronics sensors for winders & Auto-doffer.
- 3) Development for Indian alternate of various drives for load up to 460 Amp
- c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods
- 1) Low energy consumption thereby reduction in cost of production
- 2) Reduction in wastage and energy / power consumption per unit of yarn
- 3) Reduction in Cost.

d) Total energy consumption and energy consumption per unit of production as per prescribed Form - A given hereunder.

### **FORM A**

	FOI	XIVI A			
		<u>2014-15</u>	<u>2013-14</u>		
A.	Power and Fuel Consumption :				
1.	Electricity:				
	(a) Purchased				
	- Units	103443953	93134054		
	- Total Amount (Rs.)	780988747	281748878		
	- Rate/Unit (Rs.)	7.55	3.025		
	(b) Own generation				
	(i) Through diesel generator in Units (	KWH) <b>3840</b>	6160		
	Liters of HSD Consumed	1360	2120		
	Unit per Ltr. of Diesel	2.823	2.905		
	(ii) Through steam turbine/generator				
	Unit	-	-		
	Consumed	-	-		
	Unit per MT of Coal	-	-		
	(iii) Gas (Generated by Gas based Ger	n Set)			
	Quantity (in units KWH)	-	6397650		
	Gas Consumed (in SM 3)	-	1571531		
	Unit per KWH / SM3	-	4.070		
2.	Gas:				
	Quantity (in units)	-	1579900		
	Total amount	-	53446695		
•	Average rate	-	33.83		
3.	Furnace oil:				
	Quantity (in Ltrs.)	-	-		
	Total amount	-	-		
4	Average rate  Diesel:	-	-		
4.		4450	2200		
	Quantity (in Ltrs.) Total cost	1450 87920	126690		
	Cost/unit	60.63	57.58		
	Costraint	00.03	37.36		
В.	Consumption per unit of production (in t	ons)			
	Product : Polyester/Polypropylene Multi Fil	ament Yarn			
		Standards (if any) 2014-15	<u>2013-14</u>		
	Electricity				
	(a) Purchases	- 1201.88	1161.67		
		-			
	(b) Own Generation	- Comparetory)	877.78		
	(Through Gas based Genset & Diesel Generator)				

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#### **FORM B**

(Forms for disclosure of particulars with respect to Technology Absorption)

#### I. Research and Development (R & D)

#### 1. Specific areas in which R & D carried out by the company

- a) Development of properties in yarns to make it more value added product
- b) Carpet Yarn is being developed
- c) Modification in FDY lines for manufacturing Colour FDY Yarns.
- d) Installation of TFO machines for plying and twisting the yarns
- e) Modification in quenching system.
- f) POY Paper Tube dimensions Optimisation.
- g) Indigenous development of winder' fixtures for guide, alignment & winder shifting trolley.
- h) Reuse of Paper Tube

#### 2. Benefit derived as a result of the above R & D

- a) Reduction in wastage and energy / power consumption per unit of yarn.
- b) Reduction in operating & maintenance cost thereby increase in margins.
- c) Strengthened product portfolio and improved contribution margin
- d) Consistency in product quality

#### 3. Future plan of action

- a) Up-gradation in DCS operating system
- b) PLC up-gradation in CP Plant
- c) Development of new properties in yarn for value addition.
- d) Enhancement of productivity of spinning and take-up machines.
- e) Setting up of Wind Power Plant/ Coal based Plant
- f) Installation of new Texturising & TFO Machines.
- g) Energy Audit

#### 4. Expenditure on R & D / product development

Capital and recurring expenditure is incurred by the company regularly.

#### II. Technology absorption, adoption and innovation

#### 1. Efforts made towards technology absorption, adoption and innovation

- a) Modification in FDY lines for manufacturing colour yarns
- b) Setting up of new 30 TFO Machines for twisting and plying yarns. Twisted & heat set Yarns will finally be used in manufacturing carpets.

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#### 2. Benefits derived as a result of above efforts

- a) Improvement in operating performance and reduction in wastage
- b) Improvement in capacity utilization
- c) Reduction in cost of production

#### 3. Information regarding technology imported during the last five year

Technology Imported	Year of Import	Status
POY and FDY Plant	2011 & 2013	Absorbed

#### C) FOREIGN EXCHANGE EARNING AND OUTGO

I. Activities relating to exports, Initiatives taken to increase export markets for products and services and export plans

Newer markets are being explored and initiative taken to focus on increasing exports.

II. Total Foreign Exchange used and earned (₹ in L
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		<u>2014-15</u>	2013-14
[a]	Foreign Exchange Earnings	11231.02	28494.80
[b]	Foreign Exchange Outgo	34285.13	44494.84



### Form No. MGT-9

### **EXTRACT OF ANNUAL RETURN**

(As on the financial year ended on 31st March, 2015)

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

I.	REGISTRATION AND OTHER DETAILS					
	i) CIN	L45200GJ1988PLC011049				
	ii) Registration Date	1st August, 1988				
	iii) Name of the Company	Sumeet Industries Limited				
	iv) Category / Sub-Category of the Company	Public Company / Limited by shares				
	v) Address of the Registered office and contact details	504, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat-395002, Gujarat, India Phone: 0261-2328902 Fax: 0261-2334189				
	vi) Whether listed company	Yes				
	vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400072, India Phone: 022-40430200/28470652 Fax: 022-28475207				
II.	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
	All the business activities contributing 10% or more of the total turnover of the company shall be stated	As per Annexure-A				
III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	As per Annexure-B				
IV.	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)					
	i) Category-wise Share Holding ii) Shareholding of Promoters iii) Change in Promoters' Shareholding iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) v) Shareholding of Directors and Key Managerial Personnel	As per Annexure-C As per Annexure-D As per Annexure-E As per Annexure-F As per Annexure-G				
V.	INDEBTEDNESS					
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Annexure-H				
VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
	A. Remuneration to Managing Director,     Whole-time Directors and/or Manager     B. Remuneration to other Directors     C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Annexure-I As per Annexure-J As per Annexure-K				
VII.	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	As per Annexure-L				

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### **ANNEXURE - A**

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company	
1	POLYESTER FILAMENT YARN	54024200	100%	

### **ANNEXURE - B**

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	CIN/GLN/ Reg. No.	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SUMEET GLOBAL PTE. LTD. 7500A Beach Road, #08-313 The Plaza, Singapore 199591	2012293436	Subsidiary	100%	Section 2(87) (ii)



### **ANNEXURE - C**

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

#### i) Category-wise Share Holding

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Category of	No. of Shares held at the beginning of the year (As on 1st April, 2014)			No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during	
Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	the year
A. Promoters									
(1) Indian	0500007	_	0500007	40.40	0500007	0	0500007	40.40	0.00
a) Individual/ HUF b) Central Govt	9530027 0	0	9530027 0	16.42 0.00	9530027 0	0 0	9530027 0	16.42 0.00	0.00 0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other f1) Group Companies	17700703	0	17700703	30.50	17700703	0	17700703	30.50	0.00
Sub-total (A) (1)	27230730	0	27230730	46.92	27230730	0	27230730	46.92	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0 0	0.00	0	0 0	0	0.00	0.00
e) Any Other e1) Group Companies	0	0 0	0	0.00 0.00	0	0	0	0.00 0.00	0.00 0.00
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of									
Promoter (A) = $(A)(1)+(A)(2)$	27230730	0	27230730	46.92	27230730	0	27230730	46.92	0.00
B. Public Shareholding									
1. Institutions					_				
a) Mutual Funds	0	0	0 450	0.00	0	0 450	0	0.00	0.00
b) Banks / FI c) Central Govt	0	450 0	450 0	0.00 0.00	0	450 0	450 0	0.00 0.00	0.00 0.00
d) State Govt(s)	0	0		0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	Ö	Ö	Ö	0.00	0	Ő	Ö	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture	0	0	0	0.00	0	0	0	0.00	0.00
Capital Funds i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	0	450	450	0.00	0	450	450	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
í) Indian	15306225	16395	15322620	26.40	11517272	15645	11532917	19.87	-6.53
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	2700216	3069082	6057200	11 00	750/111	3043412	10627522	0.00	0.00
<ul> <li>i) Individual shareholders holding nominal share</li> </ul>	3788316	3009062	6857398	11.82	7584111	3043412	10627523	18.31	6.50
capital upto Rs. 1 lakh									
ii) Individual shareholders	3052961	34050	3087011	5.32	3308018	34050	3342068	5.76	0.44
holding nominal share									
capital in excess of									
Rs. 1 lakh c) Others								I	
c1) Clearing Member	135215	0	135215	0.23	206671	0	206671	0.36	0.12
c2) Directors/Relatives	5234165	0	5234165	9.02	4934165	0	4934165	8.50	-0.52
c3) Non Resident Indians	172149	0	172149	0.30	165214	0	165214	0.28	-0.01
Sub-total (B)(2)	27689031	3119527	30808558	53.08	27715451	3093107	30808558	53.08	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	27689031	3119977	30809008	53.08	27715451	3093557	30809008	53.08	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	54919761	3119977	58039738	100.00	54946181	3093557	58039738	100.00	0.00
Grand Total (A+B+C)	54919761	3119977	58039738	100.00	54946181	3093557	58039738	100.00	0.00

## **ANNEXURE - D**

- IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
- (ii) Shareholding of Promoters

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Sr. No.	Name		ing at the be year 01/04/2			olding at the year 31/03/2		% Change in
		Number of Shares	% Shares of the Company	% of Shares Pledged/ encum- bered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encum- bered to total shares	share holding during the year
1	SHANKARLAL SITARAM SOMANI	3706183	6.39	5.43	3706183	6.39	5.43	0.00
2	SUMEET SHANKARLAL SOMANI	1144000	1.97	1.21	1144000	1.97	0.00	0.00
3	GANGADEVI SHANKARLAL SOMANI	1200000	2.07	1.59	1200000	2.07	1.59	0.00
4	MANISHA SUMEET SOMANI	500000	0.86	0.00	500000	0.86	0.00	0.00
5	NEELAM SUSHIL SOMANI	500000	0.86	0.00	500000	0.86	0.00	0.00
6	SUMANDEVI SOMANI	550000	0.95	0.00	550000	0.95	0.00	0.00
7	RITESH RAJKUMAR SOMANI	120977	0.21	0.00	120977	0.21	0.00	0.00
8	RAKESH RAJKUMAR SOMANI	138023	0.24	0.00	138023	0.24	0.00	0.00
9	RAJKUMAR SITARAM SOMANI	360000	0.62	0.00	360000	0.62	0.00	0.00
10	BETEX INDIA LIMITED	584000	1.01	0.00	584000	1.01	0.00	0.00
11	SOMANI OVERSEAS PRIVATE LIMITED	8641928	14.89	3.45	8641928	14.89	0.00	0.00
12	SITARAM PRINTS PRIVATE LIMITED	3584775	6.18	0.00	3584775	6.18	0.00	0.00
13	SUMEET MENTHOL PRIVATE LIMITED	2530000	4.36	4.31	2530000	4.36	4.31	0.00
14	NATIONAL POLY YARN PVT LTD	2320000	4.00	3.96	2320000	4.00	0.00	0.00
15	SUSHIL SHANKARLAL SOMANI	1310844	2.26	0.86	1310844	2.26	0.86	0.00
16	AMBAJI SYNTEX PVT LTD	40000	0.07	0.00	40000	0.07	0.00	0.00
	TOTAL	27230730	46.92	20.80	27230730	46.92	12.18	0.00

## **ANNEXURE - E**

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- IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
- (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at th the year (As on 1s		Cumulative Share the year (As on 31s	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Total Promoters' Holding	27230730	46.92	27230730	46.92
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		oters' shareholding d	uring the year	
	TOTAL	27230730	46.92	27230730	46.92



## **ANNEXURE - F**

- IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	No. of Shares at the begining/ End of the year	Date	Increase/ Decrease in share- holding	Reason	Number of Shares	Percentage of total shares of the company
1	ARIHANT CAP. MKTS LTD	1,555,893	01-Apr-14	0	Transfer	1,555,893	2.68
			04-Apr-14	10740	Transfer	1,566,633	2.70
			11-Apr-14	975	Transfer	1,567,608	2.70
			18-Apr-14	9099	Transfer	1,576,707	2.72
			25-Apr-14	13968	Transfer	1,590,675	2.74
			02-May-14	905	Transfer	1,591,580	2.74
			09-May-14	-20913	Transfer	1,570,667	2.71
			16-May-14	6298	Transfer	1,576,965	2.72
			23-May-14	7524	Transfer	1,584,489	2.73
			30-May-14	-111117	Transfer	1,473,372	2.54
			06-Jun-14	-7868	Transfer	1,465,504	2.53
			13-Jun-14	4284	Transfer	1,469,788	2.53
			20-Jun-14	5242	Transfer	1,475,030	2.54
			30-Jun-14	-2300	Transfer	1,472,730	2.54
			04-Jul-14	-1000	Transfer	1,471,730	2.54
			09-Jul-14	-9372	Transfer	1,462,358	2.52
			11-Jul-14	1485	Transfer	1,463,843	2.52
			18-Jul-14	18900	Transfer	1,482,743	2.55
			25-Jul-14	500	Transfer	1,483,243	2.56
			01-Aug-14	-500	Transfer	1,482,743	2.55
			08-Aug-14	25	Transfer	1,482,768	2.55
			15-Aug-14	1500	Transfer	1,484,268	2.56
			22-Aug-14	5782	Transfer	1,490,050	2.57
			29-Aug-14	3998	Transfer	1,494,048	2.57
			05-Sep-14	114	Transfer	1,494,162	2.57
			12-Sep-14	-7637	Transfer	1,486,525	2.56
			19-Sep-14	249	Transfer	1,486,774	2.56
			25-Sep-14	-8182	Transfer	1,478,592	2.55
			30-Sep-14	-22963	Transfer	1,455,629	2.51
			10-Oct-14	-200	Transfer	1,455,429	2.51
			24-Oct-14 07-Nov-14	-100	Transfer	1,455,329	2.51
			07-Nov-14 14-Nov-14	-25 -265706	Transfer Transfer	1,455,304	2.51 2.05
			21-Nov-14	21500	Transfer	1,189,598 1,211,098	2.03
				7248	Transfer	1,211,096	2.09
			12-Dec-14 19-Dec-14	5847	Transfer	1,210,346	2.10
			31-Dec-14	-851	Transfer	1,223,342	2.11
			16-Jan-15	800	Transfer	1,224,142	2.11
			23-Jan-15	-400	Transfer	1,224,142	2.11
			06-Feb-15	5298	Transfer	1,229,040	2.11
			13-Feb-15	1028	Transfer	1,230,068	2.12
			20-Feb-15	-2900	Transfer	1,227,168	2.12
			27-Feb-15	-143400	Transfer	1,083,768	1.87
			06-Mar-15	939054	Transfer	2,022,822	3.49
			13-Mar-15	-357600	Transfer	1,665,222	2.87
			20-Mar-15	2677	Transfer	1,667,899	2.87
			27-Mar-15	-636	Transfer	1,667,263	2.87
			31-Mar-15	-2000	Transfer	1,665,263	2.87
		1,665,263	31-Mar-15	0	Transfer	1,665,263	2.87

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2	IFIN SECURITIES FINANCE LIMITED	4,962,000	01-Apr-14 20-Jun-14	0 -2100000	Transfer Transfer	4,962,000 2,862,000	8.55 4.93
			18-Jul-14	-2700000	Transfer	162,000	0.28
			25-Sep-14 05-Dec-14	-152000	Transfer Transfer	10,000	0.02 0.00
		0	31-Mar-15	-10000 0	Transfer	0	0.00
3	M/S DHANVIRDHI FINANCIAL	2,580,443	01-Apr-14	0	Transfer	2,580,443	4.45
	CONSULTANS PVT LTD		19-Dec-14	-15000	Transfer	2,565,443	4.42
		2,530,443	06-Mar-15 31-Mar-15	-35000 0	Transfer Transfer	2,530,443 2,530,443	4.36 4.36
4	RAGHUVIR TEXTURIZERS PRIVATE	2,388	01-Apr-14	0	Transfer	2,388	0.00
	LIMITED		20-Jun-14	2100000	Transfer	2,102,388	3.62
			30-Jun-14	-1310000	Transfer	792,388	1.37
			18-Jul-14	2700000	Transfer	3,492,388	6.02
			25-Sep-14	152000	Transfer	3,644,388	6.28
		1	05-Dec-14 06-Mar-15	10000	Transfer	3,654,388	6.30
		1	13-Mar-15	-758474 -331172	Transfer Transfer	2,895,914 2,564,742	4.99 4.42
			20-Mar-15	-140000	Transfer	2,304,742	4.42
			27-Mar-15	-136921	Transfer	2,287,821	3.94
		2,287,821	31-Mar-15	0	Transfer	2,287,821	3.94
5	BAJRANGLAL SITARAM SOMANI	1,351,087 1,351,087	01-Apr-14 31-Mar-15	0	Transfer Transfer	1,351,087 1,351,087	2.33 2.33
6	SHARDADEVI SOMANI	1,221,000	01-Apr-14	0	Transfer	1,221,000	2.10
	STANDADEVI SOMANI	1,221,000	31-Mar-15	0	Transfer	1,221,000	2.10
7	RELIGARE FINVEST LTD	1,031,650	01-Apr-14	0	Transfer	1,031,650	1.78
			20-Feb-15	-220000	Transfer	811,650	1.40
		811,500	27-Feb-15 31-Mar-15	-150 0	Transfer Transfer	811,500 811,500	1.40 1.40
8	URMILADEVI SOMANI	940,000 940,000	01-Apr-14 31-Mar-15	0	Transfer Transfer	940,000 940,000	1.62 1.62
9	AMIT BAJRANGLAL SOMANI	864,341	01-Apr-14	0	Transfer	864,341	1.49
			20-Jun-14	-300000	Transfer	564,341	0.97
		564,341	31-Mar-15	0	Transfer	564,341	0.97
0	MASTER CAPITAL SERVICES LTD	561,384	01-Apr-14	0	Transfer	561,384	0.97
			04-Apr-14	-81337	Transfer	480,047	0.83
			11-Apr-14	-31048	Transfer	448,999	0.77
			18-Apr-14	49940	Transfer	498,939	0.86
			25-Apr-14 02-May-14	-326586 -20213	Transfer Transfer	172,353 152,140	0.30 0.26
			02-May-14 09-May-14	-20213 -55173	Transfer	96,967	0.26
			16-May-14	1621	Transfer	98,588	0.17
			23-May-14	-3294	Transfer	95,294	0.16
			30-May-14	6300	Transfer	101,594	0.18
		1	06-Jun-14	6202	Transfer	107,796	0.19
			13-Jun-14	-12402	Transfer	95,394	0.16
			20-Jun-14	500	Transfer	95,894	0.17
			30-Jun-14 04-Jul-14	2378 -1671	Transfer Transfer	98,272 96,601	0.17 0.17
			04-Jul-14 09-Jul-14	2782	Transfer	99,383	0.17
			11-Jul-14	5450	Transfer	104,833	0.18
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18-Jul-14   25-Jul-14   25-Jul-14   7-72379   Transfer   42,307   0.07   0.07   0.08-Aug-14   -3000   1.08   0.09   0.07   0.07   0.07   0.07   1.09   0.09   0.06   0.09   0.06   0.09   0.06   0.09   0.06   0.09   0.06   0.0	$\overline{}$	 $\overline{}$	$\overline{}$				$\overline{}$
25-Jul-14			18-Jul-14	9853	Transfer	114,686	0.20
01-Aug-14 08-Aug-14 108-Aug-14 100 17-ansfer 39,307 0.07 15-Aug-14 -1854 17-ansfer 39,407 0.07 15-Aug-14 -1854 17-ansfer 39,407 0.07 0.07 17-ansfer 39,407 0.07 0.07 17-ansfer 39,407 0.07 0.07 17-ansfer 39,407 0.06 17-ansfer 33,709 0.06 0.5-Sep-14 -415 17-ansfer 33,530 0.06 0.5-Sep-14 18-Sep-14 2444 17-ansfer 35,537 0.06 17-ansfer 48,6410 0.08 30-Sep-14 10-Oct-14 -550 17-ansfer 47,725 0.08 17-Cot-14 1938 17-ansfer 49,163 0.08 17-Cot-14 20-30 17-ansfer 50,822 0.10 17-ansfer 50,822 0.10 17-ansfer 50,823 0.10 0.08 17-ansfer 50			25-Jul-14				0.07
08-Aug-14 15-Aug-14 15-Aug-14 15-Aug-14 15-Aug-14 15-Aug-14 15-Aug-14 16-Sep-14 29-Aug-14 05-Sep-14 105-Sep-14 19-Sep-14 2444 17ransfer 33,508 0.06 12-Sep-14 19-Sep-14 2454 17ransfer 33,093 0.06 12-Sep-14 13-3844 17ransfer 33,093 0.06 12-Sep-14 13-3844 17ransfer 33,093 0.06 12-Sep-14 13-3844 17ransfer 33,093 0.06 12-Sep-14 13-3841 17ransfer 34,093 0.06 13-Sep-14 13-3841 17ransfer 48,680 0.14 17-Oct-14 19-Sep-14 13-Sep-14 1			01-Aug-14	-3000	Transfer		0.07
15-Aug-14   -1854   Transfer   37,553   0.06   22-Aug-14   -3844   Transfer   33,709   0.06   29-Aug-14   -201   Transfer   33,508   0.06   05-Sep-14   -415   Transfer   33,508   0.06   12-Sep-14   -4323   Transfer   35,537   0.06   14-Sep-14   -4323   Transfer   48,410   0.08   30-Sep-14   1365   Transfer   46,410   0.08   30-Sep-14   1365   Transfer   47,775   0.08   17-Oct-14   1938   Transfer   47,775   0.08   17-Oct-14   1938   Transfer   49,163   0.08   24-Oct-14   3414   Transfer   52,577   0.09   07-Nov-14   1475   Transfer   56,082   0.10   07-Nov-14   1475   Transfer   56,082   0.10   14-Nov-14   1475   Transfer   56,152   0.10   07-Nov-14   1475   Transfer   56,853   0.10   07-Nov-14   1475   17-Nov-14   14							0.07
22-Aug-14   -3844   Transfer   33,709   0.06					Transfer		0.06
29-Aug-14			22-Aug-14	-3844	Transfer		0.06
05-Sep-14			29-Aug-14		Transfer		0.06
19-Sep-14   47323   Transfer   82,860   0.14   25-Sep-14   -36450   Transfer   46,410   0.08   30-Sep-14   1365   Transfer   47,775   0.08   10-Oct-14   1938   Transfer   47,725   0.08   17-Oct-14   1938   Transfer   49,163   0.08   24-Oct-14   3414   Transfer   52,577   0.09   31-Oct-14   2030   Transfer   54,607   0.09   07-Nov-14   1475   Transfer   56,082   0.10   07-Nov-14   1475   Transfer   56,082   0.10   07-Nov-14   1475   Transfer   56,082   0.10   07-Nov-14   1475   Transfer   56,152   0.10   07-Nov-14   1475   Transfer   56,853   0.10   07-Nov-14   1475   Transfer   48,555   0.08   07-Nov-14   1475   Transfer   45,639   0.08   07-Nov-14   1475   17-Nov-14   1475							0.06
25-Sep-14   -36450   Transfer   46,410   0.08   30-Sep-14   1365   Transfer   47,775   0.08   10-Oct-14   -550   Transfer   47,225   0.08   17-Oct-14   1938   Transfer   49,163   0.08   24-Oct-14   3414   Transfer   52,577   0.09   31-Oct-14   2030   Transfer   54,607   0.09   07-Nov-14   1475   Transfer   56,082   0.10   14-Nov-14   70   Transfer   56,152   0.10   21-Nov-14   4450   Transfer   56,853   0.10   05-Dec-14   -1750   Transfer   55,103   0.09   12-Dec-14   -6548   Transfer   48,555   0.08   19-Dec-14   -2516   Transfer   46,039   0.08   31-Dec-14   -400   Transfer   45,639   0.08   09-Jan-15   -17400   Transfer   45,689   0.08   09-Jan-15   -17400   Transfer   28,289   0.05   16-Jan-15   -300   Transfer   26,439   0.05   06-Feb-15   -1142   Transfer   25,297   0.04   13-Feb-15   -620   Transfer   25,577   0.04   27-Feb-15   9000   Transfer   25,577   0.04   27-Feb-15   9020   Transfer   34,597   0.06   06-Mar-15   47196   Transfer   81,793   0.14   13-Mar-15   17507   Transfer   88,531   0.15   27-Mar-15   12136   Transfer   107,030   0.18			12-Sep-14	2444	Transfer		0.06
30-Sep-14   1365   Transfer   47,775   0.08			19-Sep-14	47323	Transfer	82,860	0.14
30-Sep-14   1365   Transfer   47,775   0.08			25-Sep-14	-36450	Transfer	46,410	0.08
17-Oct-14			30-Sep-14	1365	Transfer		0.08
24-Oct-14 31-Oct-14 07-Nov-14 14-Nov-14 14-Nov-14 14-Nov-14 21-Nov-14 21-Nov-14 28-Nov-14 -05-Dec-14 -12-Dec-14 -12-Dec-14 -12-Dec-14 -12-Dec-14 -13-Dec-14 -13-Dec-14 -14-Dec-14 -15-Dec-14 -16			10-Oct-14	-550	Transfer	47,225	0.08
31-Oct-14			17-Oct-14	1938	Transfer	49,163	0.08
07-Nov-14         1475         Transfer         56,082         0.10           14-Nov-14         70         Transfer         56,152         0.10           21-Nov-14         4450         Transfer         60,602         0.10           28-Nov-14         -3749         Transfer         60,602         0.10           05-Dec-14         -3749         Transfer         56,853         0.10           05-Dec-14         -1750         Transfer         55,103         0.09           12-Dec-14         -6548         Transfer         46,039         0.08           19-Dec-14         -2516         Transfer         45,639         0.08           31-Dec-14         -400         Transfer         45,639         0.08           02-Jan-15         50         Transfer         45,689         0.08           09-Jan-15         -17400         Transfer         28,289         0.05           16-Jan-15         -1550         Transfer         26,439         0.05           23-Jan-15         -300         Transfer         26,439         0.05           26-Feb-15         -300         Transfer         25,297         0.04           13-Feb-15         -620         Transfer </td <td></td> <td></td> <td>24-Oct-14</td> <td>3414</td> <td>Transfer</td> <td>52,577</td> <td>0.09</td>			24-Oct-14	3414	Transfer	52,577	0.09
14-Nov-14     70     Transfer     56,152     0.10       21-Nov-14     4450     Transfer     60,602     0.10       28-Nov-14     -3749     Transfer     56,853     0.10       05-Dec-14     -1750     Transfer     55,103     0.09       12-Dec-14     -6548     Transfer     48,555     0.08       19-Dec-14     -2516     Transfer     46,039     0.08       31-Dec-14     -400     Transfer     45,639     0.08       02-Jan-15     50     Transfer     45,689     0.08       09-Jan-15     -17400     Transfer     28,289     0.05       16-Jan-15     -1550     Transfer     26,739     0.05       23-Jan-15     -300     Transfer     26,439     0.05       06-Feb-15     -1142     Transfer     26,439     0.05       13-Feb-15     -620     Transfer     24,677     0.04       20-Feb-15     900     Transfer     34,597     0.06       06-Mar-15     47196     Transfer     34,597     0.06       06-Mar-15     -10839     Transfer     81,793     0.14       13-Mar-15     -10839     Transfer     88,531     0.15       27-Mar-15     -10839     Transf			31-Oct-14	2030	Transfer	54,607	0.09
21-Nov-14			07-Nov-14	1475	Transfer	56,082	0.10
28-Nov-14 05-Dec-14 12-Dec-14 12-Dec-14 19-Dec-14 23-Dec-14 23-Dec-14 24-00 2-Jan-15 23-Jan-15 23-Jan-15 20-Feb-15 20-Feb-15 20-Feb-15 20-Mar-15 27-Mar-15 27-Mar-15 21-Mar-15 20-Mar-15 20-Dec-14 20-Dec-14 20-Dec-14 20-Dec-14 20-Dec-14 20-Dec-14 20-Dec-14 20-Dec-14 20-Dec-14 20-Dec-14 20-Dec-15 20-Dec-16 20-D				70	Transfer	56,152	0.10
05-Dec-14     -1750     Transfer     55,103     0.09       12-Dec-14     -6548     Transfer     48,555     0.08       19-Dec-14     -2516     Transfer     46,039     0.08       31-Dec-14     -400     Transfer     45,639     0.08       02-Jan-15     50     Transfer     45,689     0.08       09-Jan-15     -17400     Transfer     28,289     0.05       16-Jan-15     -1550     Transfer     26,739     0.05       23-Jan-15     -300     Transfer     26,439     0.05       06-Feb-15     -1142     Transfer     25,297     0.04       13-Feb-15     -620     Transfer     24,677     0.04       27-Feb-15     900     Transfer     34,597     0.06       06-Mar-15     47196     Transfer     81,793     0.14       13-Mar-15     -10839     Transfer     88,531     0.15       27-Mar-15     12136     Transfer     100,667     0.17       31-Mar-15     6363     Transfer     107,030     0.18			21-Nov-14	4450	Transfer	60,602	0.10
12-Dec-14       -6548       Transfer       48,555       0.08         19-Dec-14       -2516       Transfer       46,039       0.08         31-Dec-14       -400       Transfer       45,639       0.08         02-Jan-15       50       Transfer       45,689       0.08         09-Jan-15       -17400       Transfer       28,289       0.05         16-Jan-15       -1550       Transfer       26,739       0.05         23-Jan-15       -300       Transfer       26,439       0.05         06-Feb-15       -1142       Transfer       25,297       0.04         13-Feb-15       -620       Transfer       24,677       0.04         27-Feb-15       900       Transfer       24,677       0.04         27-Feb-15       9020       Transfer       34,597       0.06         06-Mar-15       47196       Transfer       81,793       0.14         13-Mar-15       17577       Transfer       88,531       0.15         27-Mar-15       12136       Transfer       100,667       0.17         31-Mar-15       6363       Transfer       107,030       0.18			28-Nov-14	-3749	Transfer	56,853	0.10
19-Dec-14 31-Dec-14     -2516 -400     Transfer Transfer     46,039 45,639     0.08 0.08 0.08 0.08 0.08 0.08 0.09 0.09			05-Dec-14	-1750	Transfer	55,103	0.09
31-Dec-14			12-Dec-14	-6548	Transfer	48,555	0.08
02-Jan-15     50     Transfer     45,689     0.08       09-Jan-15     -17400     Transfer     28,289     0.05       16-Jan-15     -1550     Transfer     26,739     0.05       23-Jan-15     -300     Transfer     26,439     0.05       06-Feb-15     -1142     Transfer     25,297     0.04       13-Feb-15     -620     Transfer     24,677     0.04       20-Feb-15     900     Transfer     25,577     0.04       27-Feb-15     9020     Transfer     34,597     0.06       06-Mar-15     47196     Transfer     81,793     0.14       13-Mar-15     17577     Transfer     99,370     0.17       20-Mar-15     -10839     Transfer     88,531     0.15       27-Mar-15     12136     Transfer     100,667     0.17       31-Mar-15     6363     Transfer     107,030     0.18			19-Dec-14	-2516	Transfer	46,039	0.08
09-Jan-15     -17400     Transfer     28,289     0.05       16-Jan-15     -1550     Transfer     26,739     0.05       23-Jan-15     -300     Transfer     26,439     0.05       06-Feb-15     -1142     Transfer     25,297     0.04       13-Feb-15     -620     Transfer     24,677     0.04       20-Feb-15     900     Transfer     25,577     0.04       27-Feb-15     9020     Transfer     34,597     0.06       06-Mar-15     47196     Transfer     81,793     0.14       13-Mar-15     17577     Transfer     99,370     0.17       20-Mar-15     -10839     Transfer     88,531     0.15       27-Mar-15     12136     Transfer     100,667     0.17       31-Mar-15     6363     Transfer     107,030     0.18			31-Dec-14		Transfer	45,639	0.08
16-Jan-15			02-Jan-15	50	Transfer	45,689	0.08
23-Jan-15			09-Jan-15	-17400	Transfer	28,289	0.05
06-Feb-15			16-Jan-15	-1550	Transfer	26,739	0.05
13-Feb-15			23-Jan-15		Transfer	26,439	0.05
20-Feb-15 900 Transfer 25,577 0.04 27-Feb-15 9020 Transfer 34,597 0.06 06-Mar-15 47196 Transfer 81,793 0.14 13-Mar-15 17577 Transfer 99,370 0.17 20-Mar-15 -10839 Transfer 88,531 0.15 27-Mar-15 12136 Transfer 100,667 0.17 31-Mar-15 6363 Transfer 107,030 0.18			06-Feb-15	-1142	Transfer	25,297	0.04
27-Feb-15 9020 Transfer 34,597 0.06 06-Mar-15 47196 Transfer 81,793 0.14 13-Mar-15 17577 Transfer 99,370 0.17 20-Mar-15 -10839 Transfer 88,531 0.15 27-Mar-15 12136 Transfer 100,667 0.17 31-Mar-15 6363 Transfer 107,030 0.18			13-Feb-15		Transfer	24,677	
06-Mar-15			20-Feb-15		Transfer	25,577	0.04
13-Mar-15 17577 Transfer 99,370 0.17 20-Mar-15 -10839 Transfer 88,531 0.15 27-Mar-15 12136 Transfer 100,667 0.17 31-Mar-15 6363 Transfer 107,030 0.18			27-Feb-15	9020	Transfer	34,597	0.06
20-Mar-15 -10839 Transfer 88,531 0.15 27-Mar-15 12136 Transfer 100,667 0.17 31-Mar-15 6363 Transfer 107,030 0.18			06-Mar-15				0.14
27-Mar-15 12136 Transfer 100,667 0.17 31-Mar-15 6363 Transfer 107,030 0.18			13-Mar-15	17577		99,370	0.17
31-Mar-15 6363 Transfer 107,030 0.18			20-Mar-15	-10839	Transfer	88,531	0.15
			27-Mar-15		Transfer	100,667	0.17
107,030   31-Mar-15   0   Transfer   107,030   0.18			31-Mar-15	6363	Transfer	107,030	0.18
		107,030	31-Mar-15	0	Transfer	107,030	0.18

## **ANNEXURE - G**

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- IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
- (v) Shareholding of Directors and Key Managerial Personnel:

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Sr. No.		Shareholding at a of the y		Cumulative Share of the y	
	Name of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A.	Executive Director 1. Mr. Shankarlal Somani 2. Mr. Sumeet Kumar Somani 3. Mr. Dinesh Sharan Khare	3706183 1144000 0	6.39 1.97 0.00	3706183 1144000 0	6.39 1.97 0.00
B.	Non Executive Director  1. Smt. Gangadevi Somani  2. Mr. Devi Prasad Saboo  3. Mr. Bhagchnad Chordia  4. Mr. Atma Ram Sardsa	1200000 30000 0 0	2.07 0.05 0.00 0.00	1200000 30000 0 0	2.07 0.05 0.00 0.00
C.	Key Managerial Person Mr. Anil Kumar Jain (Company Secretary)	0	0.00	0	0.00

## **ANNEXURE - H**

#### V. INDEBTEDNESS

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Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year  i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due  Total (i+ii+iii)	44935.05 0 0 44935.05	2195.48 2195.48	396.14 396.14	47526.67 0 0 47526.67
Change in Indebtedness during the financial year	6361.90 9253.49	- 279.01	- 181.10	6361.90 9713.60
Net Change	-2891.59	-279.01	-181.10	-3351.70
Indebtedness at the end of the financial year  i) Principal Amount  ii) Interest due but not paid  iii) Interest accrued but not due  Total (i+ii+iii)	42043.46 0 0 0 42043.46	1916.47 - - 1916.47	215.04 - - 215.04	44174.97 0.00 0.00 44174.97

#### **ANNEXURE - I**

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lacs)

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Sr.	Destination of Demonstration	Nan	ne of MD/WTD/ Man	ager	Total Amazount
No.	Particulars of Remuneration	Shankerlal Somani	Sumeet Kumar Somani	Dinesh Sharan Khare	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	3.00	7.62	40.62
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others		- -	<u>-</u> -	-
5	Others	-	-	-	-
	Total (A)	30.00	3.00	7.62	40.62
	Ceiling as per the Act				203.03

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## **ANNEXURE - J**

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### B. Remuneration to other directors:

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(₹ in lacs)

Sr.	P. C. Lee (December)		Name of	Directors		T-4-1 A
No.	Particulars of Remuneration	Bhagchand Chordia	Devi Prasad Saboo	Atmaram Sarda	Gangadevi Somani	Total Amount
1	Non-Executive Directors Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others*	6.00	3.00	-	-	9.00
2	Total (1)	6.00	3.00	-	-	9.00
3	Total Managerial Remuneration					
4	Overall Ceiling as per the Act					

<sup>\*</sup>Mr. Bhagchand Chordia & Mr. Atmaram Sharda has been paid as consulatancy fees in their professional capacity.

## **ANNEXURE - K**

- VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
- C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in lacs)

Sr.		Key Manager	ial Personnel	
No.	Particulars of Remuneration	Sumeet Kumar Somani (C.F.O)	Anil Kumar Jain (Company Secretary)	Total Amount
1	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.00	4.86	7.86
	<ul> <li>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</li> <li>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</li> </ul>	-	-	-
	. ,			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others	- -	-	- -
5	Others	-	-	-
	Total	3.00	4.86	7.86

## **ANNEXURE - L**

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

#### A. COMPANY

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Туре	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compunding fees imposed	authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
Penalty	-	The SEBI has imposed penalty exercising power conferred under Section 15-I of the SEBI Act, 1992 and Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudication officer) Rules, 1995 for violation of Regulation 3 (b),(c),(d) and 4(1), 4(2) (a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A (a),(b),(c) of the SEBI Act vide order No. IVD/SIL/AO/DRK-CS/EAD-3/473-486/16-29-14 dated 20.02.2014 by Adjudicating Officer	Rs. 200.00 Lacs	SEBI	Appeal made before SAT (Securities Appealate Tribunal) against the order of SEBI and the matter in under sub-judice
Punishment	-	SEBI has restrained the company from accessing the securities market in exercise of the power conferred U/s. 19 of the SEBI Act read with Section 11 and 11 B thereof and Section 12 A of the SCRA Act, 1956 and regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) regulation, 2003 vide order No. WTM/IVD/24-38/2014 Dated 21.05.2014 by Whole Time Member	Prohibited from dealing in Securities market for a period of 2 years	SEBI	Appeal made before SAT (Securities Appealate Tribunal) against the order of SEBI and the matter in under sub-judice
Compounding	-	-	-	-	-
B. DIRECTO	ORS		<i></i>		4
Penalty	-	The SEBI has imposed penalty exercising power conferred under Section 15-I of the SEBI Act, 1992 and Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudication officer) Rules, 1995 for violation of Regulation 3 (b),(c),(d) and 4(1), 4(2) (a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A (a),(b),(c) of the SEBI Act vide order No. IVD/SIL/AO/DRK-CS/EAD-3/473-486/16-29-14 dated 20.02.2014 by Adjudicating Officer	1. Mr. Shankarlal Somani Rs. 225.00 Lacs 2. Mr. Sumeet Somani Rs. 100.00 Lacs	SEBI	Appeal made before SAT (Securities Appealate Tribunal) against the order of SEBI and the matter in under sub-judice

Punishment	-	SEBI has restrained the company from accessing the securities market in exercise of the power conferred U/s. 19 of the SEBI Act read with Section 11 and 11 B thereof and Section 12 A of the SCRA Act, 1956 and regulation 11 of the SEBI ( Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market ) regulation, 2003 videorder No. WTM/IVD/24-38/2014 Dated 21.05.2014 by Whole Time Member	Mr. Shankarlal Somani and MR. Sumeet Somani are Prohibited from dealing in Securities market for a period of 3 and 2 years respectively.	SEBI	Appeal made before S (Securities Appealate Tribunal) against the order of SEBI and the matter in under sub-judice
Compounding	-	-	-	-	-
C. OTHER OFF	FICERS IN D	PEFAULT	1 1		
Penalty	-		- [	-	-
Punishment	-	-	_	-	-
				_	_
Compounding	-				
Compounding	-				
Compounding	-				
Compounding	-				
Compounding	-				
Compounding					

## **CORPORATE GOVERNANCE REPORT**

(As required under clause 49 of the Listing Agreement with Stock Exchanges)

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enable Companies to maximize shareholder's value by attracting financial and human capital and efficient performance. The Company believes that good corporate governance contemplates that corporate actions balance the interest of all shareholders and satisfy the tests of accountability and transparency. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company.

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency and accountability leading to management reliability are the touchstone of the Corporate Governance at SUMEET INDUSTRIES LTD. The ultimate objective of the Corporate Governance at SUMEET INDUSTRIES LTD is to enhance shareholder's value in the long term. However, the Corporate Governance at Sumeet Industries Ltd is continuously making efforts to implement sound governance practices with below objectives.

- i) To enhance shareholders' value
- ii) To comply applicable law, guidelines, rules and regulations
- iii) To excel in customer satisfaction
- iv) To ensure ethical corporate conduct
- v) To maintain high degree of disclosure levels
- vi) To concern for environment and sustainable development

#### 2. BOARD OF DIRECTORS

(A) SUMEET INDUSTRIES LTD is having 7 Directors on its Board consisting of 3 Executive and 4 Non-Executive with Executive Chairman as on 31st March, 2015. None of the directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees, across all the Companies in which they are directors.

The category, composition, attendance of each Director at the Board Meeting, last Annual General Meeting and the number of other Directorship and Chairmanship/Membership of Committees of each Director in various companies as on 31st March, 2015 are given below:

Sr. No.	Name of Directors & DIN No.	Category	Attendance of Board Meeting	Attendance Last AGM	Commit	ther Direc tee Memb airmansh	erships/
			Miccurig		O.D.	C.M.	C.C.
1	Shankarlal Somani (00165238)	Chairman cum Managing 15 Director (Executive & Non-Independent Director)		Yes	2	-	1
2	Sumeet Kumar Somani (00318156)	Whole time Director 15 Yes (Executive & Non-Independent Director)		7	4	-	
3	Dinesh Sharan Khare * (00383743)	Executive & Independent Director	15	Yes	-	-	-
4	Bhagchand Chordia (00165398)	Non-Executive & Independent Director	15 Yes		-	-	3
5	Devi Prasad Saboo (00095024)	Non-Executive & Independent Director	9 Yes		2	-	-
6	Atmaram R Sarda (06713264)	Non-Executive & Independent Director	15 Yes		1	4	-
7	Gangadevi Shankarlal Somani ** (06913790)	Non-Executive & Non-Independent Director	8	Yes	-	1	1

(O.D.) – Directorship in other Companies (C.M.) - Committee Membership (C.C.) - Committee Chairmanship

- \* Mr. Dinesh Sharan Khare has resigned from the post of Executive Director w.e.f. 13th August, 2015 and on the request of the Board he consented to act as an Independent Director (Non-Executive) in the Company w.e.f. on that date.
- \*\* Mrs. Gangadevi Shankarlal Somani, a Non-Executive & Non-Independent Director has been appointed in the Board w.e.f. 28th June, 2014. Mr. Shankarlal Somani, Mr. Sumeet Kumar Somani and Mrs. Gangadevi Somani are related to each other.

Note: Transaction of Non-Executive (Director) with the Company is paying Rs. 6,00,000/- P.A. as consultancy fees to Mr. B.C. Chordia and Rs. 3,00,000/- P.A. as consultancy fees to Mr. Atma Ram Sarda in their professional capacity.

## **Meetings of Independent Directors**

The Company's Independent Directors are required to meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs.

## (B) NO. OF BOARD MEETINGS HELD AND DATES

During the Financial Year 2014-15, the Board meeting has been held for 15 times.

## The Dates of the Board Meetings are:

01.	07.04.2014
02.	24.04.2014
03.	22.05.2014
04.	26.05.2014

05.	30.05.2014
06.	28.06.2014
07.	05.08.2014
08.	11.08.2014

09.	21.08.2014
10.	04.10.2014
11.	12.11.2014
12.	09.01.2015
$\Box$	

13.	06.02.2015
14.	23.02.2015
15.	23.03.2015

#### 3. COMMITTEEES OF THE BOARD

## I) AUDIT COMMITTEE

The Audit committee of the company comprises of 3 members, consisting of 1 Executive Director and 2 Non-Executive & Independent Directors. Mr. B. C. Chordia is the Chairman of the Audit Committee. The constitution of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement. The Committee members have requisite experience in the fields of Finance & Accounts and Banking & Management. Mr. Anil Kumar Jain, Secretary of the company is the Secretary of the Audit Committee.

Audit committee of the company has been constituted as per requirement of Clause 49 of the Listing Agreement.

Composition of Audit Committee and attendance of the Directors at the Audit Committee for the financial year 2014-15 is shown below :-

Sr.	Director	Status in Committee Category		No. of N	Meetings	
No.	Director	Status III Committee	Category	Held	Attended	
1	B. C. Chordia	Chairman	Non-Executive	4	4	
2	Sumeet Kumar Somani	Member	Executive	4	4	
3	Atma Ram Sarda	Member	Non-Executive	4	2	
4	Devi Prasad Saboo	Member	Non-Executive	4	2	

During the financial year 2014-15, Audit Committee meeting was held 4 times. The necessary quorums were present at the meeting. The date of the meetings are as follows:-

01. 28.05.2014

02. 08.08.2014

03. 10.11.2014

04. 04.02.2015

## •••••••••••••••••••••••••••••••••••••

## The terms of the reference regarding role of the Audit committee are as under :-

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of subsection (3) of Section 134 of the Companies Act, 2013 (corresponding to sub-section (2AA) of Section 217 of the Companies Act, 1956);
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;
  - vi) Disclosure of any related party transactions;
  - vii) Qualifications in the draft audit report.

- Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the Company with related parties;
- 9) Scrutiny of inter-corporate loans and investments; Valuation of undertakings or assets of the Company, wherever it is necessary;
- 10) Evaluation of internal financial controls and risk management systems;
- 11) Reviewing, with the management, performance of statutory auditors, including cost auditors and internal auditors, adequacy of the internal control systems;
- 12) 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 audit;
- 13) Discussion with Internal Auditors of any significant findings and follow up there on.
- 14) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 15) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 16) 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;
- 17) To review the functioning of the Whistle Blower mechanism:
- 18) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and shall have the functions/role/powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law.

- 19) Review financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

#### II) NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of the Companies Act, 2013 and the rules made there under and the Listing Agreement, the Remuneration Committee is renamed as "Nomination and Remuneration Committee". The Nomination and Remuneration Committee was re-constituted by the Board on 04.10.2014 considering the requirement of the Companies Act, 2013. The Nomination and Remuneration Committee now comprises of four members viz; Mr. B. C. Chordia, Mr. Sumeet Kumar Somani, Mr. Atma Ram Sarda and Smt. Gangadevi Somani.

Composition of Nomination and Remuneration Committee and attendance of the Directors at the Nomination and Remuneration Committee for the financial year 2014-15 is shown below:

Sr.	Director	Status in Committee	Category	No. of Meetings		
No.	Director	Status in Committee	Category	Held	Attended	
1	B. C. Chordia	Chairman Non-Executive		2	2	
2	Sumeet Kumar Somani	Member	Executive	2	2	
3	Atma Ram Sarda	Member	Non-Executive	2	1	
4	Gangadevi Somani	Member	Non-Executive	2	1	
5	Devi Prasad Saboo	Member	Non-Executive	2	1	

The following are the details of the remuneration paid to the Chairman, Managing / Executive Director(s) in the financial year 2014-2015.

Sr. No.	Name of the Director	Salary (₹ in Lacs)	Perquisites (₹)
1	Shankarlal Somani	30.00	-
2	Dinesh Sharan Khare	7.62	-
3	Sumeet Kumar Somani	3.00	-

Besides above, the Company has not paid any sitting fees to the Non-Executive/Independent Directors.

Remuneration Committee meeting held on 20/05/2014 and 26/03/2015 during the year.

The remuneration is recommended by the Remuneration Committee based on criteria such as qualification & experience, industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance / track record etc. and is decided by the Board of Directors. The Board, on the recommendations of the Remuneration Committee, approves the annual increments.

The terms of the reference regarding role of the Remuneration committee are as under:-

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy of Board diversity Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- 4) To frame company's policies for compensation and benefits for Executive Directors.
- 5) To review HR Polices and initiatives.

#### ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

### III) STAKEHOLDERS' RELATIONSHIP COMMITTEE

In accordance with the provisions of the Companies Act, 2013 and the rules made there under and the Listing Agreement, the Investor Grievance Committee is renamed as "Stakeholders Relationship Committee" and was reconstituted by the Board on 11.08.2014. The Stakeholders Relationship Committee now comprises of three members viz; Mr. B. C. Chordia, Mr. Sumeet Kumar Somani and Mr. Atmaram Sarda. Mr. B. C. Chordia, Chartered Accountant is the Chairman of the Stakeholders Relationship Committee. It consists of two Non-Executive Directors and one Executive Director.

The Stakeholders Relationship Committee is looking for redressal of Investors' complaints like Transfer of Shares, Issue of Duplicate/Replacement/Split Shares, and Non-receipt of rights, Bonus and Non-receipt of Balance Sheet/Dividends/Bonus Shares etc.

Composition of Stakeholders Relationship Committee and attendance of the Directors at the Stakeholders Relationship Committee for the financial year 2014-15 is shown below:

Sr.	Director	Status in Committee	Category	No. of Meetings	
No.	Director	Status III Committee	Category	Held	Attended
1	B. C. Chordia	Chairman	Non-Executive	4	4
2	Sumeet Kumar Somani	Member	Executive	4	4
3	Atma Ram Sarda	Member	Non-Executive	4	3
4	Devi Prasad Saboo	Member	Non-Executive	4	1

The Stakeholders Relationship Committee met 4 times during the year on following dates:

01.	24.06.2014	02.	16.09.2014	03.	26.12.2014	04.	17.03.2015
				'		'	

The number of complaints/requests received from the shareholders during the financial year 2014-15 and the number of pending complaints is given below:

Received during the year 2014-2015 26
Pending as on 31/03/2015 NIL

The Stakeholders' Relationship Committee's composition and the terms of reference meet with requirements Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013. The Committee meets as and when need. All the requests for share transfer etc. were processed and the related share certificates were dispatched within 15 days from the date of receipt.

Number of pending shares transfer as on 31/03/2015: NIL

#### IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The "Corporate Social Responsibility Committee" (CSR Committee) shall institute a transparent monitoring mechanism for implementation of CSR projects or programmes, activities undertaken by the Company. The functions of CSR Committee are as follows:

- i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act. 2013:
- ii) To recommend the amount of expenditure to be incurred on the CSR activities;

- iii) To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- iv) To prepare a transparent monitoring mechanism for ensuring implementation of the project / programmes / activities proposed to be undertaken by the Company.

The "Corporate Social Responsibility Committee" was re-constituted by the Board on 13/08/2015. The Corporate Social Responsibility Committee now comprises of three members viz; Mrs. Gangadevi Shankarlal Somani, Mr. Sumeet Kumar Somani and Mr. Atma Ram Sarda. Mrs. Gangadevi Shankarlal Somani is the Chairman of the Corporate Social Responsibility Committee.

#### 4. GENERAL INFORMATION TO THE SHAREHOLDERS

#### I) GENERAL BODY MEETING

(A) Location and Time, where last three AGM held:

Sr. No.	AGM DATE	Location	Time
1	30/09/2014	Bombay Market Hall, Umarwada, Surat	10:00 A.M.
2	30/09/2013	Bombay Market Hall, Umarwada, Surat	10:00 A.M.
3	28/09/2012	Bombay Market Hall, Umarwada, Surat	10:00 A.M.

### II) Special Resolution passed at the last 3 (Three) Annual General Meetings :

#### YEAR 2013-14

- 1) Reconstitution of Authorised Share Capital of the company.
- 2) Raising of Funds by way of issue of 6% Non-Convertible Redeemable Preference Shares on Private Placement Basis to Promoters & Promoter Group

#### YEAR 2012-13

 Raising of Funds by further issue of equity shares or securities convertible in to equity shares for an amount not exceeding Rs. 100 Crores. 

- 2) Reconstitution of Authorized Capital of the company
- Raising of Funds by way of issue of 6% Non- Convertible Redeemable Preference Shares of Rs. 10.00 Crores to the Directors and their relatives & associate concerns.

#### YEAR 2011-12

- Raising of Funds by further issue of shares or securities convertible in to equity shares for an amount not exceeding Rs. 100 Crores.
- 2) Increase in Authorised Capital of the company from Rs. 90.00 Crores to 100.00 Crores.

## III) No resolution were passed through Postal Ballot during the year.

#### IV) DISTRIBUTION OF SHAREHOLDING (IN SHARES) AS ON 31ST MARCH, 2015

NO. OF SHARES	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF CAPITAL
1 To 500	25557	85.55	4216938	7.27
501 To 1000	2200	7.36	1808602	3.12
1001 To 2000	1006	3.37	1582825	2.73
2001 To 3000	376	1.26	965729	1.66
3001 To 4000	186	0.62	669825	1.15
4001 To 5000	129	0.43	608469	1.05
5001 To 10000	209	0.70	1532630	2.64
10001 To 999999999	212	0.71	46654720	80.38
TOTAL	29875		58039738	100.00



#### V) MARKET PRICE DATA

Month wise High, Low price and volume data for the F.Y. 2014-15 at BSE & NSE are as under :

Month		BSE		NSE			
Worth	High	Low	Total Volume	High	Low	Total Volume	
April, 2014	18.95	13.75	1377237	19.00	13.75	2464020	
May, 2014	18.40	14.10	689027	17.85	14.40	1336824	
June, 2014	18.60	15.30	877245	18.70	15.20	1830552	
July, 2014	20.50	14.00	1266757	20.60	15.00	3468913	
Aug, 2014	16.70	15.00	723423	16.60	14.85	957947	
Sep, 2014	18.00	13.35	712214	17.95	13.50	1874728	
Oct, 2014	15.50	14.25	420942	15.60	14.00	283023	
Nov, 2014	15.45	13.80	228622	15.70	13.80	306529	
Dec, 2014	18.28	13.80	2142637	18.40	13.70	4197988	
Jan, 2015	15.25	13.40	638099	15.25	13.40	825946	
Feb, 2015	23.50	13.23	9153891	23.50	12.55	22540809	
Mar, 2015	16.40	11.00	6767163	16.40	10.95	16285940	

#### VI) APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

Mr. Sumeet Shankarlal Somani, who retires on completion of their terms of appointment are re-appointed as Whole time Director (Executive). Their details are mentioned below:-

Name of the Director	Mr. Sumeet Shankarlal Somani
Date of Birth	11/11/1980
Date of Appointment on the Board	01/06/2004
Qualification	M.Com, PGDBM
Expertise in specific functional areas	Project Management & Business Development
List of other Directorship	<ul> <li>Somani Overseas Pvt. Ltd.</li> <li>Sitaram Prints Pvt. Ltd.</li> <li>Priyanshi Creations Pvt. Ltd.</li> <li>Sumeet Poly Power Ltd.</li> <li>Varsha Dyeing And Printing Mills Pvt Ltd</li> <li>Inherent Computers Private Limited</li> <li>Sumeet Global Pte. Ltd.</li> </ul>
Committees Memberships of the companies	Audit Committee     Nomination And Remuneration Committee     Stakeholders Relationship Committee     Corporate Social Responsibility Committee
No. of shares held in the Company	1144000

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Mr. Atma Ram Sarda, who retires by rotation and being eligible, offer himself for re-appointment. Their details are mentioned below:-

Name of the Director	Mr. Atma Ram Sarda
Date of Birth	01/07/1963
Date of Appointment on the Board	30/09/2013
Qualification	Chartered Accountant
Expertise in specific functional areas	Finance
List of other Directorship	- Overseas Trade Link Pte. Ltd.
Committees Memberships of the companies	Audit Committee     Nomination And Remuneration Committee     Stakeholders Relationship Committee     Corporate Social Responsibility Committee
No. of shares held in the Company	Nil

Mr. Dinesh Sharan Khare has resigned from the post of Executive Director w.e.f. 13th August, 2015 and on the request of the Board he consented to act as an Independent Director (Non-Executive) in the Company w.e.f. on that date. Their details are mentioned below:-

Name of the Director	Mr. Dinesh Sharan Khare
Date of Birth	24/07/1966
Date of Appointment on the Board	17/12/2001
Qualification	B. Text
Expertise in specific functional areas	Sales Production and Marketing
List of other Directorship	None
Committees Memberships of the companies	None
No. of shares held in the Company	Nil

## VII) ANNUAL GENERAL MEETING (TENTATIVE)

Date : 30/09/2015, Wednesday

Time : 10:00 A.M.

Venue : Bombay Market Hall, Umarwada, Surat.

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## (VIII) FINANCIAL CALENDAR (TENTATIVE):

Annual General Meeting : September, 2015

Results for quarter ending June 30, 2015 : on or before 14th August, 2015
Results for quarter ending Sept 30, 2015 : on or before 14th November, 2015
Results for quarter ending Dec 31, 2015 : on or before 14th February, 2016
Results for quarter ending March 31, 2016 : on or before 30th May, 2016

#### (IX) SHARE TRANSFER SYSTEM:

Presently, the share transfers which are received in physical forms are processed and the certificates returned within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respect. The Company has been offering as per SEBI guidelines the facilities of transfer cum demat. Under the system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of transfer and requesting him in case he wishes to demat the shares, to approach a Depository Participant (DP) with the option letter. All transfers received are processed and approved by the Stakeholders Relationship Committee, which considers transfers and other related matter. The Stakeholders Relationship Committee, of the Company meets as often as required.

The Company has appointed M/s. Bigshare Services Pvt. Ltd. as "Registrar and Share Transfer Agent" as per SEBI directives to have common Registrar for Physical as well as Electronic Registrar.

"Registrar & Transfer Agent M/s Bigshare Services Private Limited has been launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss [www.bigshareonline.com] which facilitate to serve better."

## (X) DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Company's shares are available for dematerialization on both the Depositories viz National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shares of the company are compulsorily to be delivered in the demat form on Stock Exchange by all investors. As on 31st March, 2015 about 94.67% of the issued capital have already been dematerialized. Shares of the company are listed at 'BSE Limited' & 'National Stock Exchange of India Limited' and being trading regularly. Demat ISIN number of the Equity Share of the Company is INE235C01010.

Those shareholders whose shares are still held in physical form are requested to dematerialize the same at the earliest. Thus investor can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

#### (XI) BANK MANDATE FOR DIVIDEND:

As per SEBI guidelines, it is mandatory required to print bank account details of the shareholders on dividend warrants. Those members, who have still not furnished their bank account details, are requested to furnish the same immediately either to their DP or to the Registrar of the Company.

### (XII) OUTSTANDING GDRS/ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS: NIL

#### (XIII) ADDRESS FOR CORRESPONDENCE:

Unit: Sumeet Industries Limited

Investor Correspondence: Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai- 400 072.

**Ph.**: 022 - 40430200/28470652

## (XIV) BOOK CLOSURE:

The books will be closed from Thursday, the 24th September, 2015 to Wednesday, the 30th September, 2015 (both days inclusive) as annual closure for the Annual General Meeting.

(XV) DIVIDEND DATE: NIL

## (XVI) LISTING:

Equity shares of Sumeet Industries Limited are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

#### STOCK CODES:

BSE : 514211

NSE : SUMEETINDS ISIN No. : INE235C01010

All listing and custodial fees to the Stock Exchanges and depositories have been paid to the respective institutions.

#### (XVII) BUILD UP OF EQUITY SHARE CAPITAL

Date of Allotment	Reason for Allotment	No. of Equity Shares Issued	Face Value (₹)	Cumulative Share	Cumulative Paid-up Capital (₹ In Lacs)
25.07.1988	Subscription to the MOA	20	10.00	20	200.00
12.12.1991	Further Allotment	1,99,980	10.00	2,00,000	20,00,000.00
13.05.1992	Further Allotment	7,95,000	10.00	9,95,000	99,50,000.00
07.07.1992	Further Allotment	10,55,000	10.00	20,50,000	2,05,00,000.00
20.07.1992	Further Allotment	9,50,000	10.00	30,00,000	3,00,00,000.00
08.08.1992 &	Further Allotment	26,00,000	10.00	56,00,000	5,60,00,000.00
12.08.1992					
24.10.1992	Further Allotment	4,00,000	10.00	60,00,000	6,00,00,000.00
12.01.1993	Initial Public Offering	56,00,000	10.00	1,16,00,000	11,60,00,000.00
15.03.2005 *	Bonus in the ratio of 1:2	57,99,300	10.00	1,73,99,300	17,39,93,000.00
13.04.2007	Preferential Allotment to	6,67,000	10.00	1,80,66,300	18,06,63,000.00
	Bennett Coleman & Co. Ltd.				
13.04.2007	Preferential Allotment to	2,50,000	10.00	1,83,16,300	18,31,63,000.00
	Vishvas Infrastructure Ltd.				
21.01.2008	Bonus in the ratio of 1:10	18,06,630	10.00	2,01,22,930	20,12,29,300.00
17.01.2009	Right Issue 1:1	1,98,72,230	10.00	3,99,95,160	39,99,51,600.00
28.04.2011	Allotment to " QIBs " under	1,82,94,578	10.00	5,82,89,738	58,28,97,380.00
	QIP Placement				
04.12.2013	Reduction of Capital by	(2,50,000)	10.00	5,80,39,738	58,03,97,380.00
	cancelling shares allotted to				
	Vishvas Infrastructure Ltd				
	as per High Court order.				

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## (XVIII) CORPORATE BENEFITS TO INVESTORS

### A) BONUS ISSUE OF FULLY PAID UP EQUITY SHARES

Financial Year	Ratio
2004-05	1:2
2007-08	1:10

<sup>\*</sup> Record Date

#### B) LAST FIVE YEARS RECORDS OF DIVIDEND:

Financial Year	Dividend Declaration	Dividend per share
2009-10	30.09.2010	10%
2010-11	26.09.2011	10%
2011-12	28.09.2012	4%

#### (XIX) UNCLAIMED DIVIDED:

The dividends on equity shares for the following years remaining unclaimed for 7 years from the dates of declaration are required to be transferred by the Company to 'Investor Education and Protection Fund' (IEPF) and the various dates for transfer of such amounts are as under:

Financial Year	Date of Declaration	Due Date for transfer to IEPF*
2009-10	30.09.2010	1st November, 2017
2010-11	26.09.2011	2nd November, 2018
2011-12	28.09.2012	5th November, 2019

<sup>\*</sup>Actual dates of transfer to IEPF may vary.

Members who have so far not encashed their dividend warrants in respect of the above years are requested to claim their dividend from the Company. Such members may write to the Company's Registrars and Transfer Agents, Bigshare Services Pvt Ltd. or to the company for payment of unclaimed dividend amount.

#### (XX) NOMINATION:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form can be obtained from the Company's Registrar and Share Transfer Agent.

## (XXI) NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS):

The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Audited/Un-audited Financial Results are filed electronically on NEAPS.

## (XXII) BSE CORPORATE COMPLIANCE & LISTING CENTRE (THE 'LISTING CENTRE'):

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, Audited/Unaudited Financial Results are also filed electronically on the Listing Centre.

### (XXIII) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

(XXIV) PLANT LOCATION: Block No. 289-291-292, Vill: Karanj, Tal: Mandvi, Dist: Surat (Gujarat) PIN- 394 110.

**Sumeet Industries Limited** is the Manufacturer and Exporter of Polyester Chips, Polyester Filament Yarn (POY & FDY), Texturised Yarn and Carpet Yarn.



## (XXV) REGISTERED OFFICE:

504, 5th Floor, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat- 395 002 (Gujarat)

Phone: 0261 - 2328902. Fax: 0261 - 2334189. E-mail: sumeetindus@yahoo.com

Visit us at: www.sumeetindustries.com

#### (XXVI) REGISTRARS AND SHARE TRANSFER AGENTS:

M/S. Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400072

Ph.: (022) 40430200 / 28470652 Fax: (022) 28475207

### 5. DISCLOSURES OF NON-COMPLIANCE BY THE COMPANY

The transactions with the companies, where the Directors of the Company are interested were in the normal course of business and there were no materially significant related party transactions that have potential conflict with the interest of the Company at large. The SEBI has imposed penalty of Rs.2.00 Crores exercising power conferred under Section 15-I of the SEBI Act, 1992 and Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudication officer) Rules, 1995 for violation of Regulation 3 (b),(c),(d) and 4(1), 4(2) (a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A (a) (b) & (c) of the SEBI Act vide order dated 20.02.2014 and restrain the company from accessing the securities market for the period up to 2 years in exercise of the power conferred U/s. 19 of the SEBI Act read with section 11 and 11 B thereof and section 12 A of the SCRA Act, 1956 and regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) regulation, 2003 vide order dated 21.05.2014.

#### 6. MEANS OF COMMUNICATION

Quarterly/Half yearly results are not sent to the shareholders. However, Company's quarterly/half yearly financial results were published in English (Economic Times) and Gujarati news papers and were also sent to Stock Exchanges. Shareholders can also visit Company's website www.sumeetindustries.com to get more about the company. All price sensitive information is made available at the earliest through press release and presentation made to media on specific occasions.

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### 7. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

Reconciliation of Share Capital Audit Report of the company in terms of SEBI circular no. D & CC/FITTC/CIR-16/2002, reconciling the total shares held in both the depositories, viz NSDL and CDSL and in physical form with the total issued / paid-up capital of the company were placed before the Board of Directors every quarter and also submitted to the stock exchanges every quarter.

A qualified practicing Company Secretary carried out reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

### 8. CEO AND CFO CERTIFICATIONS

The Chief Financial Officer of the company gives annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The CFO certification of the financial statements for the year under review is enclosed forming part of the Annual Report.



#### 9. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the Company, M/s Pradeep Singhi & Associates confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Directors' Report forming part of the Annual Report. This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.

#### 10. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

In compliance with the SEBI regulation on prevention of insider trading, the company has instituted a comprehensive code of conduct for its directors, management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the company can trade in the shares of the company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

#### 11. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism (Whistle Blower) Policy for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism shall provide adequate safeguards against victimization of Director(s) / Employee(s), who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of establishment of the vigil mechanism disclosed by the Company on its website.

#### 12. DECLARATION UNDER CODE OF CONDUCT

As required under clause 49(D) of the Listing Agreement, it is hereby affirmed that all the Board members and senior management personnel have complied with code of conduct of the Company.

### **AUDITOR'S REPORT ON CORPORATE GOVERNANCE**

(On Compliance with the condition of Corporate Governance under Clause 49 of the Listing Agreement)

To,
THE MEMBERS OF
SUMEET INDUSTRIES LIMITED
SURAT.

We have examined the compliance of condition of Corporate Governance by **SUMEET INDUSTRIES LIMITED** for the year ended **31st March**, **2015** as stipulated in Clause 49 of the Listing Agreement with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

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

We have to state that no investors grievances is pending for a period exceeding one month against the Company as per the records maintained by the Company which are presented to the Investor's Grievance Committee.

We further state that such compliance is neither as 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.

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

Proprietor M. NO. 200/24612 FIRM NO. 108029W

Place : Surat
Date : 30th May 2015

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### **CEO/CFO CERTIFICATION TO THE BOARD**

(Under Clause 49(V) of Listing Agreement)

# I, Sumeet Kumar Somani, Chief Financial Officer of Sumeet Industries Limited hereby certify to the Board that:

- a) I have reviewed the financial statements and the cash flow statement for the year 2014-15 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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;
- b) There are, to the best of our knowledge and belief, no transactions entered into by Sumeet Industries Limited during the year under review which are fraudulent, illegal or violative of the company's code of conduct;
- We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee -
  - Significant changes in internal control over the financial reporting during the year 2014-15;
  - Significant changes in accounting policies during the year 2014-15 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of
    the management or an employee having a significant role in the Company's internal control system
    over the financial reporting.
- e) We further declare that all Board members and senior management have affirmed compliance with code of conduct for the year ended 31st March, 2015.

By order of the Board Directors

Sd/-

**Sumeet Kumar Somani** 

Executive Director & Chief Financial Officer (CFO)

Place : Surat

Date : 30th May 2015



## MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

### **Global Economy**

The recovery in the United States was stronger than expected, while economic performance in all other major economies most notably Japan fell short of expectations. The UK is well on its way to recovery. Investment growth in China declined in the third quarter of 2014, and leading indicators point to a further slowdown. Emerging economies continued to contribute about two-thirds of global growth; however these economies disappointed as a result of a less favourable investment climate and weak external demand.

According to the World Bank, global GDP actually grew at 2.6 per cent in 2014 after growing at 2.5 per cent in 2013. While the World Bank's earlier projection for 2014 was 3.2 per cent, the growth momentum failed to pick up in several developed and developing nations during the second half of 2014. The World Bank expects the global growth rate for 2015 to be 3.0 percent. The estimates by International Monetary Fund (IMF) are slightly more optimistic than that of World Bank. IMF expects global economy to grow by 3.5 per cent in 2015 and by 3.8 per cent in 2016.

A number of country specific challenges like infrastructure bottlenecks, increased financial risks and political tensions continued to loom over these economies. However, there is a view that many of these emerging economies including India have put the worst behind them.

#### **Indian Economy**

In 2014-15, Indian economy grew at 7.3% (GDP at market prices). The falling oil prices has aided in lower current account deficit and inflation. With fiscal deficit at below 4%, and current account deficit at 1.6% of GDP, India's macroeconomic fundamentals are healthy. Indian economy has gained momentum following proeconomic reforms, initiated by the new government.

The Government envisages GDP growth upto 8% in FY16 driven by strengthening macroeconomic fundamentals and implementation of policy reforms recently announced will be requisite growth enablers to de-bottleneck stalled projects, improve the investment outlook and the ease of doing business in the country. The reforms include deregulation of diesel prices, direct transfer of cooking gas subsidy, hiking FDI cap in defence and insurance, ordinance on coal and telecom spectrum allocation. Reforms currently underway such as GST implementation, Amendment on Land Acquisition Bill, Labour Reforms, etc. are expected to provide the requisite thrust for growth in the medium-term.

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India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. India is expected to grow at 6.3 percent in 2015, and 6.5 per cent in 2016 by when it is likely to cross China's projected growth rate. India's macro-economic prospects have strengthened and the country is best positioned among emerging market economies, gaining global investor's attention. In FY16, the growth rate is likely to go up further to anything between 8.1 - 8.5 per cent making India world's fastest growing large economy. IMF also expects India to overtake China in terms of growth rate in 2016. The Government of India has been successful in containing inflation and the low oil prices are unlikely to put any upward pressure on inflation.

## Global Textile Industry

In this economic backdrop, there were mixed signals from the global textile industry during 2013 and 2014. While the overall steady growth trend is apparent, there are also several structural changes taking place. The Global textile and clothing industry is estimated to register a growth of 4-5% in 2014-15. The growth could have been stronger, but subdued Q4 led to lower estimated growth. India is expected to achieve around USD 39 billion. The slowdown in exports to China and following commodity prices impacted the world exports.

The global apparel market, which is the primary end-user segment for the entire textiles value chain, was around US\$ 1,146 Bn in 2013 and is estimated around US\$ 1,200 Bn in 2014. This overall market is growing at 5% CAGR and is estimated to reach US\$ 2,110 by 2025. This growth in market size in value terms can be attributed to growing population, increasing per capita consumption globally.

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The production of cotton fibre is down by 2% to 6.63 million tonnes. The polyester fibre production is up by 7.0% from 3.60 million tonnes in 2013-14 to 3.85 million in 2014-15. The production of viscose and acrylic fibre is like to remain flat.

### Global yarn and fabric production in 2014 (%)

	Q1	Q2	Q3 (E)	Q4 ( E)
World yarn production	10	15.9	(1.3)	Negative
Asia yarn production	11	17.0	(1.4)	Negative
World fabric production	(11.6)	11.3	(1.4)	Negative
Asia fabric production	(14.3)	13.2	(0.4)	Negative

(Source: ITMF Press Release 2014, 2015)

#### **Indian Textile Industry**

The opening up of economy gave the much needed thrust to the Indian textile industry , which has now successfully become one of the largest in the world. It also plays a major role in the economy of the country . This sector contributed 14% to industrial production, 4% to the gross domestic product and 17% to the country's export earnings. It provided direct employment to 35 million people. India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 % to 8% and reach to US\$ 80 billion by 2020.

#### **Indian Polyester Industry**

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India's yarn production registered a positive growth of 3.3%. Man made fibre accounts for 71% of the total global fibre production as per estimate of The Fibre Year, ICAC. India's fibre production for the year 2014-15 is estimated at 11.00 million tonnes.

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Domestic growth of polyester fibre is up by 12.5% on Y-o-Y basis. Total domestic demand is estimated at 3.6 million tones in 2014-15, as compared to 3.2 million tonnes in 2013-14. The robust demand led by FDY, followed by POY and PSF. Polyester fibre capacity increased by 9% owing to increased PFY capacity. Polyester fibre is estimated to grow at 7-8% for the period 2016-2018 owing to price stability, competitiveness of polyester fibre price over cotton, growing applications in technical textiles and due to revival of global textile and clothing trade.

Polyester Filament Yarn (PFY) Domestic capacity up by 12% and Domestic demand up from 2.42 million tonnes to estimated 2.79 million tonnes in 2014-15, growth of 15%.

Another factor that is hurting the Indian synthetic sector is the high import duties and domestic taxes on manmade fibres. The synthetic textiles industry last month sought an overhaul in the excise and customs regime to enable it to compete with countries such as Bangladesh, China and Vietnam. Further, the benefits for promoting exports to major emerging markets for MMF textiles such as Latin America, Far East and African countries have been completely stopped in the new FTP without giving the sector's exporters any scope for adjustment.

After tough competition from cotton last year, the manmade yarn and fabric industry is expected to grow at a higher rate of five to seven per cent in 2015-16, on the back of stable crude oil prices. However, it is the domestic market that will see the larger growth, as Indian synthetic yarn and fabric performance has not been one of the best internationally.

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## Statement on Availability of Man-Made Filament Yarns:

(In Mn. Kg.)

Item Name	Parameters	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	% Var.
Viscose	Installed Capacity	80.10	73.70	76.22	76.52	79.52	79.52	Nil
Filament	Opening Stock	1.72	1.94	1.49	3.43	1.90	3.53	86%
Yarn	Production	42.70	40.92	42.35	42.63	43.99	43.93	Nil
	Import	11.70	13.17	11.16	8.74	16.80	16.44	-2%
	Export	5.17	5.45	6.37	6.49	5.96	6.03	1%
	Availability	50.95	50.58	48.63	48.31	56.73	57.87	2%
Nylon	Installed Capacity	32.00	32.00	32.00	32.00	32.00	32.00	Nil
Filament	Opening Stock	1.71	3.10	6.40	2.20	1.75	2.06	18%
Yarn	Production	30.35	33.46	27.95	22.91	24.09	32.45	35%
	Import	1.69	2.14	1.29	1.49	1.76	2.58	47%
	Export	1.75	1.97	1.88	1.79	1.99	1.86	-7%
	Availability	32.00	36.73	33.76	24.81	25.61	35.23	38%
Polyester	Installed Capacity	2058.49	2069.42	2143.70	2134.14	2118.88	2103.23	-1%
Filament	Opening Stock	23.16	28.09	42.67	43.73	34.88	29.72	-15%
Yarn	Production	1434.88	1462.28	1379.52	1288.14	1212.43	1157.41	-5%
	Import	28.61	19.22	24.36	30.34	22.71	19.17	-16%
	Export	132.06	245.61	296.88	393.50	467.18	462.81	-1%
	Availability	1354.59	1263.98	1149.67	968.71	802.84	743.49	-7%

Availability = Opening Stock + Production + Import - Export

Note: Values of Installed Capacity and Opening Stock are taken as Year Ending Month.

Source: O/o Textile Commissioner, Mumbai

#### **Raw Material Scenario**

For Polyester Industry, the main raw materials are Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG), these are derivatives of petrochemical industry. Any change in crude oil prices affects the prices of PTA and MEG.

### Purified Terephthalic Acid (PTA)

The scenario for PTA also changed significantly due to substantial addition of capacity for PTA in China. PTA reached a peak of about USD 1,000 in August 2014, and started declining thereafter, hitting a bottom of about USD 580 in January 2015, and then recovered slightly. From July 2014, imposition of Anti Dumping Duty on imports of PTA from countries like China, Korea, Thailand and European Union contributed to the changing scenario.

In India, due to frequent shut downs, low capacity utilisation at the plants of Indian Oil Corporation Limited (IOCL) and MCC PTA India Corporation Private Limited (MCPI), and delay in commissioning of the new plant of Reliance Industries Limited (RIL), the PTA shortage continued, and significant imports took place during the year. RIL's new plant has now been commissioned, and the situation has eased.

#### Mono Ethylene Glycol (MEG)

MEG reached a peak of about USD 990 in July 2014, and started declining thereafter, hitting a bottom of USD 725 in January 2015, before recovering slightly. MEG is expected to remain tight globally as no new capacities are coming up in the near future, other than debottlenecking for some of the existing plants.

#### **Business Overview:**

The year under review remained as a year of modification in engineering & process to focus on manufacturing value added yarns with diversified applications. In the Current financial year, the company has modified 4 (four) position of its existing FDY Line for Manufacturing Colour FDY Yarns. Colour FDY Yarns will be further processed on 30 Nos. of TFO Machineries which is going to be installed for plying and twisting the yarns. Twisted & Heat set Yarns will finally be used in manufacturing carpets.

The company is also exploring enhancing the capacity of manufacturing recycled chips from Waste Recycling Plant by importing some more machinery of new technologies.

The company's manufacturing unit have a locational advantages being situated in the Surat area. Its location gives its proximity to both raw material suppliers as well as end users. The production capacity of the plant is as under:

Name of the Product	Production capacity per day ( In Mt )	Capacity under expansion Per day ( In Mt )
C.P. Plant	288	-
POY	128	-
FDY	147	-
Textuised Yarn	15	15
Carpet Yarn	12.5	-

Over the years, we have developed capabilities to customize and improve our product designs by absorbing, adapting and improving the acquired technology from both national and international suppliers. We are continuing to enhance the operational efficiency of our plants leading to higher value creation.

#### **RESULTS REVIEW**

**Turnover:** Sumeet Industries Limited has achieved a turnover (Standalone) of Rs. 93117.27 Lacs in the year 2014-15 as against Rs. 110799.62 Lacs during the previous year. Fall in sales was noted being fall in prices of finished products corresponding to last year. Due to fall in prices of our basic raw material PTA and MEG, our final products cost were also declined resulting lower value of turnover.

**Other Operating Income**: Other operating income consists of Export Incentives, Vat refund etc. Other Income for the year 2014-15 amounted to Rs. 266.77 Lacs as against Rs. 301.88 Lacs during the previous year. Export Incentives received during the year declined due to less export in the year under review in comparison to previous year.

**Other Income**: Other income consisting receipt of Dividend, Discounts and Interest on Fixed Deposit and Profit/(Loss) from Forex Transactions. Other income for the year 2013-14 is amounting of Rs. 94.38 Lacs against Rs. (1607.12) in the previous year. Other income were substantially increased due to losses from foreign transactions were minimized.

**Consumption of Raw material :** Consumption of raw material increased from Rs. 55567.31 Lacs to Rs. 60051.64 Lacs due to decrease in closing stock.

**Employee Cost**: Employees cost were increased from Rs. 1154.78 Lacs to Rs. 1238.51 Lacs. This increase is mainly due to higher increments given to employees and further recruitment of employees in POY and FDY spinning division.

**Interest Cost**: Interest cost were increased from Rs. 3050.90 Lacs to Rs. 3535.99 Lacs due to increase in working capital. Debt Service Coverage ratio is 0.92.

Despite the challenges, FY 2014-15 has been a year in which your Company made good progress in strengthening the established business segments through high value products and also reported positive contribution in the overall segment. Despite the volatility in the second half of the year, your Company was able to deliver continued growth in profitability.

#### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:-

The company's well defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies & applicable laws and regulations and optimal use of company's resources, safeguard of all assets, proper authorization and recording of transactions and compliances with applicable laws.

The Company uses Enterprise Resource Planning (ERP) supported by in-built controls that ensures reliable and timely financial reporting. Well-established & robust internal audit processes, both at the Corporate and the Business levels, continuously monitor the adequacy and effectiveness of the Internal Controls and status of compliance with operating systems, internal policies and regulatory requirements. All Internal Audit findings and financial and audit control systems are periodically reviewed by the Audit Committee of the Board of Directors which provides strategic guidance on Internal Controls. The review of reports, statements, reconciliation and other information required by the management are well documented in application system to provide reasonable assurance regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. Additional modules in ERP like Production planning, Costing, Quality management has added additional advantages in improving product costing. The Company also has a robust & comprehensive framework of Control Self-Assessment which continuously verifies compliance with laid down policies & procedures and help in pluging control gaps.

#### **ENERGY CONSERVATION**

The Conservation of energy in all the possible areas is undertaken as an important means of achieving cost reduction. Saving in electricity, fuel and power consumption receive due attention of the management on a continuous basis. Various measures have been taken to reduce fuel consumption, reducing leakages, improving power factor optimizing process controls etc. resulting in energy savings.

#### **HIGH ENERGY COST**

Open access power purchase which was hitherto available to the Company was denied from March, 2014 by power transmission company due to system constraint in transmission network. This resulted into substantial increase in power cost. To reduce the impact of this risk, the Company is constantly working on possibility to generate power from Wind Power / Coal based captive power Plant and is taking appropriate action.

## **OPPORTUNITIES AND STRENGTH**

We believe polyester is the fiber of the future, finding varied applications across home furnishing, apparel industry, automotive industry, sportswear market, technical textiles etc. Global economic recovery is also accelerating coupled with rising per capita income, expanding middle class, continuing urbanization witnessing high growth opportunities. Rural market is also playing important role in the economy which offers a major opportunity growth in the Polyester Industries. Our product mix spread over five important Polyester products: Pet chips, POY, FDY, Texturised yarn & Carpet Yarn. We will keep opportunity of further backward and forward integration cum expansion program to lead to the company to a new high.

Sumeet Industry's Edge

- Over two decades of prominence in the polyester field.
- One of cost efficient polyester manufacturers
- Wider value added range of products
- Increasing global footprints across major markets
- · Locational advantages being situated at Surat.
- Professionally managed company.

### THREAT, RISKS AND CONCERNS

The objective of risk management frame work is to identify events that may affect the company, and manage risk in order to provide reasonable assurance regarding achieving the company's objective. The company is operating in an environment that is becoming more and more competitive. The company seeks to ensure that the risks if undertakes are commensurate with returns. Successful risk management implies not avoidance of risk, but anticipation of the same, and formulation and implementation of relevant mitigation strategies.

#### a) RISK AGAINST FIRE, FLOOD AND ACCIDENTS

Risk against fire, flood, accident, health related problems and accidents of workforce are common risks attached to the working of any plant/company. Management has taken reasonable steps to counter the risk. The company has taken Comprehensive All Risk Insurance Policy, which covers company's assets against all risks. Accidents due to human failure are being tackled through the continuous training to our technical and other staffs and through regular monitoring and supervision. All the employees of the company are also insured under Group Insurance Policy of Life Insurance Corp. of India.

#### b) ECONOMIC RISK

Domestic sales contribute to a major part of the revenue of the company so, the factors that may adversely affect the Indian economy and in turn company's business includes rising in interest rate, deprecation of rupees, inflation, change in tax structure, fiscal and monetary policies, scarcity of credits, global trade slowdown etc. Over capacity in the POY and Chips industry can also affect margins.

Polyester has emerged as a fibre of the nation and is being extensively used in apparel, automotive, home furnishing, industrial textile and sportswear sectors. Burgeoning population, rapid urbanization, rising disposable income and growing middle-class population will drive the polyester demand in future.

Moreover, Indian economy grew at 7.3% (GDP at market prices) in 2014-15. India is witnessing improving macroeconomic fundamentals – moderating inflation, stabilising currency and improving consumer demand.

#### c) COMPETITION RISK

We face competition from existing players and potential entrants in the Indian textile industry. The Indian textile industry is highly competitive both in the Pet Chips segment and in the POY/FDY segment. Our company is in medium size as compared to the market leaders like Reliance Industries Limited. Domestic production is dominated by few organized players who have integrated facilities and large economies of scale and the unorganized sector is virtually absent. The company has a well defined TQM system of control points, comprehensive budgetary controls and review system to monitor its operations to remain cost competitive than its peer group. The company also widened the value added product portfolio to address a broader client base

We strengthened our customer base in existing and new export geographies through competitive pricing and quality offerings. We have enhanced focus on customer service to ensure repeat business and long standing relationship.

#### d) STRATEGIC RISK

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Strategic plans for the company's business take in to account likely risks in the industrial environment from competition, changing customer needs, obsolescence and technological changes. Obsolescence of technology may affect the production process. The annual plans that are drawn up consider the risks that are likely to impact the Company's objectives in that year and the counter-measures put in place.

Project execution is largely dependent upon timely delivery by the equipment suppliers, project management skills, civil works etc. Any delay in project implementation will impact revenue and profit for that period. The company strives to adopt a 'de-risking' strategy in its operation while making growth investments. Appropriate structures have been put in place to proactively monitor and manage risk.

## e) PRICE RISK

Crude oil and Petroleum products are globally traded commodities and therefore, the prices are influenced by the international market forces of demand-supply and other geo political uncertainties etc. The price of raw material and finished goods move in tandem with international prices, which in turn, have correlation with the prices of petrochemical products.

The company follows conservative foreign exchange risk management policy to minimize or eliminate the risks associated with operating activities hence, does not carry significant forex risk.

#### f) LIQUIDITY RISK

Liquidity risk (i.e., the risk of not being able to fulfil current or future payment obligations because of unavailability of adequate cash) is efficiently managed by the company. The company is exposed to varies financial risk emanated from foreign currency exchange risk from export of products, import of raw materials and capital goods and servicing of foreign currency debt.

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We follow a conservative foreign exchange risk management policy to minimise or eliminate the risks associated with operating activities. Sufficient current assets are held to meet all of the Company's short-term payment obligations as and when they fall due, thereby ensuring solvency at all times. Payment obligations result both from operating cash flows and from changes in current financial liabilities which are included in liquidity planning.

## g) MARKET RISK

Market risks relate to the possibility that the fair value or future cash flows of a financial instrument could fluctuate due to variations in market prices. Market risks include currency risk and interest-rate risk.

The company also converting its working capital in to fund/non-fund based facilities, borrowing under ECB/FCCB schemes and appropriate hedging strategies has undertaken to minimize interest and interest rate risk and currency risk for deprecation of rupees against dollor.

The volatility witnessed in the global markets has reiterated the need for robust forex management systems and prudent investment practices. All forex exposures are hedged immediately upon the occurrence of an exposure. The company uses forward contracts to hedge both its imports and exports and continues to maintain the philosophy of protecting cash flows. Exports of the company also acts as a natural hedge against adverse foreign currency fluctuation.

#### **WASTE MANAGEMENT**

We have adopted various methods and practices for solid and hazardous waste management. Solid waste like polymer are sold to authorized parties for re-use. Fibre waste are used as captive material through recently set up waste re-cycling plant. The company has setup state of art an ETP plant for treating polluted water of the plant. Hazardous wastes are handled through registered recyclers, who are authorized by the concerned Pollution Control Boards.

### SAFETY, HEALTH AND ENVIRONMENT CONTROLS (EHS)

In keeping with the environment-conscious tenor of the times, your company has taken effective steps in creating an aesthetic, environment-friendly industrial habitat in its factory units, mobilizing support and generating interest among staffs and labours for maintaining hygienic and green surroundings. Being providing continual efforts and stress on fire and safety, no major incident was noted in the year 2014-15.

The Company is aware of its responsibilities as a good corporate citizen, in health, safety and environmental management. To achieve the environment, health & safety visions, various objectives have been set forth. These are as follows:-

- Compliance with environment, health & safety laws and regular assessment of the compliance of operations against the requirement.
- Ensuring safety related practices to enable employees and others to eliminate work related injury and illness.
- First Aid training camps organized.
- State-of-the-art fire and safety installations to meet emergencies with in the company, as well as near by areas.
- Training and counseling of employees, contractors, sub-contractors and transporters to ensure effects of environment, health and safety.
- Training and motivating employees to understand their EHS responsibilities and to participate actively in EHS program.
- Imparting fire fighting training to personnel and mock drills to ensure safety preparedness.
- Toilets and drinking water facility provided and they are being regularly inspected for cleanness.
- Proactive measures to increase usage of recycled water.
- To abide by all statutory compliance as per Factories Act ,1948.

#### **HUMAN RESOURCES**

The company firmly believes that success of any organization largely depends upon availability of human assets within the organization as it is one of the most valuable assets because revenue and profit growth

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cannot take place without the right equality of people. To that effect, company has taken a series of measures that ensures that the most appropriate people are recruited in to the organization.

#### a) RECRUITMENT POLICY

The Company has been able to attract a team of dedicated professionals with appropriate expertise and experience, leaders who are passionate, eager to learn and succeed. Recruitment based on merit by following well defined and systematic selection procedures eliminating discrimination, sustain motivated and quality work force through appropriate and fair performance evaluation to retain the best talent.

Various training programs, with internal and external experts are organized regularly for skill upgradation. The sincere efforts of the employees have resulted in major administrative expense savings.

### b) PERFORMANCE APPRAISAL SYSTEM

A competency based performance appraisal system has been devised and implemented the same across the organization. The best performers get recognized and rewarded by the management with the objective of motivating them for further improved performance. Employees are promoted to higher positions on the basis of their performance, attitude and potential to motivate them for further improvement in their work.

## c) PERSONNEL TRAINING

The company from time to time fosters a culture of training, people development and meritocracy to ensure that the maximum efficiencies are derived from its human capital. The newly recruited employees under go a comprehensive induction program. The employees underwent both functional / technical and behavioral training that would eventually result in improved productivity. Safety training is given on regular basis to all employees including temporary employees.

#### d) LABOUR RELATIONS

On the labour front, during the year, there were no incidents of labour unrest or stoppage of work on account of labour issues and relationship with them continues to be cordial. To increase team spirit inter department tournaments are organized and various festivals are celebrated in the company.

#### STATUTORY COMPLIANCE

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The Whole-time Directors and CFO makes a declaration at each Board Meeting regarding the compliance with the provisions of various statutes, after obtaining confirmation from all the units of the Company. The Company Secretary ensures compliance accordance to SEBI regulations and provisions of the Listing Agreement.

#### CORPORATE SOCIAL SERVICE

The company is committed to its corporate social responsibility and undertakes programs that are sustainable and relevant to local needs. The company has under taken a range of activities in respect of health care and education to improve living conditions of the villagers in the neighborhood of its factories under its CSR program.

#### **CAUTIONARY STATEMENT**

Statement in the Management Discussion and Analysis (MDA) describing the company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Several factors could make significant impact on the company's operation. These include geo political uncertainties affecting demand and supply and Government regulations, tax laws and other factors such as litigations and industrial relations.

Identified as having been approved by the Board of Directors of Sumeet Industries Limited.

Anil Kumar Jain Company Secretary Surat <del></del>

13th August, 2015



## **INDEPENDENT AUDITOR'S REPORT**

TO,
THE MEMBERS
SUMEET INDUSTRIES LIMITED,
SURAT.

#### Report on the Financial Statements:

I have audited the accompanying financial statements of SUMEET INDUSTRIES LIMITED. ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements:

The Company's Board of Directors are responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility:

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My responsibility is to express an opinion, on these financial statements; based on my audit.

I 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.

I conducted my audit; in accordance with the Standards of Auditing specified under section 143(10) of the Act. Those Standards require that I, comply with ethical requirements and plan and perform the audit to obtain reasonable assurance; about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Auditor's Opinion:**

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid 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.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015.
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

and

c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements:

- As required by the Companies (Auditors Report) Order, 2004 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, I, enclose in the "Annexure A" a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2. As required by section 143(3) of the Act, I report that:
  - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - b. In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books (and proper returns adequate for the purposes of my audit have been received from the branches not visited by me).
    - [The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to me and have been properly dealt by me in preparing this report]
  - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report, are in agreement with the books of accounts [and the returns received from the branches not visited by me].
  - d. In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. There is nothing to disclose which is having adverse effect on the functioning of the company.
  - f. On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - g. With respect to the other matters included in the Auditor's Report and to the best of my information and according to the explanations given to me.
    - i.) The Company did not have any long-term contracts including derivatives contracts for which there
      were any material foreseeable losses;
    - ii.) There is amount transfer to the Investor Education and Protection Fund by the Company.

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

Proprietor M. NO. 200/24612 FIRM NO. 108029W

Place : Surat

Date : 30th May 2015



As required by the companies (Auditor's Report) order, 2004 and according to the information and explanations given to me during the course of audit and on the basic of such checks as were considered appropriate, I report that;

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

S.No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes, the company is maintaining proper records of fixed assets.
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals;	Yes, fixed assets have been physically verified at regular intervals.
	whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	No, material discrepancies have been noticed on such verification.
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	Yes, physical verification has been conducted except material lying with third parties, where confirmations are obtained.
	(b) Are the procedures of physical verification of inventory followed by the management, reasonable and adequate in relation to the size of the company and the nature of its business? If not, the inadequacies in such procedures should be reported;	Yes.
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Yes, the company has maintained proper records of inventory.  The discrepancies Noticed on verification were not material and have been properly dealt with in the books of accounts.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 If so,	Yes, there are Two such parties.
	(a) Whether receipt of the principal amount and interest are also regular; and	Yes.
	(b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	Yes.

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(iv)	Is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services? Whether there is a continuing failure to correct major weaknesses in internal control system.	Yes internal control system is adequate.  No major weakness has beer noticed in the internal contro system.
(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	Yes, all the compliances have been followed by the company.
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	Yes.
(vii)	(a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	Yes, the company is regular.
	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	No such dispute is present.
	(c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.	Yes, the required amounts have been transferred.

(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	Not Applicable as the company has no accumulated losses.
(ix)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	No, default has been made in repayment of dues.
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	Yes, The company has given corporate guarantee to State bank of India for the Term Loan Granted to Sumeet poly power Ltd.
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	Yes.
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	No.

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

Proprietor M. NO. 200/24612 FIRM NO. 108029W

Place : Surat
Date : 30th May 2015

#### Note:1

#### Corporate information :-

Sumeet Industries Ltd. is a Public Limited Listed Company domiciled in India and Incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of manufacturing and Exporting Poly Propylene (Crimped & FDY) Yarn, Polyester Yarn & Polyester Chips. The company caters to both domestic and international markets.

#### Note: 2

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#### Significant Accounting Policies:

Significant accounting policies adopted in the preparation and presentation of the accounts are based on accounting principal set out in Accounting Standard (AS) issued by ICAI as enumerated below:

- (a) Basis of Accounting (AS 1): The financial statements are prepared under historical cost convention on an accrual basis. The company follows mercantile system of Accounting and recognizes income & expenditure on accrual basis.
- (b) Fixed Assets (AS 10): Fixed Assets are stated at cost of acquisition (net of cenvat) or construction less accumulated depreciation. Cost comprises of purchase price and all other cost attributable to bringing the asset to its working condition for its intended use. An effect of Notification No. G.S.R. 225(E) to AS 11 of Companies (Accounting Standard) Amendment Rules, 2009 has been given to the carrying amount of Fixed Asset with corresponding effect to General Reserve and balance of Profit & Loss account.
- (c) Depreciation (AS 6): Depreciation upto 31.03.2014 was provided on fixed assets (except land) on written down value method at the rates specified in schedule XIV to the companies Act, 1956 except on trucks, addition in the vehicle from 01.04.2003, cater pillar D.G. Sets one Himson Text rising machine and all additions in plant & machinery from 01.04.2002, where depreciation has been provided on straight line methods as per schedule XIV to the companies Act, 1956.
  - For F.Y. 2014-15, depreciation is provided on fixed assets (except land) on written down value method as well as straight line method asset wise as specified in the manner disclosed in the schedule II of the companies Act, 2013.

- (d) Investments (AS 13): Investments are stated at cost. Investment in shares and securities are considered as long term and valued at cost. No provision for shortfall in value at the end of the year is provided for.
- (e) Inventories (AS 2):

(a) Stores & Spares and fuel Oil : At Cost.
(b) Raw Material : At Cost.
(c) Goods in Transit (Raw Mat.) : At Cost.

(c) Work-in-Progress : At Cost + Procurement charges

(d) Finished Goods : At Cost or Net Realizable values whichever is lower.

(e) Wastage : At Net Realizable Value

Cost of inventories is ascertained on the "First-in-First-Out" basis.

(f) Retirement Benefits (AS 15): Provision for gratuity has been made in the accounts, only in case of those employees who have become eligible for the retirement benefits. Leave encashment, LTA, Medical Assistance are accounted as and when paid. The Company is a member of recognized Provident Fund scheme established by the regional Government of Gujarat. The Company is contributing 12% of Salary & Wages of eligible employees under the scheme every month. The amount of contribution is being deposited each and every month well within the time under the rules of EPF Scheme.

- (g) Foreign Currency Transactions (AS 11): In the case of liabilities in respect of foreign currency loans obtained for acquisition of fixed assets, the variation in the liabilities arising out of exchange rates at the yearend are capitalized w. e. f. F.Y. 2007-08 as per Notification NO. G.S. R. 225(E) of Companies (Accounting Standard) Amendment Rules, 2009.
  - Sales in foreign currencies are accounted at the rate prevailing on the date of purchase of bills by the collecting bank. Current assets in foreign currencies as at the balance sheet date (not covered above) are reconverted at the rate prevailing at the year end and the resultant net gains and losses are adjusted in the profit and loss account. Losses on foreign currency derivatives transactions are included in determining the net profit for the year.
- (h) Excise duty: The liability of excise duty amounting to Rs.7,12,69,293/- has been provided for the goods manufactured but not cleared as on 31.3.2015, the effect of which on profit and loss account of the year is Nil.
- (i) Revenue Recognition (AS 9): Expenses and incomes, not specifically referred to otherwise consider payable and receivable respectively are accounted for on accrual basis.

**Sales**: Sales include packing and forwarding charges, octroi & sales-tax but excludes excise duty wherever applicable and a sale of goods is recognized on transfer of property of goods as per agreed terms.

**Export Sales:** These are accounted at the exchange rate prevailing on the date of invoice. These are gross of commission and include freight wherever applicable as per the terms of the sales contract.

- (j) Cenvat on Inputs: The purchase cost of raw materials is shown net of excise duty and utilized amount of CENVAT on raw material consumed has been debited to CENVAT Account.
- **(k) Borrowing cost (AS 16)**: Borrowing costs that are directly attributable to the acquisition or construction of fixed assets are capitalized as a part of the cost of asset. Other borrowing costs are recognized as an expense in the period in which they are accrued / incurred.
- (I) Income Tax (AS 22): Tax expenses for the year, comprising current tax and deferred tax is included in determining the net profit for the year. Deferred tax asset and liabilities are recognized for the future tax consequences of temporary difference between the carrying value of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary difference are expected to be reviewed or settled.
- (m) Segment Accounting (AS 17): The requirement of segment reporting is not applicable to the company both in respect of geographical segment and product wise segment.
- (n) Quantity discount, Rate difference, Rebate and interest are accounted as and when settled. It is general practice prevailing in this type of industry.

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

Proprietor M. NO. 200/24612 FIRM NO. 108029W

Place : Surat

Date : 30th May 2015

### **AUDITED BALANCE SHEET AS AT 31st MARCH, 2015**

	Particulars	Note No.	As At 31.03.15	As At 31.03.14
I (1)	EQUITY AND LIABILITIES Shareholder's Funds (a) Share Capital (b) Reserves and Surplus (c) Money received against Share Warrants	3 4	780,397,380 1,613,150,515 -	780,397,380 1,428,576,761 -
(2)	Share Application Money pending allotment		-	-
(3)	Non-Current Liabilities  (a) Long-Term Borrowings  (b) Deferred Tax Liabilities (Net)  (c) Other Long-Term Liabilities  (d) Long-Term Provisions	5	1,729,068,779 471,665,744 - -	2,536,407,429 415,058,091 - -
(4)	Current Liabilities  (a) Short-Term Borrowings  (b) Trade Payables  (c) Other Current Liabilities  (d) Short-Term Provisions	6 7 8 9 <b>TOTAL</b>	2,688,428,768 1,247,141,756 254,325,132 63,514,916 8,847,692,989	2,217,120,217 963,016,136 215,032,079 66,007,711 8,621,615,805
П	ASSETS	TOTAL	0,041,032,303	0,021,010,000
(1)	Non-Current Assets  (a) Fixed Assets  (i) Tangible Assets  (ii) Intangible Assets  (iii) Capital work-in-progress	10	4,258,002,341 - -	4,008,795,234 - 306,013,872
	<ul><li>(iv) Intangible assets under development</li><li>(b) Non-Current Investments</li></ul>	11	247,963,724	156,623,782
	<ul><li>(c) Deferred Tax Assets (Net)</li><li>(d) Long-Term Loans and Advances</li><li>(e) Other Non-Current Assets</li></ul>	12	7,667,789 -	7,779,659 -
(2)	Current Assets  (a) Current Investments  (b) Inventories  (c) Trade Receivables  (d) Cash and Cash Equivalents  (e) Short-Term Loans and Advances  (f) Other Current Assets	13 14 15 16 17 <b>TOTAL</b>	1,885,564,340 1,280,905,510 306,930,954 416,154,760 444,503,570 8,847,692,989	1,935,356,978 1,210,750,602 227,269,961 341,887,549 427,138,167 8,621,615,805

As per our report of even date

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612 FIRM NO. 108029W

Place : Surat Date : 30-05-2015 For and on behalf of Board of Directors

Shankarlal Somani Chairman cum Mg. Director

Sumeet Kumar Somani Director & CFO

Anil Kumar Jain Company Secretary

Place : Surat Date : 30-05-2015

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### PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Particulars	Note No.	As At 31.03.15	As At 31.03.14
II III	Revenue from Operations Other Incomes Total Revenue (I + II)	18 19	9,311,727,404 9,438,460 9,321,165,864	11,079,961,822 (160,711,722) 10,919,250,100
IV	Expenses:			
	Manufacturing Expenses Cost of Materials Consumed Purchases of Stock-in-Trade Changes in Inventories of Finished Goods,	20	7,240,084,844 1,140,738,503	6,523,147,036 3,381,562,394
	Work-in-Progress and Stock-in-Trade  Administrative & Selling Expenses	21	(71,449,670)	10,527,958
	Employee Benefit Expenses	22	123,850,812	115,478,491
	Other Expenses	23	86,816,829	71,464,784
	Finance Costs	24	353,599,752	305,090,535
	Depreciation and Amortization Expense Total Expenses	10	<u>197,320,744</u> <u>9,070,961,813</u>	245,284,845 10,652,556,043
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)		250,204,051	266,694,058
VII	Exceptional Items Profit before Extraordinary Items and Tax (V - VI) Extra Ordinary Items		250,204,051	266,694,058
IX	Profit before Tax (VII - VIII) Tax Expense :		250,204,051	266,694,058
-	(1) Current tax		50,059,863	55,900,125
	(2) Deferred Tax		56,607,653	87,331,970
	(3) MAT credit		(46,287,437)	(55,900,125)
	Profit After Tax		189,823,972	179,362,087
ΧI	Less: Taxation for previous year  Profit/ (Loss) for the period from Continuing  Operations (XII - XIII)		5,250,217 184,573,755	3,207,897 176,154,190
	Appropriation : Prov. for Dividend & Dividend Dist. Tax Short Prov. for Dividend & Dividend Dist. Tax		-	-
	Short Flov. for Dividend & Dividend Dist. Tax			
	Profit/(loss) from the period from continuing operations	•	184,573,755	176,154,190
XII XIII XIV	Profit/Loss from Discontinuing Operations Tax Expense of Discontinuing Operations Profit/ (Loss) from Discontinuing Operations (after Tax) (XII	- VIII)		
VI A	Profit/ (Loss) for the Period	- AIII)	184,573,755	176,154,190
	Earnings Per Equity Share (1) Basic (2) Diluted		3.18 3.18	3.04 3.04

As per our report of even date

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI Proprietor

M. NO. 200/24612 FIRM NO. 108029W

Place : Surat Date : 30-05-2015 For and on behalf of Board of Directors

Shankarlal Somani Chairman cum Mg. Director

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Sumeet Kumar Somani Director & CFO

Anil Kumar Jain Company Secretary

Place : Surat Date : 30-05-2015

# ANNEXURE "A" CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Particulars	2014	-2015	2013	-2014
		₹	₹	₹	₹
(A)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before tax and Extraordinary Items		250,204,051		266,694,058
	Adjustment For :				
	Depreciation	196,588,427		244,701,322	
	Interest Income	(28,499,904)		(17,311,180)	
	Dividend Income	(1,690)		(1,352)	
	Miscellaneous expenditure written off	-		-	
	Profit / Loss on Sale of Fixed Assets	9,353,848		(1,824,297)	
	Profit / Loss on Sale of Investments	-		119,514.00	
	Dividend Declared	-		-	
	Interest Paid	275,027,802	452,468,482	262,963,636	488,647,643
	Operating Profit before Working Capital Changes		702,672,532		755,341,700
	Adjustment For :				
	Trade & Other Receivables	(115,388,215)		(175,984,352)	
	Inventories	49,792,638		(115,470,516)	
	Trade Payables and Other Liabilities	326,766,139	261,170,562	(182,053,390)	(473,508,258)
	Cash Generated From Operations		963,843,094	,	281,833,443
	Interest Paid	(275,027,802)		(262,963,636)	
	Provision for Dividend and Div. Dist.Tax	-		-	
	Provision for Taxation	-		-	
	Previous Year Taxation	(61,150,342)	(336,178,144)	(3,207,897)	(266,171,533)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	, , ,	627,664,951	,	15,661,910
(B)	CASH FLOW FROM INVESTING ACTIVITIES :				
(0)	Income Form sale of investments:				
	Loss from Forex Transaction				
	Interest Income	- 28,499,904		- 17,311,180	
	Dividend Income	1,690		1,352	
	Purchases of Fixed Assets	(283,338,732)		(625,506,116)	
	Sale of Fixed Asset	134,203,222		6,036,182	
	Purchases of Investment				
		(91,339,942)		(150,584,526) 1,636,799	
	Sale of Investment	-		1,030,799	
	Adjustment For Exchange Difference  NET CASH FLOW FROM INVESTING ACTIVITIES (B)	•	(211,973,858)	-	(751,105,129)
(C)	CASH FLOW FROM FINANCING ACTIVITIES:	(40.044.000)		64 004 000	
	Increase/Decrease in borrowings	(46,011,082)		64,821,009	
	Increase/Decrease in Term Loan	(290,019,018)		652,948,935	
	Increase/Decrease in Equity share capital	-		(2,500,000)	
	Increase/Decrease in Preference share capital	-		100,000,000	
	Increase/Decrease in Share Premium	-		(5,000,000)	
	Increase/Decrease in Share Application Money	-	/000 000 1000	(87,000,000)	700 000 000
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(336,030,100)		723,269,944

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Particulars	201	4-2015	2013-2014	
	₹	₹	₹	₹
Net Increase in Cash & Cash equivalents (A+B+C)		79,660,993		(12,173,274)
Cash and Cash equivalents as on 1st April, 2014		227,269,961		239,443,235
Cash and Cash equivalents as on 31st March, 2015		306,930,954		227,269,961
Note : Figures in negative (-) indicate cash outflows.				

As per our report of even date

For and on behalf of Board of Directors

For PRADEEP SINGHI & ASSOCIATES

Shankarlal Somani Chairman cum Mg. Director

**Chartered Accountants** 

Sumeet Kumar Somani Director & CFO

PRADEEP KUMAR SINGHI

Anil Kumar Jain Company Secretary

PROPRIETOR M. No.200/24612 FIRM NO. 108029W

> Place : Surat Date : 30-05-2015

Place : Surat Date : 30-05-2015

#### **AUDITORS' REPORT**

We have examined the above cash flow statement of the SUMEET INDUSTRIES LIMITED for the year ended **31st March 2015.** The Statement has been prepared by the company in accordance with the requirements of Listing Agreement as per Clause 32 with Bombay Stock Exchange Ltd. and is based on and is in agreement with the corresponding Profit and Loss Account and Balance sheet of the company covered by our report dated **30th May, 2015** to the members of the company.

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

Proprietor M. NO. 200/24612 FIRM NO. 108029W

Place : Surat
Date : 30th May 2015

IOTE # 3			As At 31.03.15	As At 31.03.14
SHARE CAPITAL :				
Authorised Capital: 700,00,000 Equity Shares of Rs.10/- e 800,00,000 6% Non-convertible Rede of Rs.10/- each		nres	700,000,000 300,000,000 1,000,000,000	800,000,000 200,000,000 1,000,000,000
ssued, Subscribed and Paid up 5,80,39,738 Equity Shares of Rs.10/- out of which 76,05,930 shares are issi han cash)	580,397,380	580,397,380		
2,00,00,000 6% Non-convertible Rede	ares	200,000,000	200,000,000	
of Rs.10/- each	780,397,380	780,397,380		
A. Reconciliation of the number of s	shares at the beginnin	ig & end of th	e Reporting Perio	od:
Authorised Share Capital Previous Year Increased by			100,000,000	100,000,000
1110104004 27				
Current Year			100,000,000	100,000,000
Number of shares at the beginning Add : Addition during the year	of the year		78,039,738	68,289,738 10,000,000
Number of shares at the beginning	•			68,289,738
Number of shares at the beginning Add : Addition during the year Less: Reduction during the year Number of shares at the end of the	year	% shares, spe	78,039,738	68,289,738 10,000,000 250,000 78,039,738
Number of shares at the beginning Add : Addition during the year Less: Reduction during the year Number of shares at the end of the	year	% shares, spe % of Holding	78,039,738	68,289,738 10,000,000 250,000 78,039,738
Number of shares at the beginning Add: Addition during the year Less: Reduction during the year Number of shares at the end of the  B. Shares held by each shareholder held:	year r holding more than 59 No. of Shares	% of	78,039,738	68,289,738 10,000,000 250,000 78,039,738 er of shares % of
Number of shares at the beginning Add: Addition during the year Less: Reduction during the year Number of shares at the end of the  B. Shares held by each shareholder held:  Name	year r holding more than 59 No. of Shares (31-3-15)	% of Holding	78,039,738  78,039,738  cifying the numb  No. of Shares (31-3-14)	68,289,738 10,000,000 250,000 78,039,738 er of shares % of Holding
Number of shares at the beginning Add: Addition during the year Less: Reduction during the year Number of shares at the end of the  B. Shares held by each shareholder held:  Name  Somani Overseas Private Limited	year holding more than 5% No. of Shares (31-3-15) 8,641,928	% of Holding 14.89	78,039,738  78,039,738  20ifying the numb  No. of Shares (31-3-14)  8,641,928	68,289,738 10,000,000 250,000 78,039,738 er of shares % of Holding 14.89
Number of shares at the beginning Add: Addition during the year Less: Reduction during the year Number of shares at the end of the  B. Shares held by each shareholder held: Name  Somani Overseas Private Limited Sitaram Prints Private Limited	year  n holding more than 5%  No. of Shares (31-3-15)  8,641,928 3,584,775	% of Holding 14.89 6.18	78,039,738  78,039,738  78,039,738  cifying the numb  No. of Shares (31-3-14)  8,641,928 3,584,775	68,289,738 10,000,000 250,000 78,039,738 er of shares % of Holding 14.89 6.18
Number of shares at the beginning Add: Addition during the year Less: Reduction during the year Number of shares at the end of the B. Shares held by each shareholder held:  Name  Somani Overseas Private Limited Sitaram Prints Private Limited Shankarlal Sitaram Somani  NOTE # 4 Reserves and Surplus:	year  No. of Shares (31-3-15)  8,641,928 3,584,775 3,706,183	% of Holding 14.89 6.18	78,039,738  78,039,738  78,039,738  cifying the numb  No. of Shares (31-3-14)  8,641,928 3,584,775	68,289,738 10,000,000 250,000 78,039,738 er of shares % of Holding 14.89 6.18
Number of shares at the beginning Add: Addition during the year Less: Reduction during the year Number of shares at the end of the  B. Shares held by each shareholder held:  Name  Somani Overseas Private Limited Sitaram Prints Private Limited Shankarlal Sitaram Somani  NOTE # 4  Reserves and Surplus:  (a) Capital Reserve As per last Balance (b) Securities Premium As per last Balance (c) Reduction during the year	year  No. of Shares (31-3-15)  8,641,928 3,584,775 3,706,183  e Sheet	% of Holding 14.89 6.18	78,039,738  78,039,738  78,039,738  cifying the numb  No. of Shares (31-3-14)  8,641,928 3,584,775 3,706,183	68,289,738 10,000,000 250,000 78,039,738 er of shares % of Holding 14.89 6.18 6.39
Number of shares at the beginning Add: Addition during the year Less: Reduction during the year Number of shares at the end of the B. Shares held by each shareholder held:  Name  Somani Overseas Private Limited Sitaram Prints Private Limited Shankarlal Sitaram Somani  NOTE # 4 Reserves and Surplus:  (a) Capital Reserve As per last Balance (b) Securities Premium As per last Bala Less: Reduction during the year Addition during the year	year  No. of Shares (31-3-15)  8,641,928 3,584,775 3,706,183  e Sheet	% of Holding 14.89 6.18	78,039,738  78,039,738  78,039,738  2cifying the numb  No. of Shares (31-3-14)  8,641,928 3,584,775 3,706,183  2,500,000	68,289,738 10,000,000 250,000 78,039,738 er of shares % of Holding 14.89 6.18 6.39 2,500,000 488,166,355
Number of shares at the beginning Add: Addition during the year Less: Reduction during the year Number of shares at the end of the S. Shares held by each shareholder held:  Name  Somani Overseas Private Limited Sitaram Prints Private Limited Shankarlal Sitaram Somani  NOTE # 4 Reserves and Surplus:  a) Capital Reserve As per last Balance b) Securities Premium As per last Bala Less: Reduction during the year Addition during the year	year  No. of Shares (31-3-15)  8,641,928 3,584,775 3,706,183  e Sheet	% of Holding 14.89 6.18	78,039,738  78,039,738  78,039,738  26cifying the numb  No. of Shares (31-3-14)  8,641,928 3,584,775 3,706,183  2,500,000  483,166,355	68,289,738 10,000,000 250,000 78,039,738  er of shares % of Holding 14.89 6.18 6.39  2,500,000 488,166,355 5,000,000
Number of shares at the beginning Add: Addition during the year Less: Reduction during the year Number of shares at the end of the  B. Shares held by each shareholder held: Name  Somani Overseas Private Limited Sitaram Prints Private Limited Shankarlal Sitaram Somani  NOTE # 4 Reserves and Surplus: (a) Capital Reserve As per last Balance (b) Securities Premium As per last Bala Less: Reduction during the year Addition during the year	year  No. of Shares (31-3-15)  8,641,928 3,584,775 3,706,183  e Sheet  ance Sheet	% of Holding 14.89 6.18	78,039,738  78,039,738  78,039,738  cifying the numb  No. of Shares (31-3-14)  8,641,928 3,584,775 3,706,183  2,500,000  483,166,355  483,166,355	68,289,738 10,000,000 250,000 78,039,738  er of shares % of Holding 14.89 6.18 6.39  2,500,000 488,166,355 5,000,000 483,166,355

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NOTE # 5	As At 31.03.15	As At 31.03.14
Long-Term Borrowings		
Term Loans		
- From Banks	1,260,265,404	2,030,044,654
- From Others	10,768,728	11,613,403
Buyers Credit on Capital Goods	244,883,710	235,587,354
Loans and advances from Corporates	213,150,936	259,162,018
	1,729,068,779	2,536,407,429

### A. Borrowings shall be further classified as Secured / Unsecured. Nature of security to be disclosed.

#### Classification of secured borrowings and Nature of security:

#### **Term Loan From Banks:**

Secured by way of hypothication of 1st charge on all fixed assets of the company and 2nd pari passue charge on all current assets of the company.

Mortgage of Fixed Assets of M/S. Sitaram Prints Pvt. Ltd. and Residence Bunglow of Shri Shankar Lal Somani and Smt. Ganga devi Somani.

#### Term Loan From Others:

Vehicle Loans are secured by hypothecation of vehicles itself.

LIC has Key Man Insurance policy hypothecated against Premium Amt. Paid.

#### Loans & Advances from Corporates:

Loans taken here are unsecured in nature.

## B. All loans taken from Bank have been guaranteed by Directors/ Others, Jointly & the aggregate amount is as below:

### Name of Directors / Others

Mr. Shankarlal Sitaram Somani

Mr. Rajkumar Sitaram Somani

Mr. Sumeetkumar Shankarlal Somani

Corporate Guarantee of M/s. Sitaram Prints Private Limited.

Smt. Gangadevi Shankarlal Somani

Corporato Guarantee of Mis. Sitaram Prints Privato Limited

" Term Loan: 50Crores & US\$ 14.71 Millions

Working Capital: 143 Crores

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 7987660.04 for loan taken from Bremer Kredit Bank AG.

#### NOTE #6

#### **Short-Term Borrowings**

Cash Credit facilities	1,010,605,470	899,565,848
Buyer's Credit	714,052,971	818,436,075
Inland LC (Union Bank)	42,775,429	39,882,688
Term Loans (Due within 12 months)	618,986,546	446,991,266
Inland LC (Canara Bank)	33,213,520	-
Inland LC (Dena Bank)	57,255,680	-
Inland LC (Central Bank)	69,243,861	-
Inland LC (IDBI)	142,295,291	12,244,340
	2,688,428,768	2,217,120,217

**Wesessess Of the Contract of** 



A. Borrowings shall be further classified as Secured/ Unsecured. Nature of security to be disclosed. Classification of secured borrowings and Nature of security:

Cash Credit facility is secured by 1st pari passue charge on all current assets of the company and 2nd pari - passue charge on fixed assets of the company. Buyers credit secured by letter of comfort issued by Bank of Baroda Cosortium Banker.

B. Loan taken as C.C. facilities have been guaranteed by Directors/ Others & the aggregate amount of loans is as below:

#### Name of Directors / Others

Mr. Shankarlal Sitaram Somani

Mr. Rajkumar Sitaram Somani

Mr. Sumeetkumar Shankarlal Somani

Smt. Gangadevi Shankarlal Somani

Corporate Guarantee of M/s. Sitaram Prints Private Limited.

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 7987660.04 for loan taken from Bremer Kredit Bank AG.

#### Note: Long & Short Term of Borrowings (Term Loans)

Long & Short Term Borrowings	Original Amount	mount inception		Months in which last	Balance as on 31st March, 2015 (Rs.)		Balanc 31st March	Prevailing Interest	
	of Borrowings	(in years)	Repayment	Installment is Due	Shown in Long term Borrow.	Shown in Short term Borrow.	Shown in Long term Borrow.	Shown in Short term Borrow.	Rate % Per Annum
Term Loan (GETCO)	Rs.15 Cr.	3.75	Quarterly	02.06.2015	75000000	37500000	112500000	28125000	13.00
ECB Loan (BOB & BOI)	20 MN USD	5	Quarterly	07.04.2015	93750000	312500000	450750000	180300000	5.4034
ECB Loan -2 (BOB LONDON)	10 MN USD	7	Quarterly	23.04.2015	424107140	89285715	515142856	64392858	4.3589
Bremer Kredit Bank AG	10441142 Euro	8.5	Half Yearly	08.08.2015	454156720	82534158	660459809	101567608	2.006
Term Loan (BOB Corporate Loan)	Rs. 30 Cr.	5	Quarterly	30.04.2015	150000000	75000000	243750000	56250000	13.60
Term Loan (BOB FDY Winder Loan)	Rs. 31 Cr.	4	Quarterly	03.06.2015	31941989	15500000	47441989	15500000	13.00
Term Loan (Canara Bank Text)	Rs. 4 Cr.	6	Monthly	27.03.2015	31309555	6666672	0	0	14.45
Total					1260265404	618986545	2030044654	446135466	

NOTE # 7

As At As At 31.03.15 31.03.14

**Trade Payables** 

Sundry Creditors for Goods

**1,247,141,756** 963,016,136 **1,247,141,756** 963,016,136

Term Loan: 50Crores & US\$ 14.71 Millions

Working Capital: 143 Crores

Non Fund Based 278 Crores

### •••••••••••••••••••••••••••••••••••••

NOTE # 8	As At 31.03.15	As At 31.03.14
Other Current Liabilities		
Trade Payables for expenses	33,355,738	27,172,944
Advance from Customers	20,662,376	8,465,548
Vat & Additional Vat Account	28,841,210	39,867,537
Agency Deposits	1,869,396	1,994,396
CST Payble A/c	2,681,366	1,814,614
Outstanding Interest Payable	21,179,924	27,187,690
Service tax payable (Reverse)	2,750,895	-
TCS Payable	23,147	_
TDS Payable	2,063,129	688,136
TDS Payable(salary)	782,575	938,160
Unpaid Dividend		1,281,128
Other Liabilities	140,115,375	105,621,926
	254,325,132	215,032,079
NOTE # 9		
Short-Term Provisions		
Provision For Employees Benefit		
Gratuity Payable	6,207,830	2,860,363
	6,207,830	2,860,363
<u>Others</u>		
Provision for Taxation A.Y 2014-15	50,059,863	55,900,125
Provision for Dividend & Dividend Distribution Tax	7,247,223	7,247,223
	57,307,086	63,147,348
	63,514,916	66,007,711
NOTE # 10		
Depreciation	196,588,427	244,701,322
Preliminary Expenses W/O	732,317	583,523
	197,320,744	245,284,845

### **FIXED ASSETS**

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### **Schedules To And Forming Part of Accounts**

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	Particulars	As At 01.04.2014	Addition	Deletion	As At 31.03.2015	As At 01.04.2014	For the Year	Adjust- ment	As At 31.03.2015	As At 31.03.2015	As At 31.03.2014
1	Land	2,356,255	-	-	2,356,255	-	-	-	-	2,356,255	2,356,255
2	Building	264,942,718	2,615,774	-	267,558,492	107270491	14,949,324	-	122,219,815	145,338,677	157,672,227
3	Plant & Machinery	4,832,994,703	584,013,146	155,252,680	5,261,755,169	1004824487	176,075,816	11,695,610	1,169,204,692	4,092,550,476	3,828,170,216
4	Furniture, Fixture & Equipments	22,768,958	849,462	3,586,893	20,031,527	14125466	2,946,138	3,586,893	13,484,710	6,546,817	8,643,492
5	Vehicle	38,455,231	1,874,222	880,422	39,449,031	26,502,187	2,617,149	880,422	28,238,915	11,210,116	11,953,044
	TOTAL	5,161,517,865	589,352,604	159,719,995	5,591,150,474	1,152,722,631	196,588,427	16,162,925	1,333,148,132	4,258,002,341	4,008,795,234
F	PREVIOUS YEAR	·	·					·			·

### **NOTE # 11**

**Non-Current Investments** 

 Investments in Equity Instruments
 247,463,724
 156,123,782

 Investments in Mutual Funds
 500,000
 500,000

 247,963,724
 156,623,782

A. Non-Current Investments are Trade Investments.

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- B. Name of Body Corporate (also indicating whether it is a subsidiary/associate/JV/SPE)
  - Nature & Extent of Investment so made (showing separately investments that are partly paid)

Particulars	As At 31.03.15	As At 31.03.14
Investment in Equity shares : At Cost Other Than Trade - Quoted Investments :		
10000, Fully Paid-up Equity Shares of Rs. 10/- Each of IFCI Ltd.	545,005	545,005
500, Fully Paid-up Equity Shares of Rs. 10/- Each of Rajasthan Petro Synthetics Ltd.	16,250	16,250
169, Fully Paid-up Equity Shares of Rs. 10/- Each of Tata Steel Ltd.	33,705	33,705
1000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petrofils Ltd.	1,000	1,000
700, Fully Paid-up Equity Shares of Rs. 10/- Each of Chandra Synthetics Ltd.	5,075	5,075
400, Fully Paid-up Equity Shares of Rs. 10/- Each of Haryana Petrochemicals Ltd.	6,200	6,200
5000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petro Chemicals Ltd.	17,000	17,000
100, Fully Paid-up Equity Shares of Rs. 10/- Each of Parasrampuria Ind. Ltd.	1,050	1,050
100, Fully Paid-up Equity Shares of Rs. 10/- Each of Shree Rajasthan Syntex Ltd.	2,025	2,025
20000, Fully Paid-Up Equity Shares of Rs. 10/- Each of Questfin Ltd.	137,543	137,543
30000, Fully Paid-up Equity Shares of Rs. 2/- Each of UPL Limited (Formerly known as United Phos Ltd.)	4,649,041	4,649,041
Union KBC Capital Protection Oriental Fund	500,000	500,000
25000, Fully Paid-up Equity Shares of Rs. 5/- Each of Zylog Systems Ltd.	1,429,830	1,429,830
17,30,000, Fully Paid-up Equity Shares Of Rs. 10/- Each of 4,80,000, Fully paid -up Equity Shares at Premium of Rs. 44/- Each of 12,00,000, Fully paid -up Equity Shares at Premium of Rs. 10/- Each of 50,000, Fully paid -up Equity Shares at Premium of Rs. 44/- Each of Sumeet Poly Power Ltd.	52,620,000	52,620,000
30,00,000 Fully Paid-up Equity Shares Of \$ 1/- Each of Sumeet Global Pte. Ltd. (Wholly owned subsidiary company ) Value of 1\$ is Rs. 62.50/	187,500,000	96,160,060
VAIGO 01 1Ψ 10 1(0. 02.00/ .	247,463,724	156,123,782
Investment in Mutual funds(Reliance Vision)	500,000	500,000
Total	247,963,724	156,623,782

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	As At 31.03.15	As At 31.03.14
Aggregate Book Value of Investments		
Unqoted Cost	242,734,973	151,395,0
Quoted Cost	5,228,751	5,228,7
Market Value *	13,758,548	6,126,5
NOTE # 12		
Long-Term Loans and Advances		
a) Secured, Considered good		
Other Deposit	7,667,789	7,779,6
	7,667,789	7,779,6
These Long Term Loans and Advances be further classified a	as : Secured, considered Good.	
NOTE # 13		
Inventories		
Raw Materials	394,907,236	579,096,3
Work-in-Progress	515,688,320	471,920,1
Finished Goods	570,154,344	542,472,8
Stores and Spares	404,814,440	341,867,6
	1,885,564,340	1,935,356,9
Mode of Valuation		
Raw Materials, Stores & Spares have been valued at Cost.		
Finished Goods & WIP have been valued at Cost or Net Rea by Institute of Chartered Accountants of India.	lisable value whichever is less as	s per AS 2 issu
NOTE # 14		
Trade Receivables		
Unsecured, Considered Good		
- Others	1,280,905,510	1,210,750,6
	1,280,905,510	1,210,750,6
NOTE # 15		
Cash and Cash Equivalents		
Cash-in-Hand	718,742	179,0
Balance with Banks	11,162,212	2,040,9
Fixed deposits / Margin Money / Security against borrowings	295,050,000	225,050,0
	306,930,954	227,269,9

	As At 31.03.15	As At 31.03.14
NOTE # 16		
Short-Term Loans and Advances		
Advance to Suppliers	261,810,879	46,233,893
Capital WIP including advances and net of creditors	-	119,442,585
Others	154,343,881	176,211,071
	416,154,760	341,887,549
A. Short-Term Loans & Advances shall be further classified as	: Unsecured, considered good	l.)
NOTE # 17		
Other Current Assets (Residual Head)		
Advance Tax(A.Y. 2015-16)	17,500,000	_
Advance Tax(A.Y. 2014-15)	-	15,000,000
Advance for Exp(Godown-Delhi)	20,000	20,000
Cenvat Receivable	29,793,124	34,788,315
Claim Receivable	94,448,665	99,580,240
Custom duty refund receivable	41,967,594	24,630,920
Excise duty refund receivable	18,435,873	-
Export Incentive receivable		29,494,895
Mat credit	224,232,959	177,945,522
Preliminary Expenses	2,929,269	1,741,386
Prepaid Expenses	2,126,032	1,274,855
Service tax receivable	1,942,538	767,743
ΓCS Receivable	34,105	107,918
TDS Receivable	8,217,730	6,192,414
Status holder Incentive scheme (license on hand)	-	34,088,278
ncome Tax Seized Cash	1,350,000	-
nsurance Claim receivable	1,505,681	1,505,681
	444,503,570	427,138,167
NOTE # 18		
Revenue From Operations		
Domestic sales	9,185,925,500	9,226,486,746
Export sales	1,143,342,900	
Total sales		12,093,969,484
Less:Excise duty	1,044,218,411	
	9,285,049,989	
Export Incentives	26,677,415	30,187,960
	9,311,727,404	11,079,961,822
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	As At 31.03.15	As At 31.03.14
NOTE # 19		
Other Incomes		
Dividend received	1,690	1,
Commission received	33,905,515	17,342,
Profit/(loss) on sale of fixed assets	(9,353,848)	1,824,
Discount received	4,515,230	50,145,
Int. on FDR'S (Net Of Int. on Buyers credit)	5,082,370	5,586,
Profit from forex transaction	(48,130,031)	(247,216,2
Others - Interest	23,417,534	11,724,
Profit/(loss) on trading of shares & commodity	-	(119,5
	9,438,460	(160,711,7
NOTE # 20		
Cost of Materials Consumed		
a) Purchases of Raw Materials and Stores		
Opening stock	579,096,353	509,209,
Add:Purchase(net)	5,820,874,759	5,626,618,
	6,399,971,112	6,135,827,
Less:Closing Stock	394,907,236	579,096,
Sub Total (a)	6,005,063,876	5,556,731,
b) Direct/Production expenses		
Labour & Security	780,185	631,
Power & Fuel	848,674,161	599,557,
Freight & Octroi	83,124,960	78,261,
Ocean freight charges	28,966,473	39,526,
Stores & Spares	51,595,062	50,961,
Factory Expense	915,010	1,054,
Repair & Maintenance:Factory Building	144,949	140,
Repair & Maintenance:Plant&Machinery	10,412,289	6,550,
Packing	210,407,879	189,732,
Sub Total (b)	1,235,020,968	966,415,
Total (a + b)	7,240,084,844	6,523,147,
NOTE # 21		
Change in inventories		
Opening Stock	1,014,392,994	1,024,920,
Less:Closing Stock	1,085,842,664	1,014,392,
•	(71,449,670)	10,527,
>+++++++++++++++++++++++++++++++++++++	2014 15	

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NOTE # 22	31.03.15	As At 31.03.14
NOTE # 22		
Employement Benefit Expenses		
Salary	109,655,037	100,439,391
Bonus	6,191,999	7,575,630
P.F.	1,797,727	460,804
Leave Encashment	1,835,113	3,052,334
Directors Remuneration	3,300,000	3,300,000
Staff Welfare/ESI	1,070,936	650,332
	123,850,812	115,478,491
NOTE # 23		
Other Expenses		
Electricity Expenses	448,874	381,667
Vehicle Expense	8,956,707	11,934,062
Travelling & Conveyance	1,832,029	3,071,459
Repairs Office Building	306,708	227,000
Repairs Other	533,285	595,889
Brokerage & Overseas AgencyCommission	17,203,741	16,680,695
Office & General Expenses	2,130,129	1,561,388
nsurance Expenses	3,102,700	3,873,042
Books & Periodicals	8,540	7,840
Legal & Professional	26,941,032	5,432,804
Postage & Telegram & Telephone	1,415,871	2,096,842
Membership & Subscriptions	60,573	323,710
Printing & Stationery Expenses	1,384,236	1,359,525
Auditors Remuneration	1,190,000	1,086,966
Rates & Taxes	4,979,702	8,477,807
Rate difference & Discounts	1,473,924	3,211,851
Advertisement & Publicity	3,677,671	3,830,502
Carraige outward	7,376,208	6,703,736
Donation	3,794,000	607,100
Demat Charges	899 86,816,829	71,464,784
NOTE # 24		
Financial Cost		
Interest paid to Banks	248,499,340	250,870,458
Interest paid to others	26,528,462	12,093,177
Bank Charges & Guarantee commission (Others & Buyers Credit)	78,021,874	41,562,204
Overseas Bank Charges	550,076	564,695
<b>~</b>	353,599,752	305,090,535

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#### Other Notes to Accounts:

- (1) Advances include 1054.62 Lacs to companies in which directors are interested.
- (2) Contingent Liabilities (AS 29):
  - (a) Letter of credit outstanding is (20.313 Lacs US\$) as on 31.03.2015.
  - (b) Excise duty of Rs. 3,52,429/-, was demanded by the department, which had been paid; for which appeal had been filed. More over the appeal filed has been resolved in the favor of company.
  - (c) SEBI has imposed penalty of Rs.2crore U/S 15-I of Securities and Exchange Board of India Act, 1992 READ with rule 5 of SEBI (procedure for holding enquiry and imposing penalties by Adjudicating officer) Rules 1995 vide Adjudication order no.IVD/SIL/AO/DRK-CS/EAD-3/473-486/16-29-14. The Company has filed petition before SAT (Securities Appellate Tribunal) against the said order.

		Current year ₹	Previous year ₹
(3)	Payment to Auditors:		
	(i) As Auditors :	8,42,700	7,25,000
	(ii) As Advisor or in any other capacity in respect of:		
	Company Law matter	Nil	Nil
	Taxation matter	Nil	25,000
	Others	Nil	Nil
(4)	Managerial Remuneration :		
	Salary	37,86,369	33,00,000
	Perquisite	Nil	Nil
(5)	Earnings Per share (AS 20) :		
	Net profit attributable to share holder	18,45,73,755	17,61,54,190
	Number of equity shares	5,80,39,738	5,80,39,738
	Earning per share of Rs. 10 each	3.18	3.04

#### (6) Related Party Transaction (AS 18):

As per AS-18 issued by the Institute of Chartered Accountants of India, the company's related parties in terms of AS-18 are disclosed below:

(₹ in '000)

Name of the related parties Key management Personnel	Nature of Relationship	Nature of Transactions	Amounts
Shankarlal Somani	Chairman / MD	Remuneration	3000
Sumeet Somani	Relative of key Management	Salary	300
	Personal (Director)		
Dinesh Khare	Executive Director	Salary	762
Smt Vibha Khare	Relative of Director	Salary	659
Somani Overseas (P) Ltd.	Relative of key Management	Loan Outstanding (Cr.)	148028
	Personal (Director)	Interest Paid	2253
Somani Overseas (P) Ltd.	Relative of key Management	Purchases	61117
	Personal (Director)	Sales	127909

(₹ in '000)

		~	<u>`</u>
Name of the related parties Key management Personnel	Nature of Relationship	Nature of Transactions	Amounts
Sumeet Menthol (P) Ltd.	Relative of key Management	Loan Outstanding (Cr.)	694
	Personal (Director)	Interest Paid	22
Betex India Ltd.	Relative of key Management	Loan Outstanding (Dr.)	45715
	Personal (Director)	Interest Received	6261
Sitaram Prints Pvt. Ltd.	Relative of key Management	Loan Outstanding (Cr.)	1102
	Personal (Director)	Interest Paid	258
Sumeet Global PTE LTD.	100% owned subsidiary Co.	Purchases	54924
		Sales	33911
Sumeet Poly Power Ltd.	Relative of key Management	Loan Outstanding (Dr.)	105462
	Personal (Director)	Interest Receivable	1932
		Interest Received	11035
Sumeet Poly Power Ltd.	Relative of key Management	Purchases	222531
	Personal (Director)		
Ekta Poly Fab Pvt. Ltd.	Relative of key Management	Purchases	32551
	Personal (Director)		
Dhanvirdi Financial	Relative of key Management	Loan Outstanding (Cr.)	700
Consultants Pvt. Ltd.	Personal (Director)	Interest Paid	599
Anil Kumar Jain	Key Managerial Person	Salary	486

#### (7) Deferred Tax (AS 22):

The movement of deferred tax account is as follows:

(₹ in '000)

Opening Balance	415058
Provision for current year deferred tax liability (Net)	56607
Total	471665

Deferred tax asset and liability are being offset as they relate to taxes on income levied by the same governing taxation laws.

The following amounts are shown in the balance sheets

(₹ in '000)

Deferred Tax Liabilities	613258
Deferred Tax Assets	141593
Balance of DTL	471665

Breakup of deferred tax assets / liabilities and reconciliation of current year deferred tax change :

Deferred Tax Liabilities : (₹ in '000)

Particulars	Opening	Charged/ Credited to P & L	Closing
Tax impact of difference between carrying amount of fixed asset in the financial statements and the income tax return (A)	512956	100301	613257

Tax impact of expenses charged in the financial statements but allowable as deduction in future years under income tax; (₹ in '000)

Provision for gratuity	922	6	928
Provision for Bonus	1829	117	1946
C/f. Speculation Loss	-506	599	93
Unabsorbed Depreciation	96107	42608	138625
Long Term Capital Loss	-363	363	0
Total (B)	97898	43693	141592
Net Deferred Tax liability (A-B)	415058	56608	471665

Pursuant to Accounting Standards (AS) 22 – Accounting for taxes on income, the impact of deferred tax liability of `56608/- for the year-ended 31.3.2015 have been debited to Profit and Loss account.

#### (8) Additional Information's:

Pursuant to provisions of paragraphs 3 and 4 in Part II of Schedule VI to the Companies Act, 1956.

A. Capacity :	Units	2014-2015	2013-2014
a) Polypropylene/Polyester POY/FDY/PET Chips			
i) Licensed Capacity	* TPA		
ii) Installed Capacity	** TPA	82800	82800
b) Twisted			
i) Installed Capacity	** TPA	2500	2500
c) Texturised	** TPA	3300	3300
d) Draw twisted	** TPA	700	700

<sup>\*</sup> Not Applicable in terms of Government of India's Notification No. S.O. 477(E) dated 25.07.1991.

<sup>\*\*</sup> As Certified by the management, being a technical matter.

B. Production :	Unit	2014-15	2013-14
C.P.Plant & Spinning Unit	Ton	86068.41	87460.918

• Production here excludes wastage and captive consumption

(₹ in '000)

C Turnavar	Heit	201	2014-15		2013-14	
C. Turnover :	Unit	Quantity	Value	Quantity	Value	
C.P.Plant & Spinning Unit	Ton	83034.86	9259499	78905.632	8552999	
Sales on High-Seas	Ton	650.00	7658	-	2495695	
Wastage	Kgs.	1071.515	17892	408.311	1079	
	Total		9285049		11049773	

(₹ in '000)

D. Raw Materials Consumed	Heit	201	4-15	201	3-14
D. Raw Materials Consumed	Unit	Quantity	Value	Quantity	Value
C.P.Plant & Spinning Unit	Ton	103185.40	6005063	92279.176	5556731
	Total		6005063		5556731

(₹ in '000)

E.B. Janes	Unit	201	4-15	201	3-14
E. Purchase :	Offic	Quantity	Value	Quantity	Value
Purchase on High Seas	Ton	11	40667	1023	105704
(Coal/FDY (Winder))	Total		40667		105704

(₹ in '000)

F. Finished Steels	11:5:4	201	4-15	201	3-14
F. Finished Stock	Unit	Quantity	Value	Quantity	Value
a. Opening Stock :  *PPMFY/  Polyester / FDY	Kgs.	3889.683	542473	4363.443	566377
b. Closing Stock :  *PPMFY/ Polyester / FDY	Kgs.	5089.264	570154	3889.683	542473

<sup>\*</sup> Excluding Wastage of Poly Yarn / FDY Yarn and PPMF Yarn

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(₹ in '000)

C Value of Day Materials	201	2014-15		3-14
G. Value of Raw Materials Consumed :	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	3248385	54.1	4190999	75.43
Indigenous	2756678	45.9	1365732	24.57
Total	6005063	100.00	5556731	100.00

(₹ in '000)

II Value of Staves 9 Swaves	201	2014-15		2013-14	
H. Value of Stores & Spares Purchased :	Amount	Amount % of Total Consumption	Amount	% of Total Consumption	
Imported	6555	13.09	3984	5.52	
Indigenous	40315	86.01	68136	94.48	
Total	46870	100.00	72120	100.00	

(₹ in '000)

I. Expenditure in Foreign Currencies on account of (on Accrual Basis) :	2014-15	2013-14
Interest	65837	86078
Commission to selling Agent	4941	2747
Foreign Traveling	1014	1941
Overseas Banking Charges	550	564

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(₹ in '000)

J. C.I.F. Value of import	2014-15	2013-14
i) Raw Material	3248385	4190999
ii) Stores and Spares	6390	4517
iii) Capital Goods	134519	215945
iv) Coal	39219	38023

(₹ in '000)

K. Earnings in Foreign Currency (FOB Value of Exports)	2014-15	2013-14
PET Chips / POY / FDY / PP / Texturised	1123102	2849480

- (9) Figures of previous year have been regrouped and / or recast wherever necessary.
- (10) Cash Flow statement is as per Annexure "A"
- (11) Signature to notes "1" to "24"

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As per our report of even date

For PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

PROPRIETOR M. No.200/24612 FIRM NO. 108029W

Place : Surat Date : 30-05-2015 For and on behalf of Board of Directors

Shankarlal Somani Chairman cum Mg. Director

Sumeet Kumar Somani Director & CFO

Anil Kumar Jain Company Secretary

Place : Surat Date : 30-05-2015



### **Independent Auditors Report on Consolidated Financial Statements**

Auditors report to the board of directors of Sumeet Industries Ltd on the consolidated financial statements of **Sumeet Industries Ltd.** and its wholly owned subsidiary.

We have examined the attached consolidated balance sheet of **Sumeet Industries Ltd.** and its wholly owned subsidiary as at **31st March 2015**, the consolidated profit and loss account and the consolidated cash flow statement for the year then ended.

These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted out audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provide a reasonable basis for our opinion.

We did not audit the financial statements of the wholly owned subsidiary whose financial statements reflect total assets of US\$ 17,604,598 in foreign currency as at 31st march 2015 and total profit of US\$ 5,11,076 in Foreign currency for the year then ended. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.

We report that the consolidated financial statements have been prepared by the company in accordance with requirements of accounting standard (AS) 21 consolidated financial statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of **Sumeet Industries Ltd.** and its wholly owned subsidiary included in the consolidated financial statements.

On the basis of the information's and explanations given to us and on consideration of separate audit reports on individual audited financial statements of **Sumeet Industries Ltd.** and its subsidiary we are of opinion that;

- The consolidated balance sheet gives as true and fair view of the consolidated state of affairs of Sumeet Industries Ltd. and its subsidiary as at 31st March, 2015 and,
- b) The consolidated profit & loss account gives a true and fair view of the consolidated results of operation of **Sumeet Industries Ltd.** and its subsidiary for the year then ended.
- c) The consolidated cash flow statement gives a true and fair view of consolidated cash flow of the company and its subsidiary for the year then ended.

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

Proprietor M. NO. 200/24612 FIRM NO. 108029W

Place : Surat

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Date : 30th May 2015



#### SCHEDULE 20: NOTES ON ACCOUNTS

Significant accounting policies and notes to the consolidated financial statements.

(1) Significant accounting policies:-

Significant accounting policies adopted in the preparation and presentation of the consolidated financial statements are as below:

- (a) Basis of Accounting: The financial statements are prepared under historical cost convention on an accrual basis. Financial statements of foreign company are prepared as per the accounting standard of that country has in recast for the purpose of consolidation with Indian parents.
- (b) Fixed Assets: Fixed Assets are stated at cost of acquisition (net of Modvat) or construction less accumulated depreciation. Cost comprises of purchase and all other attributable cost for bringing the asset to its working condition for its intended use.
- (c) Depreciation: Depreciation upto 31.03.2014 was provided on fixed assets (except land) on written down value method at the rates specified in schedule XIV to the companies Act, 1956 except on trucks, addition in the vehicle from 01.04.2003, cater pillar D.G. Sets one Himson Text rising machine and all additions in plant & machinery from 01.04.2002, where depreciation has been provided on straight line methods as per schedule XIV to the Companies Act, 1956.
  - For F.Y. 2014-15, depreciation is provided on fixed assets (except land) on written down value method as well as straight line method asset wise as specified in the manner disclosed in the schedule II of the companies Act, 2013.

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(d) Consolidation of Accounts: These accounts comprise a consolidation of accounts of Sumeet Industries Ltd. and its wholly owned subsidiary Sumeet Global PTE. Ltd. a Singapore based company, which have been prepared in accordance with the requirements of accounting standard (AS 21) and the consolidation of accounts of the subsidiary company have been done on the basis of financial statements prepared in accordance with Indian GAAP.

All the intercompany transactions, balances, unrealized surpluses and deficits on transaction have been eliminated.

- (e) Goodwill / Capital Reserve: Since the wholly owned subsidiary, Sumeet Global PTE. Ltd., have been incorporated by issuing 14, 00,000 shares at 1\$ per shares there is no Goodwill or Capital reserve.
- (f) Inventories:

(a) Stores & Spares and fuel Oil : At Cost
 (b) Raw material : At Cost
 (c) Goods in Transit (Raw Mat.) : At Cost

(d) Work-In-Progress : At Cost + Procurement charges

(e) Finished Goods : At Cost or Net Realizable Values whichever is lower

(f) Wastage : At Net Realizable Value

(g) Cost of inventories is ascertained on the "First- in-First-Out" basis.

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- (g) Income Tax: Tax expenses for the year, comprising current tax and deferred tax is included in deterring the net profit for the year. Deferred Tax asset and liabilities are recognized for the future tax consequences of temporary difference between the carrying value of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets are recognized subject to management's judgement that realization is more likely than not. Deferred Tax asset and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary difference are expected to be reviewed or settled. This Accounting Standard 22 Accounting for Taxes on income is not applicable to Subsidiary company.
- **(h) Segment Accounting**: The Accounting Standard 17 Segment Accounting is not applicable to Subsidiary company.
- (i) Minority Interest: Since the company holds 100% share in subsidiary company there is no Minority Interest.
- (j) Earnings Per Share:

Net profit attributable to share holder 21,65,16,005

Number of equity shares 58039738

Earnings per share 3.73

(k) Consolidated Cash Flow statement is as per Annexure "A".

As per our report of even date

For and on behalf of Board of Directors

For PRADEEP SINGHI & ASSOCIATES

Shankarlal Somani Chairman cum Mg. Director

**Chartered Accountants** 

Sumeet Kumar Somani Director & CFO

PRADEEP KUMAR SINGHI

Anil Kumar Jain Company Secretary

M. No.200/24612 FIRM NO. 108029W

**PROPRIETOR** 

 Place : Surat
 Place : Surat

 Date : 30-05-2015
 Date : 30-05-2015

### **CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015**

	Particulars	Note No.	As At 31.03.15	As At 31.03.14
I (1)	EQUITY AND LIABILITIES Shareholder's Funds (a) Share Capital (b) Reserves and Surplus (c) Money received against Share Warrants	3 4	780,397,380 1,662,146,063	780,397,380 1,444,975,211 -
(2)	Share Application Money pending allotment		-	-
(3)	Non-Current Liabilities  (a) Long-Term Borrowings  (b) Deferred Tax Liabilities (Net)  (c) Other Long-Term Liabilities  (d) Long-Term Provisions	5	1,729,068,779 471,665,744 - -	2,536,407,429 415,058,091 - -
(4)	Current Liabilities (a) Short-Term Borrowings (b) Trade Payables (c) Other Current Liabilities (d) Short-Term Provisions	6 7 8 9 <b>TOTAL</b>	2,743,883,768 2,025,668,949 254,325,132 67,610,416	2,285,165,437 1,257,195,839 215,547,857 66,934,153
П	ASSETS	IOIAL	9,734,766,230	9,001,681,398
(1)	Non-Current Assets  (a) Fixed Assets  (i) Tangible Assets  (ii) Intangible Assets  (iii) Capital work-in-progress  (iv) Intangible assets under development  (b) Non-Current Investments  (c) Deferred Tax Assets (Net)  (d) Long-Term Loans and Advances	10 11 12	4,258,002,341 - - - 60,463,724 - 7,667,789	4,008,795,234 - 306,013,872 - 60,463,724 - 7,779,659
(2)	(e) Other Non-Current Assets  Current Assets (a) Current Investments (b) Inventories (c) Trade Receivables (d) Cash and Cash Equivalents (e) Short-Term Loans and Advances (f) Other Current Assets	13 14 15 16 17 <b>TOTAL</b>	1,885,564,340 2,254,510,328 406,821,253 416,154,760 445,581,695 9,734,766,230	1,935,356,978 1,595,197,500 318,011,990 341,887,549 428,174,892 9,001,681,398

As per our report of even date

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612 FIRM NO. 108029W

Place : Surat Date : 30-05-2015 For and on behalf of Board of Directors

Shankarlal Somani Chairman cum Mg. Director

Sumeet Kumar Somani Director & CFO

Anil Kumar Jain Company Secretary

Place : Surat Date : 30-05-2015

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# CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Particulars	Note No.	As At 31.03.15	As At 31.03.14
I II	Revenue from Operations Other Incomes Total Revenue (I+II)	18 19	11,653,332,529 9,185,148 11,662,517,677	12,281,151,959 (159,674,997) 12,121,476,962
	, ,		11,002,011,011	12,121,170,002
IV	Expenses:			
	Manufacturing Expenses	00	0.500.440.400	0.500.447.000
	Cost of Materials Consumed	20	9,528,140,406	6,523,147,036
	Purchases of Stock-in-Trade		1,140,738,503	4,557,143,275
	Changes in Inventories of Finished Goods,	04	(74 440 670)	10 507 050
	Work-in-Progress and Stock-in-Trade	21	(71,449,670)	10,527,958
	Administrative & Selling Expenses	22	122 050 012	115 170 101
	Employee Benefit Expenses	23	123,850,812 86,495,829	115,478,491
	Other Expenses Finance Costs	23 24	370,859,939	72,559,219 313,317,189
	Depreciation and Amortization Expense	10	197,320,744	245,284,845
V	Total Expenses	10	11,375,956,563	11,837,458,013
٧	Total Expenses		11,373,330,303	11,037,430,013
VI	Profit before Exceptional and Extraordinary Items and Tax (III - V)		286,561,113	284,018,949
VII	Exceptional Items		-	-
VIII	Profit before Extraordinary Items and Tax (VI - VII)		286,561,113	284,018,949
IX	Extra Ordinary Items		-	-
X	Profit before Tax (VIII - IX)		286,561,113	284,018,949
	Tax Expense:		, ,	- ,,-
	(1) Current tax		54,474,676	56,826,567
	(2) Deferred Tax		56,607,653	87,331,970
	(3) MAT credit		(46,287,437)	(55,900,125)
	Profit After Tax		221,766,222	195,760,538
	Less: Taxation for previous year		5,250,217	3,207,897
XII	Profit/ (Loss) for the period from Continuing Operations		216,516,005	192,552,641
	Appropriation: Prov. for Dividend & Dividend Dist. Tax			
	Profit/(loss) from the period from continuing operations		216,516,005	192,552,641
XIII	Profit/Loss from Discontinuing Operations		-	-
			-	-
ΧV	Profit/ (Loss) from Discontinuing Operations (after Tax)			
	Profit/ (Loss) for the Period		216,516,005	192,552,641
	Earnings Per Equity Share		, , , , , , , ,	, ,
	(1) Basic		3.73	3.32
	(2) Diluted		3.73	3.32
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As per our report of even date

For, PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612 FIRM NO. 108029W

Place : Surat Date : 30-05-2015 For and on behalf of Board of Directors

Shankarlal Somani Chairman cum Mg. Director

Sumeet Kumar Somani Director & CFO

Anil Kumar Jain Company Secretary

Place : Surat Date : 30-05-2015

	CASH FLOW STATEMENT FOR T Particulars		-2015	•	-2014
		₹	₹	₹	₹
(A)	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit before tax and Extraordinary Items		286,561,114		284,018,94
	Adjustment For :				
	Depreciation	196,588,427		244,701,322	
	Interest Income	(29,578,029)		(17,311,180)	
	Dividend Income	(1,690)		1,352	
	Profit / Loss on Sale of Fixed Assets	9,353,848		(1,824,297)	
	Profit / Loss on Sale of Investments	-		119,514	
	Dividend Declared	3,623,642		-	
	Interest Paid	277,673,927	457,660,125	262,963,636	488,650,34
	Operating Profit before Working Capital Changes		744,221,239		772,669,29
	Adjustment For :				
	Trade & Other Receivables	(542,060,527)		(561,467,975)	
	Inventories	49,792,638		(115,470,516)	
	Trade Payables and Other Liabilities	652,774,451	160,506,562	113,568,532	(563,369,95
	Cash Generated From Operations		904,727,801		209,299,33
	Interest Paid	(277,673,927)		(262,963,636)	
	Provision for Dividend and Div. Dist.Tax	-		-	
	Provision for Taxation	(1,282,750)		(926,442)	
	Previous Year Taxation	(61,150,342)	(340,107,019)	(3,207,897)	(267,097,97
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		564,620,782		(57,798,637
(B)	CASH FLOW FROM INVESTING ACTIVITIES :				
` ,	Income Form sale of investments :				
	Loss from Forex Transaction	-		-	
	Interest Income	28,499,904		17,311,180	
	Dividend Income	1,690		-1,352	
	Purchases of Fixed Assets	(283,338,732)		(625,506,116)	
	Sale of Fixed Asset	134,203,222		6,036,182	
	Purchases of Investment	(91,339,942)		(54,424,466)	
	Sale of Investment	-		1,636,799	
	Adjustment For Exchange Difference	_		-	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(211,973,858)		(654,947,773
(C)	CASH FLOW FROM FINANCING ACTIVITIES :				
(-)	Increase/Decrease in borrowings	(61,318,582)		64,821,009	
	Increase/Decrease in Term Loan	-290,019,018		720,994,155	
	Increase/Decrease in Equity share capital	87,499,938		(2,500,000)	
	Increase/Decrease in Preference share capital	=		100,000,000	
	Increase/Decrease in Share Premium			(5,000,000)	
	Increase/Decrease in Share Application Money			(87,000,000)	
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)		-263,837,663	(5.,500,000)	791,315,16
	ine. Shorr Esti i Nomi i mantonio Astivities (0)		_00,001,000		, , , , , , , , , , , , , , , , , , , ,

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Particulars	201	14-2015	2013-2014	
	₹	₹	₹	₹
Net Increase in Cash & Cash equivalents (A+B+C)		88,809,261		78,568,755
Cash and Cash equivalents as on 1st April, 2013		318,011,990		239,443,235
Cash and Cash equivalents as on 31st March, 2014		406,821,253		318,011,990
Note: Figures in negative (-) indicate cash outflows.				

As per our report of even date

For PRADEEP SINGHI & ASSOCIATES

**Chartered Accountants** 

PRADEEP KUMAR SINGHI

PROPRIETOR
M. No.200/24612
FIRM NO. 108029W

Place : Surat Date : 30-05-2015

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For and on behalf of Board of Directors

Shankarlal Somani Chairman cum Mg. Director

Sumeet Kumar Somani Director & CFO

Anil Kumar Jain Company Secretary

Place : Surat Date : 30-05-2015

CONSOLIDATED A	ANNEXURES TO	THE BAL	As At	As At
NOTE # 3			31.03.15	31.03.14
SHARE CAPITAL :				
Authorised Capital:	0			000 000
700,00,000 Equity Shares of Rs.10/- each 300,00,000 6% Non-convertible Redeema		25	700,000,000 300,000,000	800,000,0 200,000,0
of Rs.10/- each			1,000,000,000	1,000,000,0
Issued, Subscribed and Paid up				
5,80,39,738 Equity Shares of Rs.10/- each (out of which 76,05,930 shares are issued than cash)		ner	580,397,380	580,397,
2,00,00,000 6% Non-convertible Redeem	nable Preference Sha	res	200,000,000	200,000,0
of Rs.10/- each			780,397,380	780,397,
A. Reconciliation of the number of sha	res at the beginning	g & end of t	ne Reporting Perio	d:
Authorised Share Capital			400 000 000	100,000
Previous Year Increased by			100,000,000	100,000,
Current Year			100,000,000	100,000,
Number of shares at the beginning of t Add : Addition during the year Less: Reduction during the year	he year		78,039,738 -	68,289, 10,000,
Number of shares at the end of the year	ar		78,039,738	250,0 78,039,
B. Shares held by each shareholder ho	olding more than 5%	shares, sp	ecifying the numb	er of share
held. : Name	No. of Shares	% of	No. of Shares	% of
	(31-3-15)	Holding	(31-3-14)	Holding
Somani Overseas Private Limited	8,641,928 2,594,775	14.89 6.18	8,641,928 2,594,775	14.89 6.18
Sitaram Prints Private Limited Shankarlal Sitaram Somani	3,584,775 3,706,183	6.39	3,584,775 3,706,183	6.39
NOTE # 4 Reserves and Surplus :				
(a) Capital Reserve As per last Balance S	heet		2,500,000	2,500,
(b) Securities Premium As per last Balance	e Sheet		483,166,355	488,166,
Less: Reduction during the year			-	5,000,0
Addition during the year			483,166,355	483,166,
(c) Other Reserve : General Reserve			6,208,052	6,208,0
(d) Surplus i.e. Balance in the Statement	of Profit & Loss			
As per last Balance Sheet			953,100,804	760,548,
Profit during the year			216,516,005	192,552,6
Reserves created on foreign exchange	e rate diff.		654,847	050.400
Total (a + b + c + d)			1,170,271,656 1,662,146,063	953,100, 1,444,975,
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NOTE # 5	As At 31.03.15	As At 31.03.14
Long-Term Borrowings		
Term Loans - From Banks	1,260,265,404	2,030,044,654
- From Others	10,768,728	11,613,403
Buyers Credit on Capital Goods	244,883,710	235,587,354
Loans and advances from Corporates	213,150,936	259,162,018
	1,729,068,779	2,536,407,429

#### A. Borrowings shall be further classified as Secured / Unsecured. Nature of security to be disclosed.

### Classification of secured borrowings and Nature of security:

#### **Term Loan From Banks:**

Secured by way of hypothecation of 1st charge on all fixed assets of the company and 2nd pari passue charge on all current assets of the company.

Mortgage of Fixed Assets of M/S. Sitaram Prints Pvt. Ltd. And Residence Bunglow of Shri Shankar Lal Somani and Smt. Ganga devi Somani.

#### **Term Loan From Others:**

Vehicle Loans are secured by hypothecation of vehicles itself.

Corporate Guarantee of M/s. Sitaram Prints Private Limited.

LIC has Key Man Insurance policy hypothecated against Premium Amt. Paid.

#### Loans & Advances from Corporates:

Loans taken here are unsecured in nature.

## B. All loans taken from Bank have been guaranteed by Directors/ Others, Jointly & the aggregate amount is as below:

#### Name of Directors / Others

Mr. Shankarlal Sitaram Somani

Mr. Rajkumar Sitaram Somani

Mr. Sumeet Shankarlal Somani

Smt. Gangadevi Shankarlal Somani

Term Loan: 50 Crores & US\$ 14.71 Millions

Working Capital : 143 Crores
Non Fund Based 278 Crores

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 7987660.04 for loan taken from Bremer Kredit Bank AG.

#### NOTE#6

Short-Term Borrowings		
Cash Credit facilities	1,010,605,470	899,565,848
Buyer's Credit	714,052,971	818,436,075
Inland LC(Union Bank)	42,775,429	39,882,688
Trust Finance BOB (Subsidiary)	55,455,000	68,045,220
Inland LC(Canara)	33,213,520	-
Inland LC(Central)	57,255,680	-
Inland LC(Dena)	69,243,861	-
Inland LC(IDBI)	142,295,291	12,244,340
Vehicle Loan	-	855,800
Term loans (Due within next 12 months)	618,986,546	446,135,466
	2,743,883,768	2,285,165,437

Annual Report 2014-15 \*

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A. Borrowings shall be further classified as Secured/ Unsecured. Nature of security to be disclosed. Classification of secured borrowings and Nature of security:

Cash Credit facility is secured by 1st pari passue charge on all current assets of the company and 2nd pari - passue charge on fixed assets of the company. Buyers credit secured by letter of comfort issued by B.O.B., Consortium Banker.

B. Loan taken as C.C. facilities have been guaranteed by Directors/ Others & the aggregate amount of loans is as below :

#### Name of Directors / Others

Mr. Shankarlal Sitaram Somani

Mr. Rajkumar Sitaram Somani

Mr. Sumeetkumar Shankarlal Somani

Smt. Gangadevi Shankarlal Somani

Corporate Guarantee of M/s. Sitaram Prints Private Limited.

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 7987660.04 for loan taken from Bremer kredit Bank AG.

Note: Long & Short Term of Borrowings (Term Loans)

Long & Short Term Borrowings	Original Amount	Tenor at inception	Terms of	Months in which last		e as on , 2015 (Rs.)		e as on , 2014 (Rs.)	Prevailing Interest	
	of Borrowings	(in years)	Kepayment	s) Repayment	Installment is Due	Shown in Long term Borrow.	Shown in Short term Borrow.	Shown in Long term Borrow.	Shown in Short term Borrow.	Rate % Per Annum
Term Loan (GETCO)	Rs.15 Cr.	3.75	Quarterly	02.06.2015	75000000	37500000	112500000	28125000	13.00	
ECB Loan (BOB & BOI)	20 MN USD	5	Quarterly	07.04.2015	93750000	312500000	450750000	180300000	5.4034	
ECB Loan -2 (BOB LONDON)	10 MN USD	7	Quarterly	23.04.2015	424107140	89285715	515142856	64392858	4.3589	
Bermer Kredit Bank AG	10441142 Euro	8.5	Half Yearly	08.08.2015	454156720	82534158	660459809	101567608	2.006	
Term Loan (BOB Corporate Loan)	Rs. 30 Cr.	5	Quarterly	30.04.2015	150000000	75000000	243750000	56250000	13.60	
Term Loan (BOB FDY Winder Loan)	Rs. 31 Cr.	4	Quarterly	03.06.2015	31941989	15500000	47441989	15500000	13.00	
Term Loan (Canara Bank Text)	Rs. 4 Cr.	6	Monthly	27.03.2015	31309555	6666672	0	0	14.45	
Total					1260265404	618986545	2030044654	446135466		

**As At** As At **31.03.15** 31.03.14

**NOTE #7** 

**Trade Payables** 

Sundry Creditors for Goods

2,025,668,949 2,025,668,949

Term Loan: 50 Crores & US\$ 14.71 Millions

Working Capital: 143 Crores

Non Fund Based 278 Crores

1,257,195,839 1,257,195,839 <del></del>

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NOTE # 8	As At 31.03.15	As At 31.03.14
Other Current Liabilities		
Trade Payables for expenses	33,355,738	27,688,722
Advance from Customers	20,662,376	8,465,548
Vat & Additional Vat Account	28,841,210	39,867,537
Agency Deposits	1,869,396	1,994,396
CST Payble A/c	2,681,366	1,814,614
Outstanding Interest Payable	21,179,924	27,187,690
TCS Payable	23,147	-
TDS Payable	2,063,129	688,136
TDS Payable (salary)	782,575	938,160
Unpaid Dividend	-	1,281,128
Other Liabilities	140,115,375	105,621,926
Service Tax Payable	2,750,895	-
·	254,325,132	215,547,857
NOTE # 9		
Short-Term Provisions		
Provision For Employees Benefit		
Gratuity Payable	6,207,830	2,860,363
	6,207,830	2,860,363
<u>Others</u>		
Provision for Taxation A.Y 2014-15	54,155,363	56,826,567
Provision for Dividend & Dividend Distribution Tax	7,247,223	7,247,223
	61,402,586	64,073,790
	67,610,416	66,934,153
NOTE # 10		
Depreciation	196,588,427	244,701,322
Preliminary Expenses W/O	732,317	583,523
	197,320,744	245,284,845

### **FIXED ASSETS**

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### **Schedules To And Forming Part of Accounts**

			GROSS	вьоск			DEPRECI	ATION		NET B	LOCK
Sr. No.	Particulars	As At 01.04.2014	Addition	Deletion	As At 31.03.2015	As At 01.04.2014	For the Year	Adjust- ment	As At 31.03.2015	As At 31.03.2015	As At 31.03.2014
1	Land	2,356,255	-	-	2,356,255	-	-	-	-	2,356,255	2,356,255
2	Building	264,942,718	2,615,774	-	267,558,492	107270491	14,949,324	-	122,219,815	145,338,677	157,672,227
3	Plant & Machinery	4,832,994,703	584,013,146	155,252,680	5,261,755,169	1004824487	176,075,816	11,695,610	1,169,204,692	4,092,550,476	3,828,170,216
4	Furniture, Fixture & Equipments	22,768,958	849,462	3,586,893	20,031,527	14125466	2,946,138	3,586,893	13,484,710	6,546,817	8,643,492
5	Vehicle	38,455,231	1,874,222	880,422	39,449,031	26,502,187	2,617,149	880,422	28,238,915	11,210,116	11,953,044
	TOTAL	5,161,517,865	589,352,604	159,719,995	5,591,150,474	1,152,722,631	196,588,427	16,162,925	1,333,148,132	4,258,002,341	4,008,795,234
F	PREVIOUS YEAR										

### **NOTE # 11**

**Non-Current Investments** 

 Investments in Equity Instruments
 59,963,724
 59,963,724

 Investments in Mutual Funds
 500,000
 500,000

 60,463,724
 60,463,724

A. Non-Current Investments are Trade Investments.

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- B. Name of Body Corporate (also indicating whether it is a subsidiary/associate/JV/SPE)
  - Nature & Extent of Investment so made (showing separately investments that are partly paid)

Particulars	As At 31.03.15	As At 31.03.14
Investment in Equity shares : At Cost Other Than Trade - Quoted Investments :		
10000, Fully Paid-up Equity Shares of Rs. 10/- Each of IFCI Ltd.	545,005	545,005
500, Fully Paid-up Equity Shares of Rs. 10/- Each of Rajasthan Petro Synthetics Ltd.	16,250	16,250
169, Fully Paid-up Equity Shares of Rs. 10/- Each of Tata Steel Ltd.	33,705	33,705
1000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petrofils Ltd.	1,000	1,000
700, Fully Paid-up Equity Shares of Rs. 10/- Each of Chandra Synthetics Ltd.	5,075	5,075
400, Fully Paid-up Equity Shares of Rs. 10/- Each of Haryana Petrochemicals Ltd.	6,200	6,200
5000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petro Chemicals Ltd.	17,000	17,000
100, Fully Paid-up Equity Shares of Rs. 10/- Each of Parasrampuria Ind. Ltd.	1,050	1,050
100, Fully Paid-up Equity Shares of Rs. 10/- Each of Shree Rajasthan Syntex Ltd.	2,025	2,025
20000, Fully Paid-Up Equity Shares of Rs. 10/- Each of Questfin Ltd.	137,543	137,543
30000, Fully Paid-up Equity Shares of Rs. 2/- Each of UPL Limited (Formerly known as United Phos Ltd.)	4,649,041	4,649,041
Union KBC Capital Protection Oriental Fund	500,000	500,000
25000, Fully Paid-up Equity Shares of Rs. 5/- Each of Zylog Systems Ltd.	1,429,830	1,429,830
17,30,000, Fully Paid-up Equity Shares Of Rs. 10/- Each of 4,80,000, Fully paid-up Equity Shares at Premium of Rs. 44/- Each of 12,00,000, Fully paid-up Equity Shares at Premium of Rs. 10/- Each of	52,620,000	52,620,000
50,000, Fully paid-up Equity Shares at Premium of Rs. 44/- Each of Sumeet Poly Power Ltd.	59,963,724	59,963,724
Total	59,963,724	59,963,724

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	As At 31.03.15	As At 31.03.14
NOTE # 12		
Long-Term Loans and Advances		
Security Deposits		
a) Secured, Considered good		
Other Deposit	7,667,789	7,779,659
	7,667,789	7,779,659
A. These Long Term Loans and Advances be further classified a	s : Secured, considere	d good.
NOTE # 13		
Inventories Raw Materials	394,907,236	579,096,353
Work-in-Progress	515,688,320	471,920,164
Finished Goods	570,154,344	542,472,830
Stores and Spares	404,814,440	341,867,631
	1,885,564,340	1,935,356,978
Raw Materials, Stores & Spares have been valued at Cost.		
Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable valued by Institute of Chartered Accountants of India.	alue whichever is less as	
Mode of Valuation Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable value by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables	alue whichever is less as	
Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable value by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables	alue whichever is less as	
Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable valued by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables Unsecured, Considered Good	alue whichever is less as	
Raw Materials, Stores & Spares have been valued at Cost.  Finished Goods & WIP have been valued at Cost or Net Realisable valued by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables  Unsecured, Considered Good  - Outstanding for a period exceeding six months	alue whichever is less as - 2,254,510,328	
Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable valued by Institute of Chartered Accountants of India.	-	per AS 2 issued
Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable value by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables Unsecured, Considered Good - Outstanding for a period exceeding six months - Others	-	per AS 2 issued
Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable value by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables Unsecured, Considered Good - Outstanding for a period exceeding six months - Others	- 2,254,510,328	per AS 2 issued  - 1,595,197,500 -
Raw Materials, Stores & Spares have been valued at Cost.  Finished Goods & WIP have been valued at Cost or Net Realisable valued by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables Unsecured, Considered Good - Outstanding for a period exceeding six months - Others Less: Allowance for Bad & Doubtful Debts	- 2,254,510,328	per AS 2 issued  - 1,595,197,500 -
Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable valued by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables Unsecured, Considered Good - Outstanding for a period exceeding six months - Others Less: Allowance for Bad & Doubtful Debts  NOTE # 15  Cash and Cash Equivalents	- 2,254,510,328	per AS 2 issued  - 1,595,197,500 -
Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable value by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables Unsecured, Considered Good - Outstanding for a period exceeding six months - Others Less: Allowance for Bad & Doubtful Debts  NOTE # 15  Cash and Cash Equivalents Cash-in-Hand Balance with Banks	718,728 17,302,525	per AS 2 issued  - 1,595,197,500 - 1,595,197,500 - 179,042 2,632,948
Raw Materials, Stores & Spares have been valued at Cost. Finished Goods & WIP have been valued at Cost or Net Realisable value by Institute of Chartered Accountants of India.  NOTE # 14  Trade Receivables Unsecured, Considered Good - Outstanding for a period exceeding six months - Others Less: Allowance for Bad & Doubtful Debts  NOTE # 15	2,254,510,328 2,254,510,328 718,728	per AS 2 issued  - 1,595,197,500 - 1,595,197,500

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	As At 31.03.15	As At 31.03.14
NOTE # 16		
Short-Term Loans and Advances		
Advance to Suppliers	261,810,879	46,233,8
Capital WIP including advances and net of creditors	-	119,442,
Others	154,343,881	176,211,0
	416,154,760	341,887,
A. Short-Term Loans & Advances shall be further classified	ed as : Unsecured, considere	ed good.
NOTE # 17		
Other Current Assets (Residual Head)		
Accrued Interest (Subsidiary Interest on FDR)	1,078,125	1,036,7
Advance Tax (A.Y. 2015-16)	17,500,000	
Advance Tax (A.Y. 2014-15)	-	15,000,0
Advance for Exp (Godown-Delhi)	20,000	20,0
Cenvat Receivable	29,793,124	34,788,3
Claim Receivable	94,448,665	99,580,2
Custom duty refund receivable	41,967,594	24,630,9
Excise duty refund	18,435,873	
Export Incentive receivable	-	29,494,8
Mat credit	224,232,959	177,945,
Preliminary Expenses	2,929,269	1,741,3
Prepaid Expenses	2,126,032	1,274,8
Service tax receivable	1,942,538	767,7
TCS Receivable	34,105	107,9
TDS Receivable	8,217,730	6,192,4
Income Tax Seized Cash	1,350,000	0.4.000
Status holder Incentive scheme (license on hand)	-	34,088,2
Insurance Claim receivable	1,505,681 445,581,695	1,505,6
NOTE # 18	<del></del>	
Revenue From Operations	0.405.005.500	10 400 407
Domestic sales	9,185,925,500	10,402,407,4
Revenue from subsidiary Export sales	2,376,028,938 1,108,919,088	2,867,482,7
Total sales	12,670,873,525	13,269,890,2
Less:Excise duty	1,044,218,411	1,018,926,2
Less.Excise duty	11,626,655,114	12,250,963,9
Export Incentives	26,677,415	30,187,9
Export incentives	11,653,332,529	12,281,151,9
	11,000,002,025	12,201,101,
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	As At 31.03.15	As At 31.03.14
NOTE # 19		
Other Incomes		
Dividend received	1,690	1,352
Commission received	33,652,203	17,342,185
Profit/(loss) on sale of fixed assets	(9,353,848)	1,824,297
Discount received	4,515,230	50,145,028
Int. on FDR'S (Net Of Int. on Buyers credit & LOU. Commission)	5,082,370	5,586,816
Profit from forex transaction	(48,130,031)	(247,216,250)
Others - Interest	23,417,534	11,724,364
Interest on FDR (Subsidiary)	-	1,036,725
Profit/(loss) on trading of shares & commodity	-	(119,514)
NOTE # 20	9,185,148	(159,674,997)
Cost of Materials Consumed		
a) Purchases of Raw Materials and Stores		
Opening stock	579,096,353	509,209,130
Add:Purchase (net)	8,108,930,322	5,626,618,268
	8,688,026,675	6,135,827,398
Less:Closing Stock	394,907,236	579,096,353
Sub Total (a)	8,293,119,439	5,556,731,045
b) Direct/Production expenses		004.044
Labour & Security	780,185	631,041
Power & Fuel	848,674,161	599,557,107
Freight & Octroi	83,124,960	78,261,727
Ocean freight charges	28,966,473	39,526,195
Stores & Spares	51,595,062	50,961,491
Factory Expense Repair & Maintenance:Factory Building	915,010 144,949	1,054,669 140,341
Repair & Maintenance.Factory Building Repair & Maintenance:Plant&Machinery	10,412,289	6,550,612
Repair & Maintenance.Plant&Machinery Packing	210,407,879	189,732,808
Sub Total (b)	1,235,020,968	966,415,991
Total(a + b)	9,528,140,406	6,523,147,036
NOTE # 21		
Change in inventories		
Opening Stock	1,014,392,994	1,024,920,952
Less:Closing Stock	1,085,842,664	1,014,392,994
	(71,449,670)	10,527,958

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	As At 31.03.15	As At 31.03.14
NOTE # 22		
Employement Benefit Expenses		
Salary	109,655,037	100,439,3
Bonus	6,191,999	7,575,6
P.F.	1,797,727	460,8
Leave Encashment	1,835,113	3,052,3
Directors Remuneration	3,300,000	3,300,0
Staff Welfare/ESI	1,070,936	650,3
	123,850,812	115,478,4
NOTE # 23		
Other Expenses		
Electricity Expenses	448,874	381,6
Vehicle Expense	8,956,707	11,934,0
Travelling & Conveyance	1,832,029	3,071,4
Repairs Office Building	306,708	227,0
Repairs Other	533,285	595,8
Brokerage & Overseas AgencyCommission	12,949,179	16,680,6
Office & General Expenses	2,130,129	1,561,3
Insurance Expenses Books & Periodicals	3,892,825	3,873,0 7,8
	8,540 29,334,470	6,076,4
Legal & Professional Postage & Telegram & Telephone	29,334,470 1,415,871	2,096,8
Membership & Subscriptions	60,573	323,7
Printing & Stationery Expenses	1,384,236	1,359,5
Auditors Remuneration	1,940,000	1,537,7
Rates & Taxes	4,979,702	8,477,8
Rate difference & Discounts	1,473,924	3,211,8
Advertisement & Publicity	3,677,671	3,830,5
Carraige outward	7,376,208	6,703,7
Donation	3,794,000	607,
Demat Charges	899	8
	86,495,829	72,559,2
NOTE # 24		
Financial Cost		
Interest paid to Banks	248,499,340	250,870,4
Interest paid to others	29,174,587	12,093,1
Bank Charges & Guarantee commission	92,635,937	41,562,2
Overseas Bank Charges	550,076	8,791,3
	<u>370,859,939</u>	313,317,1
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### **SUMEET INDUSTRIES LIMITED**

(CIN: L45200GJ1988PLC011049)

Registered Office: 504, Trividh Chamber, 5th Floor, Opp. Fire Brigade Station, Ring Road, Surat – 395 002

**Email:** silshare@yahoo.com **website:** www.sumeetindustries.com

#### ATTENDANCE SLIP

**ANNUAL GENERAL MEETING - 30.09.2015** 

#### PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

PLEASE FILL ATTENDANCE SLI	
Folio No.	
DP ID	
CLIENT ID	
No. of Shares	
We hereby record my presence at the 27th Amarwada, Surat-395010 on Wednesday, 30	ANNUAL GENERAL MEETING of the Company at Conference Hall, Bombay Marke of the September, 2015 at 10:00 A.M.
Name of the Shareholder	Signature of the Shareholder
Shareholders who come to attend the meet	ing are requested to bring their copies of Annual Report with them.
SUI	WEET INDUSTRIES LIMITED  (CIN: L45200GJ1988PLC011049)
	namber, 5th Floor, Opp. Fire Brigade Station, Ring Road, Surat – 395 002
Email: silshar	namber, 5th Floor, Opp. Fire Brigade Station, Ring Road, Surat – 395 002  e@yahoo.com
Email : silshar Phone :	e@yahoo.com website: www.sumeetindustries.com
Email : silshar Phone :	e@yahoo.com website : www.sumeetindustries.com 0261-2328902 Fax : 0261-2334189  PROXY FORM
Email : silshar Phone :	e@yahoo.com website : www.sumeetindustries.com 0261-2328902 Fax : 0261-2334189  PROXY FORM
Email : silshar Phone :  ANI  Name of the Member(s)	e@yahoo.com website : www.sumeetindustries.com 0261-2328902 Fax : 0261-2334189  PROXY FORM
Email: silshar Phone:  ANI  Name of the Member(s)  Registered Address	e@yahoo.com website : www.sumeetindustries.com 0261-2328902 Fax : 0261-2334189  PROXY FORM
Email: silshar Phone:  ANI  Name of the Member(s)  Registered Address  E-mail Id	e@yahoo.com website : www.sumeetindustries.com 0261-2328902 Fax : 0261-2334189  PROXY FORM
Email: silshar Phone:  ANI  Name of the Member(s)  Registered Address  E-mail Id  Folio No./Client ID	e@yahoo.com website : www.sumeetindustries.com 0261-2328902 Fax : 0261-2334189  PROXY FORM
Registered Address E-mail Id Folio No./Client ID DP ID No. of Shares	e@yahoo.com website: www.sumeetindustries.com 0261-2328902 Fax: 0261-2334189  PROXY FORM NUAL GENERAL MEETING - 30.09.2015
Email: silshar Phone:  ANI  Name of the Member(s)  Registered Address  E-mail Id  Folio No./Client ID  DP ID  No. of Shares  We, being the member(s) of	e@yahoo.com website : www.sumeetindustries.com 0261-2328902 Fax : 0261-2334189  PROXY FORM NUAL GENERAL MEETING - 30.09.2015  shares of Sumeet Industries Limited, hereby appoin
Email: silshar Phone:  ANI  Name of the Member(s)  Registered Address  E-mail Id  Folio No./Client ID  DP ID  No. of Shares  We, being the member(s) of	e@yahoo.com
Email: silshar Phone:  ANI  Name of the Member(s)  Registered Address  E-mail Id  Folio No./Client ID  DP ID  No. of Shares  We, being the member(s) of	e@yahoo.com
Email: silshar Phone:  ANI  Name of the Member(s)  Registered Address  E-mail Id  Folio No./Client ID  DP ID  No. of Shares  We, being the member(s) of  ) Name:  Email id:	e@yahoo.com
Email: silshar Phone:  ANI  Name of the Member(s)  Registered Address  E-mail Id  Folio No./Client ID  DP ID  No. of Shares  We, being the member(s) of  ) Name:  Email id:	e@yahoo.com website: www.sumeetindustries.com 0261-2328902 Fax: 0261-2334189  PROXY FORM NUAL GENERAL MEETING - 30.09.2015  shares of Sumeet Industries Limited, hereby appoint Address: Signature: Signature: Signature: Or failing him

as my/our proxy to attend and vote for me/us at the 27th Annual General Meeting of the Company to be held on Wednesday, 30th September, 2015 at 10:00 A.M. or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions		Vote (*Optional)	
	For	Against	
Ordinary Business :			
Consider and Adopt Audited Statement of Accounts for the financial year ended on 31st March, 2015 and Reports of Auditors and Board of Directors.			
2. Re-appointment of Atma Ram Sarda (DIN No. : 06713264), Director of the Company who retires by rotation			
3. Appointment of Auditor and fix their remuneration			
Special Business :			
4. Appointment of Mr. Dinesh Sharan Khare (DIN No.:00383743) as an Independent Director			
5. Re-appointment of Mr. Sumeet Shankarlal Somani (DIN No. : 00318156) as an Executive Director of the company and fixing of remuneration.			
6. Ratification of appointment of Cost Auditor			
7. Commission to Non–Executive Directors			

Signed this	dav of	2015.	
			Affix
Signature of the Shareholder			Rs.1
			Revenue Stamp
Signature of Proxy Holder(s)			

#### Notes:

<del></del>

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the Commencement of the meeting.

- 2. In the case of a body corporate, the proxy form should be signed by the authorised person duly enclosing thereto, a certified copy of the resolution of the Board under Section 113 of the Companies Act, 2013.
- It is Optional to put a 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. A proxy need not be a member of the Company.



**Book-Post** 



If undelivered please return to:

## **SUMEET INDUSTRIES LIMITED**

504, Trividh Chambers, 5th Floor, Opp. Fire Station, Ring Road, Surat-395 002 (Gujarat) INDIA

Tel.: +91-261-2328902