

***Sumecet***  
**INDUSTRIES LIMITED**



**29<sup>TH</sup>**  
**ANNUAL**  
**REPORT**  
**2016 - 2017**



## *Chairman's Message ....*

**Dear Shareholders,**

Sumeet Industries Ltd. is completing its 29th glorious years and it marks an important milestone in the journey that over the years, the company has shown commendable resilience by continuously challenging the status quo and reinventing itself in order to meet the unmatched value in products offerings to the consumers. Going ahead, we expect to continue to deliver healthy growth across our whole businesses and look forward to achieve several milestones on the path of excellence and profitable growth in coming years.

Global growth is consistently good since summer 2016, which adds up to a brightening Global Outlook. The growth is gaining momentum with buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade. As per IMF estimates Global Growth is projected to grow at 3.5% in 2017 from 3.1% in 2016.

Our country went through one of the surprised reforms by way of demonetization and the long waited implementation of the Goods and Services Tax (GST) will have a positive outlook on the consumption sector; we foresee the unorganized sector vacating market share in favour of the organized sector and boost to step up our economy to go faster. GST will replace nearly a dozen central & state levies into a single national direct tax, not only simplifying the current tax system, but also hopefully make the movement of goods cheaper & seamless across the nation.

In the year 2016-17, the company has achieved highest consolidated revenue from its operation Rs. 140575.07 Lacs, a revenue growth-rate of 13.79% in FY 17 due to maximum utilization of existing capacities and earned Consolidated Net profit of Rs. 3908.01 Lacs an impressive growth of 106.57 % over previous year due to better realisation of prices. We continue to maintain industry leading growth rates, even in challenging times.

The Indian man-made fibre manufacturing industry is not only one of the rapidly growing sectors in the economy, but also a critical enabler of the largest export earner amongst the textiles industry. The fortunes of the man-made fibres industry are linked to the performance of the petrochemicals industry at the global level, and of the textile industry at the domestic level.

We compete with ourselves in creating progressively better products. Our robust R&D process focuses on process modification and development of speciality and value added yarns i.e. micro filaments yarns , carpet yarns , dope dyed yarns of different colours paving the roads for catering wide customer spectrum. During the year, the company has upgraded and also modified its existing positions of machineries to increase production capacity of spinning units. We do believe that your company is now at another inflection point and look forward to an exciting future with continued support .

Sumeet has always been driven by determined corporate governance, which has enabled us to accomplish our goals and create value for our stakeholders all through the past two decades. 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

## TWENTY NINTH ANNUAL REPORT

**BOARD OF DIRECTORS**

<b>Shri Shankarlal Somani</b>	Chairman
<b>Shri Sumeet Kumar Somani</b>	Managing Director
<b>Shri Dinesh Sharan Khare</b>	Non-Executive Director
<b>Shri Atma Ram Sarda</b>	Non-Executive Director
<b>Smt. Ganga Devi Somani</b>	Non-Executive Director
<b>Shri Dipesh Dasadia</b>	Non-Executive Director
<b>Shri Abhishek B. Desai</b>	Non-Executive Director
<b>Shri Manojkumar Jain</b>	Non-Executive Director

**COMPANY SECRETARY**

**Shri Anil Kumar Jain**

**CHIEF FINANCIAL OFFICER (CFO)**

**Shri Abhishek Prasad**

**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

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 : corporate@sumeetindustries.com

Web : www.sumeetindustries.com

**FACTORY**

Block No. 289, 291, 292, Village : Karanj (Kim),

Tal. : Mandvi, Dist. : Surat-394 110. (Gujarat)

Ph. : 099789 25038

**REGISTRAR & SHARE TRANSFER AGENT**

**M/S. BIGSHARE SERVICES PVT. LTD.**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,

Makwana Road, Marol, Andheri East Mumbai 400059.

Ph. : (022) 62638200 Fax : (022) 62638299

E-mail : investor@bigshareonline.com

**29th ANNUAL GENERAL MEETING**

DATE : Saturday, 30th September, 2017

VENUE : Conference Hall,  
Bombay Market, Umarwada,  
Surat.

TIME : 10:00 A.M.

**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 <span style="float: right;">(₹ in Lacs)</span>					
PARTICULARS	2016-17	2015-16	2014-15	2013-14	2012-13
Sales & Income from operation	119801.51	105248.48	93117.27	110799.61	115933.78
Other Income	729.50	542.99	94.38	-1607.12	-1130.36
Increase (Decrease) in Inventories	429.85	405.66	714.50	-105.28	5907.96
<b>Total</b>	<b>120960.86</b>	<b>106197.13</b>	<b>93926.15</b>	<b>109087.21</b>	<b>120711.38</b>
Purchase of Finished Goods	43087.46	28829.18	11407.38	33815.62	29451.12
Raw Material Consumed	51339.48	52776.84	60050.64	55567.31	71989.19
Staff Cost	1667.55	1311.61	1238.50	1154.78	1069.54
Manufacturing Expenses	10922.92	11658.72	12350.21	9664.16	9822.80
Administrative & Selling & Dist. Exp.	1589.76	2608.10	868.17	714.65	1311.34
Interest & Depreciation	6868.8	6174.65	5509.21	5503.75	4161.73
<b>Total</b>	<b>115475.97</b>	<b>103359.1</b>	<b>91424.11</b>	<b>106420.27</b>	<b>117805.72</b>
<b>Profit / (Loss) before Taxation</b>	<b>5484.89</b>	<b>2838.03</b>	<b>2502.04</b>	<b>2666.94</b>	<b>2905.66</b>
Taxation	1812.14	1153.57	656.31	905.40	989.73
<b>Profit / (Loss) after Taxation</b>	<b>3672.75</b>	<b>1684.46</b>	<b>1845.73</b>	<b>1761.54</b>	<b>1915.93</b>
<b>Earning per Share (EPS)</b>	<b>6.33</b>	<b>2.90</b>	<b>3.18</b>	<b>3.04</b>	<b>3.29</b>

FINANCIAL DATA					
Share Capital	* 8803.97	* 8803.97	* 7803.97	* 7803.97	* 6828.97
Share Application Money	0.00	0.00	0.00	0.00	870.00
Reserve & Surplus	21991.22	18318.46	16131.50	14285.77	12574.22
Deferred Tax Liability	7403.30	5747.03	4716.66	4150.58	3277.26
Loan Funds **	44425.18	46138.15	44174.98	47535.27	40374.34
<b>Capital &amp; Funds Employed</b>	<b>82623.67</b>	<b>79007.61</b>	<b>72827.11</b>	<b>73775.59</b>	<b>63924.79</b>
Fixed Assets (Gross) #	57311.10	56519.54	55911.50	54675.31	48528.14
Depreciation	17110.22	15071.22	13331.48	11527.23	9145.98
Fixed Assets (Net)	40200.88	41448.32	42580.02	43148.08	39382.16
Investments	2544.96	2592.29	2479.64	1566.24	77.95
Current Assets	49460.14	49632.85	43417.27	41501.83	38709.00
Current Liabilities & Provisions	9582.31	14665.85	15649.82	12440.56	14244.32
Net Current Assets	39877.83	34967.00	27767.45	29061.27	24464.68
Misc. Exp. not written off	0.00	0.00	0.00	0.00	0.00
<b>Capital &amp; Funds Applied</b>	<b>82623.67</b>	<b>79007.61</b>	<b>72827.11</b>	<b>73775.59</b>	<b>63924.79</b>

\* Includes Equity and Preference Share Capital

\*\* Includes Secured & Unsecured Loan

# Includes Capital Work in Progress



## Milestones and Achievements

2016	Installed 2 Nos. of F.O. Based Gen Set Captive Power Plant.
2016	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.
2015	Commissioned 4 (Four) Texturising Machines with total capacity of 7200 TPA.
2014	Commissioned Waste Recycling Plant with 5400 TPA.
2012	Enhanced Spinning Capacity of the Plant from 53000 TPA to 82800 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 53000 TPA.
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	Installed coal based power plant of 2.5 MW for captive power generation with capital investment of Rs. 60 Million.
1999	Increased the capacity of Texturising & Twisting to 3900 MT & 2000 MT respectively per annum.
1997	Increased the capacity of Polypropylene Multifilament Yarn to 3900 MT per annum with capital investment of Rs. 144 Million.
1996	Changed of 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.

## NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of SUMEET INDUSTRIES LIMITED will be held at Conference Hall, Bombay Market, Umarwada, Surat, on Saturday, 30th Day of September, 2017 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, 2017 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, 2017 together with the report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Gangadevi Somani (DIN No.06913790), who retires by rotation and being eligible, offer himself for re-appointment.

### 3. APPOINTMENT OF AUDITORS

To pass the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under, as amended from time to time, the Company do hereby approve the appointment of M/s. Pradeep Singhi & Associates, Chartered Accountants (ICAI Registration No.108029W), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 30th AGM of the Company to be held in the year 2018 to examine and audit the accounts of the Company for the Financial Year 2017-18 at such remuneration plus tax, out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors and the Auditors.”

### SPECIAL BUSINESS

#### 4. APPOINTMENT OF MR. DIPESH SHASHIKANTBHAI DASADIA 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** Mr. Dipesh Shashikantbhai Dasadia (DIN : 01048684) who was appointed as an Additional Director of the company by the Board of Directors w.e.f. 13th February, 2017 under section 161 of the Companies Act, 2013(the Act) and who holds office up to the date of the Annual General Meeting, but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of the Director of the company, be and is hereby appointed as a Director of the company.”

**“RESOLVED FURTHER THAT** pursuant to the provision of the Section 149, 152 and other applicable provisions, if any, of the Act and rules made thereunder read with Schedule IV of the Act as amended from time to time, Mr. Dipesh Shashikantbhai Dasadia, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 3 (Three) consecutive years and whose office shall not be liable to retire by rotation,

#### 5. APPOINTMENT OF MR. ABHISHEK BHUPENDRA DESAI 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** Mr. Abhishek Bhupendra Desai (DIN : 07790468) who was appointed as an Additional Director of the company by the Board of Directors w.e.f. 11th April, 2017 under section 161 of the Companies Act, 2013 (the Act) and who holds office up to the date of the Annual General Meeting, but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of the Director of the company, be and is hereby appointed as a Director of the company.”

**“RESOLVED FURTHER THAT** pursuant to the provision of the Section 149, 152 and other applicable provisions, if any, of the Act and rules made thereunder read with Schedule IV of the Act as amended from time to time, Mr. Abhishek Bhupendra Desai, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 3 (Three) consecutive years and whose office shall not be liable to retire by rotation.”

**6. APPOINTMENT OF MR. MANOJKUMAR GANESHMAL JAIN 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** Mr. Manojkumar G. Jain (DIN: 03546851) who was appointed as an Additional Director of the company by the Board of Directors w.e.f. 29th June, 2017 under section 161 of the Companies Act, 2013 (the Act) and who holds office up to the date of the Annual General meeting, but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of the Director of the company, be and is hereby appointed as a Director of the company.”

**“RESOLVED FURTHER THAT** pursuant to the provision of the Section 149, 152 and other applicable provisions, if any, of the Act and rules made thereunder read with Schedule IV of the Act as amended from time to time, Mr. Manojkumar G. Jain, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 3 (Three) consecutive years and whose office shall not be liable to retire by rotation.”

**7. 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. 40,000/- (Rupees Forty 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 the cost records of the Company for the Financial Year ending March 31, 2018, 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.”

**8. APPOINTMENT OF MR. SUMEET SHANKARLAL SOMANI AS MANAGING DIRECTOR OF THE COMPANY**

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 the Articles of Association of the Company and Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force and subject to such approvals as may be required, Mr. Sumeet Shankarlal Somani (DIN : 00318156) be and is hereby appointed as the Managing Director of the Company with effect from 1st April 2017 to 31st March, 2022 upon the terms and conditions as set out in the explanatory statement annexed to the notice convening this Annual General Meeting including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year with liberty to the Directors to later and vary the terms and conditions of the said appointment in such manner so as to not exceed the limits specified in Schedule V to the Act.”

**“RESOLVED FURTHER THAT** in the event of any statutory amendment or modification by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary and alter the terms of appointment including salary, commission, perquisites, allowances etc. payable to Mr. Sumeet Shankarlal Somani within such prescribed limit or ceiling and as

agreed by and between the Company and Mr. Sumeet Shankarlal Somani without any further reference to the company in General Meeting."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and rules made thereunder, Mr. Sumeet Shankarlal Somani, Managing Director of the Company, presently liable to retire by rotation, shall henceforth be liable to determination of retirement of Directors by rotation."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, matters, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution."

**9. COMMISSION TO MR. SHANKARLAL SOMANI AND MRS. GANGADEVI SOMANI, DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force & pursuant to SEBI (LODR) Regulations, 2015 and subject to applicable approval(s) as may be required, Non-Executive Directors of the Company be paid, commission in such amounts or proportions as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for the relevant financial year as computed in the manner laid down in Section 198 of the Act, in addition to the sitting fee for attending the meeting of the Board of Directors/committees thereof.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company and/or Nomination & Remuneration committee be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Registered Office :**

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

Place : Surat  
Date : 03-08-2017

By order of the Board Directors

Sd/-  
**Shankarlal Somani**  
Chairman



**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.
5. 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 Saturday, 23rd day September, 2017 to Saturday, 30th September, 2017 (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.
9. 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, 2017 is uploaded on the Company's website [www.sumeetindustries.com](http://www.sumeetindustries.com) and may be accessed by the members.
11. Details in respect of the Directors seeking appointment/re-appointment 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 2016-17 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 2016-17 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](mailto: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.

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 29th 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.
17. The members who would have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**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 29th Annual General Meeting to be held on Saturday, the 30th September, 2017, 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 Saturday, 30th September, 2017.

- (i) The voting period begins on 27/09/2017 at 9:00 A.M. IST and ends on 29/09/2017 at 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 22/09/2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders
- (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.
- (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](http://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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <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> <li>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. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details  <b>OR</b>  Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (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 Sumeet Industries Limited 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 verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 27/09/2017 at 09:00 A.M. IST and ends on 29/09/2017 at 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 22/09/2017 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

17. The voting period begins on 27/09/2017 at 09:00 A.M. IST and ends on 29/09/2017 at 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 22/09/2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
18. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22/09/20167.
19. Mr. Dhiren R. Dave, Practicing Company Secretary (Membership no. FCS 4889) has been appointed as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
20. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
21. The results declared along with the Scrutinizers' Report shall be placed on the Company's website [www.sumeetindustries.com](http://www.sumeetindustries.com) and on the website of CDSL within three days of the passing of the resolutions at the 29th Annual General Meeting of the Company on 30th September, 2017 and communicated to the BSE Ltd and National Stock Exchange of India Ltd within the prescribed period.

**Details of directors seeking re-appointment / appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 & Secretarial Standard 2]**

Name of Director	Mr. Sumeet Shankarlal Somani	Mr. Dipesh Shashikant Dasadia	Mr. Abhishek Bhupendra Desai	Mr. Manojkumar Jain
Date of Birth	11/11/1980	23/10/1969	23/05/1979	29/04/1980
Date of Appointment	01/06/2004	13/02/2017	11/04/2017	29/06/2017
Expertise in specific functional areas	Business and Project Management	Project Engineer	Communication and Relationship	Accounts, Audit & Taxation
Qualifications	M.Com, PGDBM	B.E. in Electronics	Bachelor of Commerce	Practicing Chartered Accountant & CS
Shareholding in the Company as on 3rd August, 2017	19,65,070	Nil	Nil	Nil
List of other companies in which Directorship held	1.Somani Overseas Pvt. Ltd. 2.Sitaram Prints Pvt. Ltd. 3. Sumeet Poly Power Ltd. 4. Varsha Dyeing And Printing Mills Pvt. Ltd. 5. Inherent Computers Pvt. Ltd. 6.Sumeet Global Pte. Ltd.	1. Transit Geo System Integrators Pvt. Ltd 2. Transit Electronics Limited	Nil	Kalka Advisory Services Pvt Ltd
List of other entities in which the person also hold membership of committee of the Board	Nil	Nil	Nil	Nil
Relationships between Directors inter-se	Son of Mr. Shankarlal Somani, Chairman and Gangadevi Somani, Director of the Company	Nil	Nil	Nil

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO. : 04**

The Board of Directors of the company had appointed Mr. Dipesh Shashikantbhai Dasadia as an additional Independent Director with effect from 13th day of February, 2017 in accordance with the provisions of Article of the Association of the company read with Section 161 of the Act. Mr. Dipesh Shashikantbhai Dasadia holds office only up to the date of forthcoming Annual General Meeting. A notice has been received from a member, along with requisite deposit of money, as required under Section 160 of the Companies Act, proposing Mr. Dipesh Shashikantbhai Dasadia as a candidate for the office of Director of the company.

Mr. Dipesh Shashikantbhai Dasadia, is an Electronic Engineer from University of Pune. He is a chief patron member of The Southern Gujarat Chamber Of Commerce and Industry (SGCCI). He is a member of IEEE (Institute of Electrical and Electronics Engineers) which is one of the largest technical professional organization dedicated to advancing technology for the benefit of humanity. He was awarded for a Business Leadership Award for Industrial Development by Indian Economic Development & Research Association.. He has 15 Years of experience in the field of Electronics Engineering & General management.

The Board considering Mr. Dipesh Shashikantbhai Dasadia has rich experience in the field of engineering and taking in to account the recommendation of the Nomination and Remuneration Committee, appointed Mr. Dipesh Shashikantbhai Dasadia at the meeting of the Board of Directors held on 13/02/2017 as an Independent Director of the company, not liable to retire by rotation with effect from 13/02/2017 to 12/02/2020 subject to approval of members.

The Board considers that his association would be of immense benefit to the Company. In the opinion of the Board, Mr. Dipesh Shashikantbhai Dasadia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. Dipesh Shashikantbhai Dasadia 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.

Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Dipesh Shashikantbhai Dasadia an Independent Director, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial personnel (KMPs) or relatives of Directors except Mr. Dipesh Shashikantbhai Dasadia concerned or interested in the resolution mentioned at item no.4 of the convening Notice.

**ITEM NO. : 05**

The Board of Directors of the company had appointed Mr. Abhishek Bhupendra Desai as an Additional Independent Director with effect from 11th April, 2017 in accordance with the provisions of Article of the Association of the company read with Section 161 of the Act. Mr. Abhishek Bhupendra Desai holds office only up to the date of forthcoming Annual General Meeting. A notice has been received from a member, along with requisite deposit of money, as required under Section 160 of the Companies Act, proposing Mr. Abhishek Bhupendra Desai as a candidate for the office of Director of the company.

Mr. Abhishek Bhupendra Desai, is having remarkable competencies like Public Relation, Corporate Communicator, Business Development, Facilitator, Liaisoner, Strategic Partnerships, Robust Client Relationships, Negotiator, Strong Relationship with Financial Institutions, will help company to get valuable approach. Presently he is providing valuable guidance on various posts in multiple companies like Business Consultant & Facilitator in Alpha Nippon Innovatives Ltd, Head of Business Development & Marketing in Asha Metals Industries Ltd, and looked after Business Development & Project Facilitation at Ducon Consultants Pvt Ltd.



The Board considering Mr. Abhishek Bhupendra Desai has rich experience in the field of liaisoning, project facilitation and market development and taking in to account the recommendation of the Nomination and Remuneration Committee, appointed Mr. Abhishek Bhupendra Desai at the meeting of the Board of Directors held on 31st day of March, 2017 appointed as an Independent Director of the company, not liable to retire by rotation with effect from 31/03/2017 to 30/03/2020 subject to approval of members.

The Board considers that his association would be of immense benefit to the Company. In the opinion of the Board, Mr. Abhishek Bhupendra Desai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. Abhishek Bhupendra Desai 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.

Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Abhishek Bhupendra Desai as an Independent Director, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial personnel (KMPs) or relatives of Directors except Mr. Abhishek Bhupendra Desai is concerned or interested in the resolution mentioned at item no.5 of the convening Notice.

**ITEM NO. : 06**

The Board of Directors of the company had appointed Mr. Manojkumar Ganeshmal Jain as an Additional Independent Director with effect from 29th day of June, 2017 in accordance with the provisions of Article of the Association of the company read with Section 161 of the Act. Mr. Manojkumar Ganeshmal Jain holds office only up to the date of forthcoming Annual General Meeting. A notice has been received from a member, along with requisite deposit of money, as required under Section 160 of the Companies Act, proposing Mr. Manojkumar Ganeshmal Jain as a candidate for the office of Director of the company.

Mr. Manojkumar Ganeshmal Jain is a member of the Institute of Chartered Accountants of India since 2007 and presently working as a Practicing Chartered Accountant. He has a Licentiate Company Secretary qualified from Institute of Company Secretary of India. He has completed its LLB degree from VNSGU. He is possessing Master degree in Commerce with specialization in costing. Mr. Manojkumar Ganeshmal Jain has more than 10 years of experience in Cost & Auditing and Finalization of Accounts. He has vast experience in Indirect and Direct Taxation also.

The Board considering Mr. Manojkumar Ganeshmal Jain has rich experience in the field of Audit and Indirect Taxation specially in GST implementation and taking in to account the recommendation of the Nomination and Remuneration Committee, appointed Mr. Manojkumar Ganeshmal Jain at the meeting of the Board of Directors held on June 29, 2017 as an Independent Director of the company, not liable to retire by rotation with effect from 29/06/2017 to 28/06/2020 subject to approval of members.

The Board considers that his association would be of immense benefit to the Company. In the opinion of the Board, Mr. Manojkumar Ganeshmal Jain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. Manojkumar Ganeshmal Jain 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.

Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Manojkumar Ganeshmal Jain as an Independent Director, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial personnel (KMPs) or relatives of Directors except Mr. Manojkumar Ganeshmal Jain is concerned or interested in the resolution mentioned at item no.6 of the convening Notice.

**ITEM NO. : 07**

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 the cost records of the Company for the Financial Year ending March 31, 2017.

The remuneration of the Cost Auditors was fixed by the Board of Directors as Rs. 40000/- (Rupees Forty 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, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relative 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. 7 of the Notice for approval by the members.

**ITEM NO. : 08**

Mr. Sumeet Shankarlal Somani has joined the company since 2004 as an Executive Director of the company. He is a Commerce graduate with Post Graduate Diploma in management from S. P. Jain Institute of Management & Research, Mumbai. Mr. Sumeet Shankarlal Somani has an experience of over 13 years and is highly experienced and controls the affairs of the Company as a whole. He has successfully and in a sustained way contributed significantly towards improvement in performance of the Company leading to its successful turnaround since his appointment as a whole time Executive Director of the Company in the year 2004. Looking to the vast experience and expertise, the Nomination & Remuneration Committee Meeting held on 12th April, 2017 recommended and the Board at its meeting held on 18th April, 2017 have appointed Mr. Sumeet Shankarlal Somani as Managing Director of the Company subject to the approval of members in the General Meeting for Five years with effect from 1st April, 2017 on the terms and conditions set out in the draft agreement to be entered into by the Company with him, copy of which is available for inspection to the Members at the Registered Office of the Company on working days except Sunday between 10.00 a.m. and 12.00 Noon till the date of Annual General Meeting.

The main terms and conditions relating to the appointment of Mr. Sumeet Shankarlal Somani as Managing Director are as follows :

1. **Period** : 5 Years with effect from 1st April 2017 to 31st March, 2022

2. **Remuneration** :

I. **Basic Salary** : Rs. 2,00,000/- Per month up to maximum of Rs. 3,00,000/- Per Month.

II. **Perquisites** :

I. Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. 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 the salary per annum or such other suitable amount as may be decided by the Board of Directors.

ii. Reimbursement of hospitalization 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 fees 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 which shall not exceed 1,00,000/- per annum.
- 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 the Company's business.
- x. No sitting fees shall be paid for attending the meeting of the Board of Directors of Committee thereof.

**3. Others :**

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.

The Board recommends the ordinary resolution set out at Item No. 9 of the Notice for approval by the members.

**ITEM NO. : 09**

Non-executive directors of the company play a crucial role to the independent functioning of the board. They bring in external and wider perspective to the decision-making by the board. They provide leadership and strategic guidance, while maintaining objective judgment.

In view of the increased demands on non-executive directors' participation in board and committee meetings and the higher responsibilities they are expected to bear in the interest of higher level of excellence in corporate governance, with effect from financial year 2016-17, the non-executive directors are paid commission at the rate of 1% commission on net profits, every year computed in the manner specified in the Act.

On recommendation of Nomination and Remuneration Committee and approval of the Board, it is proposed to seek approval of the members of the Company under Section 197 of the Companies Act, 2013 and SEBI ( LODR ) Regulations, 2015 for payment of commission at the rate not exceeding one percent on the net profit of the Company computed in accordance with Section 198 of Companies Act, 2013. This remuneration will be distributed as per the decision taken by the Board from time to time. The above payment of Commission shall be over and above the sitting fees paid to the Directors for attending the meeting of the Board/Committee thereof. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 9 of the Notice for payment of commission to Non-Executive Directors of the company.

All the Non-Executive Directors of the Company/their relatives are interested in the resolution set out at Item No. 9 of the Notice.

The Board recommends the ordinary resolution set out at Item No. 9 of the Notice for approval by the members.

**Registered Office :**

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

Place : Surat  
Date : 03-08-2017

By order of the Board Directors

Sd/-  
**Shankarlal Somani**  
Chairman

**DIRECTOR'S REPORT**

To  
The Members of  
Sumeet Industries Limited

Your Directors have pleasure in presenting the 29th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2017.

Your Company has delivered robust performance despite considerable headwinds like demonetization, inflation etc. The Company has registered consolidated revenue of Rs. 1405.75 Crores with Net Profit of Rs. 39.08 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**

(₹ in lacs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Sales & Income from operation	<b>119801.51</b>	105248.48	<b>140575.08</b>	123540.79
Other Income	<b>729.50</b>	723.74	<b>966.30</b>	572.99
<b>Profit before Financial cost, Depreciation and Exceptional items &amp; Tax (EBIDTA)</b>	<b>12353.68</b>	9193.42	<b>12881.20</b>	9431.86
Less : Interest	<b>4822.47</b>	4341.82	<b>5094.70</b>	4357.51
Depreciation	<b>2046.32</b>	2013.57	<b>2047.13</b>	2013.57
<b>Profit before Tax</b>	<b>5484.89</b>	2838.03	<b>5739.37</b>	3060.78
Less : Provision for Taxation				
Current tax	<b>1170.56</b>	567.83	<b>1189.79</b>	583.17
Mat Credit	<b>-1014.70</b>	-525.04	<b>-1014.70</b>	-525.04
Deferred Tax	<b>1656.27</b>	1030.37	<b>1656.27</b>	1030.37
<b>Profit after Tax</b>	<b>3672.75</b>	1764.87	<b>3908.01</b>	1972.28
Less : Taxation for previous year	-	80.41	-	80.41
Profit available for appropriation	<b>3672.75</b>	1684.46	<b>3908.01</b>	1891.87
Dividend on Equity & Pref. Shares			-	
Transfer to General Reserve	<b>3672.75</b>	1684.86	<b>3908.01</b>	1891.88

**OPERATIONS**

Despite challenging business environment the company has posted a satisfactory performance for the year under review. The company has produced 87273.064 Tons of Pet Chips / Polyester and Texturized Yarn and dispatched 85643.27 Tons of Pet Chips / Polyester and Texturized yarns.

Income from operation (Consolidated) of the company has increased from Rs. 1234.41 Crores to Rs. 1405.75 Crores. EBIDTA has been increased from Rs. 94.32 Crores to Rs. 128.81 Crores and Net profit after Tax (Consolidated) has been increased from Rs. 18.92 Crores to Rs. 39.08 Crores in comparison to last year. Our earning per shares stand at Rs. 6.73 and Book Value per Shares at Rs. 49.52 (Based on equity shares) as on 31st March, 2017.

The important factors which improved the performance of bottom-line during the year despite headwinds were :  
(a) Saving in energy cost due to sourcing of power through open access (b) Better realization of prices of the products due to value addition.

The Company is enhancing its capacity on producing specialty and value added yarns and focusing on expanding market reach both in domestically and internationally, cost optimization and elevating people potential.

A detailed analysis of the operations of your Company during the year under report is included in the Management Discussion and Analysis Report , forming part of this Annual Report.

#### **DIVIDEND**

The Board of directors do not recommended to declare dividend during the year due to ploughing back the profit to be utilized for mitigating enhanced working capital and general corporate purposes.

#### **EXPANSION & MODERNISATION**

The Company is cautiously watching development in synthetic yarn industries and also evaluating various options which could be available to it for its growth strategy. Over the years, we have been investing consistently in shoring our manufacturing capacities by way of expansion cum modification in its existing capacities .During the financial year under review , the company has proposed to complete following modifications in its spinning lines for improving its operational costs and efficiencies.

- 1) Process Line of P.P. Yarn will be modified for manufacturing Dope Dyed Polyester Yarns thereby capacity of the producing colour yarn will be increased by 4500 TPA.
- 2) In the old POY Plant additional 48 winders of 10 ends will be added to enhance the production capacity and there by POY production of the company will be increased by 4250 TPA.
- 3) Another F. O. based 4.8 MW Captive Genset Power Plant has been installed to further reducing power cost .

#### **RIGHT ISSUE**

The Board of Directors of the company in the meeting held on 13.02.2017 has proposed to raise up to Rs. 60.00 Crores by way of offer and issue of equity shares to the existing shareholders of the company on Right basis . The object of the issue are :

1. Augmentation of existing and incremental working capital requirement of our company
2. General Corporate purposes

The company has filed Draft Letter of Offer at the office of SEBI, Ahmedabad on dated 25.07.2017 for their consent on the same. The company has also field application for proposed Right issue to the Exchange(s) for their in principal approval.

#### **OVERSEAS SUBSIDIARY COMPANY**

The company has a wholly owned subsidiary company named “ Sumeet Global Pte Limited “ 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.

Pursuant to the provision of section 136 of the Act , the financial statements of the company , consolidated financial statements along with the relevant documents and separate audited accounts in respect of Sumeet Global Pte Limited are available on the website of the company.

#### **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. 93.38 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 possibilities to export its value added newly developed Carpet Yarns , Micro filament yarns , Dope dyed Yarns , Texturised Yarns etc. 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, 2017 almost 94.77% 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 : BWR A3 +

**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 2016-17. Total outstanding deposits after repaying on maturity as on 31.03.2017 has been remained Rs. 6,48,000/-. There were no deposits, which were claimed but not paid by the Company as on date.

**DIRECTORS****APPOINTMENT****NON-INDEPENDENT DIRECTOR**

Mrs. Ganga Devi Somani (DIN No. 06913790), Non- Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Mr. Sumeet Kumar Somani (DIN No. 00318156) has been appointed as Managing Director of the company w.e.f. 01.04.2017 subject to approval of shareholders in the ensuing General Meeting of the company.

Mr. Shankarlal Somani (DIN No. 00165238) Chairman of the company has been designated as Non- Executive Director of the company w.e.f. 01.04.2017.

**INDEPENDENT DIRECTOR**

On the recommendations of the Nomination and remuneration Committee, the Board appointed :

Mr. Dipesh Dasadia (DIN No. 01048684) as an additional Independent Director of the company w.e.f. 13th February, 2017. In accordance with Articles of Association of the company and Section 161 of the Act, Mr. Dipesh Dasadia will hold office up to the forthcoming AGM of the company, Necessary notice, in writing has been received from a member under Section 160 of the Act proposing Mr. Dipesh Dasadia's candidature for the office of Director.

Mr. Abhishek Desai (DIN No. 07790468) as an additional Independent Director of the company w.e.f. April 11, 2017. In accordance with Articles of Association of the company and Section 161 of the Act, Mr. Abhishek Desai will hold office up to the forthcoming AGM of the company,. Necessary notice, in writing has been received from a member under Section 160 of the Act proposing Mr. Abhishek Desai's candidature for the office of Director.

Mr. Manoj Kumar Jain (DIN No. 03546851) as an additional Independent Director of the company w.e.f. 29th June, 2017. In accordance with Articles of Association of the company and Section 161 of the Act, Mr. Manoj Kumar Jain will hold office up to the forthcoming AGM of the company,. Necessary notice, in writing has been received from a member under Section 160 of the Act proposing Mr. Manoj Kumar Jain's candidature for the office of Director.

As per provisions of the Companies Act, 2013 , Independent Director may be appointed for a term up to five years and shall not be liable to retire by rotation. Accordingly the Board recommends the appointment of Mr. Dipesh Dasadia (DIN 1048684), Mr. Abhishek Desai (DIN 07790468) and Mr. Manoj Kumar Jain (DIN 03546851) as Independent Directors of the Company for a terms up to 3 (Three) Years. and whose office shall not be liable to retire by rotation.

The company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and the Listing Regulations with the Stock Exchanges.

The details of proposal of appointment/re-appointment of Mr. Dipesh Dasadia, Mr. Abhishek Desai, Mr. Manoj Kumar Jain and Smt. Ganga Devi Somani are mentioned in the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 of the Notice of the 29th Annual General Meeting. We seek your support in confirming the above appointment's to the Board.

## **RESIGNATION**

Mr. Bhagchand Chordia, Non- Executive Director has resigned from the Board due to their occupancy in other works. The Directors would like to place on record their sincere appreciation for Mr. Bhagchand Chordia's guidance and unstinting commitment to the company during his tenure on the Board. The Board acknowledges that the company has immensely benefitted from his profound knowledge and experience.

## **AUDITORS**

### **a) Statutory Auditors**

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 28th Annual General Meeting of the Company held on September 30, 2016 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 re-appoint 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 2017-18 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 2017-18. The report prepared by the Internal Auditors is to be reviewed by the Statutory Auditors & Audit Committee of the company.

### **d) Secretarial Auditors**

M/s. Dhiren R. Dave, Practising Company Secretaries (CP No. 2496, Membership No. 4889) were appointed as Secretarial Auditor, to conduct secretarial audit of the company for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31 March 2017 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 Secretaries, as secretarial auditors of the Company for the financial year 2016-17.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of Regulations 34 of the Listing regulations, a separate section on Management Discussion and Analysis and Corporate Governance Report together with a certificate from the Company's Statutory Auditors confirming compliance with regulations relating to Corporate Governance of the Listing regulations are set out and forms part of this Annual report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with provisions of sub-section (3) of Section 129 of the Act and the Listing Regulations, the consolidated Financial Statements of the company, including the financial details of the subsidiary company forms part of this Annual report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act.

**PERSONNEL AND RELATED 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 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 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.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the company and the initiatives undertaken by the company on CSR activities during the year are set out in Annexure of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules 2014. (Annexure -3). The Policy is available on the website of the Company.

**HUMAN RESOURCES & INDUSTRIAL RELATIONS**

The Company understands that employees are vital and valuable assets . The Company recognises people as the primary source of its competitiveness and continues its focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfil their aspirations.

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. Risk Management is an important business aspect in the current economic environment and its objective is to identify, monitor and take mitigation measures on a timely basis in respect of the events that may pose risks for the business. The Company's risk-management strategy is to identify, assess and mitigate any significant risks. We have established processes and guidelines, along with a strong overview and monitoring framework at the Board and Senior Management levels.

The Board of Directors regularly review risks and threats and takes suitable steps to safeguard its interest and that 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 situations. 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**

The loans given, investments made and guarantees given & securities provided during the year under review, are in compliance with the provisions of the Act and rules made there under and details thereof are given in the notes to the Standalone Financial Statements.

#### **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 2016-17 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.

#### **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 re-engineer the products & process to reduce cost and optimize material consumption. The product lines of the plant are designed and re-engineered to change product with minimum changeover losses and thus meet customer requirement even for small quantities.

**CONTRACTS AND ARRANGEMENT WITH RELATED PARTY**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited by the Risk Assurance Department and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link of the same has been provided in the Corporate Governance Report. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

**CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India ('SEBI'). A separate Report on Corporate Governance along with Certificate from M/s. Pradeep Singhi & Associates, Chartered Accountants on compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided as part of this Annual Report.

**EXTRACT OF ANNUAL RETURN**

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.

**CODE OF CONDUCT**

As prescribed under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV thereto and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Board of Directors and Senior management and employees, the Company has formulated a comprehensive Code of Conduct (the Code). The Code is applicable to Directors and Senior management and employees to such extent



as may be applicable to them depending upon their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Integrity, one team and Excellence.

A copy of the Code has been uploaded on the Company's website [www.sumeetindustries.co.in](http://www.sumeetindustries.co.in). The Code has been circulated to all the Directors and Management Personnel and its compliance is affirmed by them annually.

A declaration signed by the Company's Managing Director for the compliance of this requirements is published in this Report.

#### **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 directors, employees and Vendors 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 and also uploaded on the website of the company i.e. [www.sumeetindustries.com](http://www.sumeetindustries.com)

#### **DISCLOSURE RELATED TO BOARD, COMMITTEES AND POLICIES**

##### **A) BOARD MEETINGS :**

The Board of Directors met 19 times during the financial year ended 31st March, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report forming part of the Annual report.

##### **B) COMMITTEE MEETINGS :**

###### **AUDIT COMMITTEE**

The Audit Committee of the Board comprises of Mr. Dinesh Sharan Khare (Chairman), Mr. Sumeet Kumar Somani, Member, Mr. Dipesh Dasadia, Member and Mr. Abhishek Desai, Member.

All recommendations made by the Audit Committee were accepted by the Board during the year 2016-17. The brief details of the Audit Committee are given in Corporate Governance Report forming part of the Annual report.

###### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Board comprises of Mr. Dinesh Sharan Khare (Chairman), Mr. Atma Ram Sarda, Member, Mr. Dipesh Dasadia, Member and Mr. Abhishek Desai, Member.

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 Listing Regulations (as may be amended from time to time). Emphasis is given to persons from diverse fields or professionals.

The Nomination and remuneration Committee has framed the "NOMINATION & REMUNERATION AND EVALUATION POLICY" (Annexure – 6(i)) and "POLICY ON BOARD DIVERSITY (Annexure – 6(ii))" forming part of the Annual Report.

###### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Committee review and ensures redressal of investor grievances. The Stakeholders Relationship Committee of the Board comprises of Mr. Dinesh Sharan Khare (Chairman), Mr. Sumeet Kumar Somani, Member, Mr. Dipesh Dasadia, Member and Mr. Abhishek Desai, Member.

The brief details of the Stakeholders Relationship Committee are given in Corporate Governance Report forming part of the Annual report.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board has laid down the Company's policy on Corporate Social Responsibility (CSR) and the CSR activities of the company are carried out as per the instructions of the Committee.

The CSR committee of the Board comprises of Mrs. Ganga Devi Somani, Chairman, Mr. Sumeet Kumar Somani, Member and Mr. Dinesh Sharan Khare, Member.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 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.

The evaluation process covered the aspects which included Board structure and composition, frequency of Board meetings, participation in the long term strategic planning, contribution to and monitoring of corporate governance practices and the fulfilment of Directors' obligation and fiduciary responsibilities, including but not limited to, active participation at the Board and committee meetings.

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.

**FAMILIAZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

A policy on familiarization program for Independent Directors has also been adopted by the Company. All new Independent Directors (IDs) inducted in to the Board are presented with an overview of the Company's business operations, products, organization structures and about the Board Constitutions and its procedures

**KEY MANAGERIAL PERSON**

Pursuant to the provisions of sub-section (51) of section 203 of the Companies Act, 2013 read with rules framed thereunder the following persons are the key Managerial Personnel of the company.

- 1) Mr. Sumeet Kumar Somani, Managing Director
- 2) Mr. Anil Kumar Jain, Company Secretary
- 3) Mr. Abhishek Prasad, Chief Financial Officer

**ACKNOWLEDGMENT**

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

Place : Surat  
Date : 3rd August 2017

**ANNEXURE TO DIRECTORS' REPORT****ANNEXURE - 1**

To,  
The Members  
**Sumeet Industries Limited,**  
Surat.

**Secretarial Audit Report**

**For the financial year ended March 31, 2017**

**[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 31.03.2017, 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 31.03.2017 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the Rules made there under; Company has obtained unsecured loan from promoters and their relatives as stated below :

Sr. No.	Name	Amount
1	Neelam Somani	1,00,20,505/-
2	Rakesh Kumar Somani	1,00,26,630/-
3	Sushil Kumar Somani	1,00,32,511/-
	<b>Total</b>	<b>3,00,79,646/-</b>

As per Management representation, it is promoters contribution as per stipulation of Bank.

- (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;
- (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 and The Securities and Exchange Board of India
  - c. (Prohibition of Insider Trading) Regulations, 2015 notified with effect from May 15, 2015;
  - d. 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.
  - e. 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

- f. 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
- g. 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;
- h. 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.
- i. 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.
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.

(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 Child Labour (Prohibition and Regulation) Act, 1986

(xvii) The Industrial Employment (Standing Orders) Act, 1946 (xviii) The Employees Compensation Act, 1923

(xix) The Apprentices Act, 1961

(xx) Equal Remuneration Act, 1976

(xxi) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959

(xxii) The Environment (Protection) Act, 1986 (read with The Environment (Protection) Rules, 1986)

(xxiii) The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.

(xxiv) The Water (Prevention and Control of Pollution) Act, 1974 (read with Water (Prevention and Control of Pollution) Rules, 1975)

(xxv) The Air (Prevention and Control of Pollution) Act, 1981 (read with Air (Prevention and Control of Pollution) Rules, 1982)

(xxvi) and all other laws applicable to the company not mentioned here in above.

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.

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. 48.25 Lacs.

2. 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.

3. 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 not taken any major steps and enter into any events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
5. However, following event is having major bearing on the company's affairs after the audit period but before the date of this report :
  - (a) The Securities Appellate Tribunal (SAT) has set aside the impugned order passed by the Adjudicating Officer (SEBI) on 20.02.2014 and direct the Adjudicating Officer (SEBI) to pass fresh order on merits and in accordance with law.
  - (b) Appeal filed by the company with Commissioner Appeals (Surat-II) in the matter of Wrong availment of Cenvat Credit in the case of V. S. Industries, Jammu has been decided in favour of the company.

**DHIREN R DAVE**  
**COMPANY SECRETARY**  
**FCS : 4889**  
**CP : 2496**

**Place : Surat**  
**Date : 3rd August 2017**

To,  
The Members  
**Sumeet Industries Limited,**  
Surat.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**DHIREN R DAVE**  
**COMPANY SECRETARY**  
**FCS : 4889**  
**CP : 2496**

**Place : Surat**  
**Date : 3rd August 2017**



**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, 2017 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, 2017 :- (₹ in lacs)

Name of the Director / KMP & Designation	Remuneration	% increase in Remuneration in F.Y. 2016-17	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
Shri Shankarlal Somani* Chairman cum Mg. Director	30.00	-	10.90	The Profit before tax registered growth of 87.51% and Profit after tax (PAT) increased by 106.57% in comparison to last year.
Shri Sumeet Kumar Somani** Executive Director & CFO	3.00	-	1.09	
Anil Kumar Jain Company Secretary	7.55	15	2.76	

\* Mr. Shankarlal Somani has been appointed and designated as Chairman ( Non- Executive Director ) w.e.f. 01.04.2017.

\*\* MR. Sumeet Kumar Somani has been appointed as Managing Director of the company w.e.f. 01.04.2017 and ceased to act as CFO of the company.

The Non-Executive Independent Directors of the Company are entitled for sitting fees, Commission and reimbursement of expenses as per the statutory provisions and are within the prescribed limits. The details of sitting fees and commission 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: 8.75%
3. Number of permanent employees on the rolls of Company as on 31st March. 2017 :698
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% to 10%. The Profit before tax registered growth of 87.51% but Profit after tax (PAT) increased by 106.57% 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;

Particulars of Remuneration	Key Managerial Personnel		
	Mg. Director	C.F.O.	Company Secretary
Remuneration ( Rs. in Lacs)	30	3	7.55
Revenue ( Rs. in Lacs)	140575.08	140575.08	140575.08
Remuneration ( As a % of Revenue)	0.021	0.002	0.005
Profit before Tax ( PBT ) ( Rs. in Lacs)	5739.37	5739.37	5739.37
Remuneration ( As a % of PBT)	0.52	0.05	0.13

Total remuneration of Key Managerial personnel increased by 15 % as compared to Financial year 2015-16, whereas the profit After tax increased by 106.57% as compared to last year. The remuneration of Key Managerial person named Anil Kumar Jain, Company Secretary of the company only has increased. Remuneration paid to Mg. Director and C.F.O. remained unchanged in comparison to last year.

6. **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 (Rs. in Crores)
31.03.2016	10.89	3.26	3.34	63.21
31.03.2017	33.30	6.73	4.95	193.27
% Change	205.79	106.44	48.20	205.76

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. 3330/- (100 shares of Rs. 33.30 each) as on 31st March, 2017, 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 8.75% and average increase in remuneration of Managerial Personnel was 15 %. The remuneration of Key Managerial person named Anil Kumar Jain, Company Secretary of the company only has increased. Remuneration paid to Mg. Director and C.F.O. remained unchanged in comparison to last year .

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

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. There are no variable component of remuneration to the Directors during the financial year 2016-17 and 2015-16. 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.

9. **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. The Company's Corporate social Responsibility (CSR) policy is multifaceted to cover projects and programmes in the field of education, healthcare, rural improvement initiatives. The Company's CSR projects and programs are carried out within CSR policy.

The focus areas for CSR activities are :-

**1) 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 benefitting pediatrics and cancer patients, people suffering from AIDS, the Blind, Deaf and Dumb.

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

**3) Disaster relief :**

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

**4) Village Improvement Initiative :**

Under this program, the company is to take on following social activities to improve near by villages.

- 1) Drinking water facility
- 2) Distribution of Books & Dresses to students and Computers to Schools situated in nearby villages of our Plant.
- 3) Free medical check up of employees and near by villagers.
- 4) Blood Donation Camps
- 5) Contributions in Samuhik Vivah Occasions in near by villages.

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](http://www.sumeetindustries.com).

**Average net profit of the company for last three financial years : -**

Year	Net profit as per Section 198 of the Companies Act, 2013 (Rs. in Crores)
2014-15	27.62
2015-16	25.55
2016-17	54.85
Average net profits of last three years	36.00

Prescribed CSR expenditure (2% of the Average net profit of three financial years) : Rs. 72.00 Lakh

**Details of CSR spent during the financial year : -**

- a) Total amount spent for the financial year : Rs. 23.75 Lakh
- b) Amount unspent, if any : Rs. 48.25 Lakh
- c) Manner in which amount spent during the financial year is detailed below :

**DETAILS OF CSR EXPENSES FOR THE FINANCIAL YEAR 2016-17**
**(Rs. in lacs)**

Sr. No.	CSR Project of activities identified	Sector in which the project is covered	Projects or Programs undertaken (Place)	Amount outlay (budget) 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	Health care	Medical	Beawar ( Rajasthan )	1.00	1.00	1.00	Shree Bangur Maheshwari Medical Welfare Society
2	Promoting Social Welfare	Samuhik Vivah Lagan	Karanj (Surat)	0.40	0.35	0.35	Direct
3	Promoting Social Welfare	Widow & Child help	Surat	3.25	3.21	3.21	Shri Krishnadas Jajoo Smarak Trust
4	Promotion of Education	Mission to educate under privileged children	Surat	0.30	0.27	0.27	Direct
5	Health Care	Medical	Surat	0.15	0.15	0.15	BAPS Pramukh Hospital
6	Promotion of Education	Education	Nagpur	4.00	4.00	4.00	Akhil Bhartiya Maheshwari Seva Mandal
7	Animal Care	GauSeva	Surat	0.30	0.30	0.30	Shree Gau Seva Samiti
8	Animal Care	Gau Chikitsalya	Jarkhor, Bharatpur ( Rajasthan )	2.26	2.26	2.26	Shree BrajKamad Survi Van & Sodh Sansthan
9	Animal Care	GauSeva	Jaishalmer	1.60	1.60	1.60	Shree Jagdamba Seva Samiti
10	Health Care	Medical	Surat	12.00	10.50	10.50	Surat Manav Seva Sangh
11	Animal Care	Gau Chikitsalaya	Nagaur (Raj.)	0.11	0.11	0.11	Shree Krishna Gopal Gau Seva Samiti
		<b>Total</b>		<b>25.37</b>	<b>23.75</b>	<b>23.75</b>	

The short fall of Rs. 48.25Lacs in the amount spent on CSR activities during the year ended on 31st March ,2017 is intended to be utilised in future upon identification of suitable projects within your company's CSR policy.

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

**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 :**

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 is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis. The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management System. It is putting best endeavour to reduce energy consumption in all its operations and activities.

**a) Energy Conservation measures taken by the Company**

- 1) Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- 2) Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment's continually.
- 3) Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- 4) Automated load management system to improve power factor with reduced contract demand
- 5) Installation of energy efficient pump for chilled water and cooling water system
- 6) Sourcing of power through open access purchase

**b) 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.
- 2) Setting up of F.O. based Captive Genset power plant.

**c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods**

- 1) Reduction in consumption of electricity and fuel oils with consequent reduction in cost of production.
- 2) Product improvement , product development and growth in business



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

### FORM A

<b>A. Power and Fuel Consumption :</b>	<u>2016-17</u>	<u>2015-16</u>
<b>1. Electricity :</b>		
(a) Purchased		
- Units	60599918	101946883
- Total Amount	394386178	760391291
- Rate/Unit(Rs.)	6.51	7.45
(b) Own generation		
(i) Through diesel generator	4960	6120
in Units (KWH)		
Liters of HSD Consumed	1689	2445
Unit per Ltr. of Diesel	2.93	2.503
(ii) Through HFO/generator		
Unit	29131213	-
Consumed	7376850	-
Unit per Ltr of FO	3.949	-
(iii) Gas (Generated by Gas based Gen Set)		
Quantity (in units KWH)	89000	-
Gas Consumed (in Sm3)	25535	-
Unit per KWH / Sm3	3.48	-
<b>2. Gas :</b>		
Quantity (in units)	-	-
Total amount	-	-
Average rate	-	-
<b>3. Furnace oil :</b>		
Quantity (in Ltrs.)	7654369	-
Total amount	166515492	-
Average rate	21.75	-
<b>4. Diesel :</b>		
Quantity (in Ltrs.)	-	2200
Total cost	-	119256
Cost/unit	-	54.20
<b>B. Consumption per unit of production (in tons)</b>		
<b>Product : Pet Chips / Poy / Fdy / Texturised Yarn</b>		
<b>Electricity</b>	<u>2016-17</u>	<u>2015-16</u>
(a) Purchases & Own Generation	1028.16	1121.63
(Own Generation Through F.O. based Genset)		

**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) Process Line of P.P. Yarn is being modified for manufacturing Polyester Dope Dyed Yarns. After completion of this modification, the company will produce 4500 TPA Colour Polyester Yarns.
- b) In old POY Plant additional 48 winders of 10 ends is being added to enhance the production capacity and thereby POY production of the company will be increased by 4250 TPA.
- c) F. O. based 4.8 MW Captive Genset Power Plant has been installed to further reducing power cost .
- d) Modification in polymerization to improve process cost optimization
- e) Up -gradation and modification in yarn spinning lines
- f) Value added yarns are developing.

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

- a) Reduction in wastage and energy consumption.
- b) Reduction in cost of power .
- c) Strengthening value added product portfolio and improved contribution margin
- d) Improvement in Quality Rationalization of manufacturing cost
- e) Reduction in daily demand by even distribution of daily load

**3. Future plan of action**

- a) Development of new properties in yarns for value addition .
- b) Setting up of Coal based Captive Power Plant
- c) Installation of new Texturising Machines.
- d) Enhancement of productivity of spinning and take-up machines.
- e) Energy optimization for process plants
- f) Optimization of product process for value added product mix .
- g) Process improvement for further reduction in energy consumption

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

Capital and recurring expenditure is incurred by the company regularly.

**II. Technology absorption, adaptation and innovation**
**1. Efforts made towards technology absorption, adoption and innovation**

- a) Modification in FDY lines for manufacturing Dope Dyed yarns
- b) Modification in existing Polypropylene Yarn line for producing colour Polyester Yarns

**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
- d) Reduction in energy cost

**3. Information regarding technology imported during the last five years.**

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

**III. Foreign Exchange Earning and Outgo**
**1. 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.

**2. Total Foreign Exchange used and earned**

(Rs. in Lakh)

	<b>2016-17</b>	<b>2015-16</b>
[a] Foreign Exchange Earnings	<b>5437.51</b>	11688.34
[b] Foreign Exchange Outgo	<b>23561.19</b>	27414.14

**ANNEXURE - 5**
**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**(As on the financial year ended on 31st March, 2017)**

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

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS</b>  i) CIN ii) Registration Date iii) Name of the Company iv) Category / Sub-Category of the Company v) Address of the Registered office and contact details vi) Whether listed company vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	L45200GJ1988PLC011049  1st August, 1988  Sumeet Industries Limited  Public Company / Limited by shares  504, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat-395002, Gujarat, India Phone : 0261-2328902 Fax : 0261-2334189  Yes  1st Floor, Bharat Tin Works Building , Opp. Vasant Oasis, Makwana Road , Marol, Andheri East, Mumbai- 400059
<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>  All the business activities contributing 10% or more of the total turnover of the company shall be stated	As per Annexure-A
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per Annexure-B
<b>IV.</b>	<b>SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>  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
<b>V.</b>	<b>INDEBTEDNESS</b>  Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Annexure-H
<b>VI.</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>  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/MTD	As per Annexure-I  As per Annexure-J As per Annexure-K
<b>VII.</b>	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES</b>	As per Annexure-L

**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	203-Manufacture of man-made fibres	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	201229343C	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**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	9530027	0	9530027	16.42	8862489	0	8862489	15.27	-1.15
b) Central Govt	0	0	0	0.00	0	0	0	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/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other									
f1) Group Companies	16639635	0	16639635	28.67	16255897	0	16255897	28.01	-0.66
<b>Sub-total (A) (1)</b>	<b>26169662</b>	<b>0</b>	<b>26169662</b>	<b>45.09</b>	<b>25118386</b>	<b>0</b>	<b>25118386</b>	<b>43.28</b>	<b>-1.81</b>
<b>(2) Foreign</b>									
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	0.00	0	0	0	0.00	0.00
e) Any Other									
e1) Group Companies	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>26169662</b>	<b>0</b>	<b>26169662</b>	<b>45.09</b>	<b>25118386</b>	<b>0</b>	<b>25118386</b>	<b>43.28</b>	<b>-1.81</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Financial Institutions/Banks	0	450	450	0.00	184061	450	184511	0.32	0.32
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
i1) Foreign Portfolio Investor	0	0	0	0.00	15489	0	15489	0.03	0.03
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>450</b>	<b>450</b>	<b>0.00</b>	<b>199550</b>	<b>450</b>	<b>200000</b>	<b>0.34</b>	<b>0.34</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	4505818	15480	4521298	7.79	4907131	15480	4922611	8.48	0.69
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	12310465	3019532	15329997	26.41	15393147	2984517	18377664	31.66	5.25
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	6919007	34050	6953057	11.98	7720106	34050	7754156	13.36	1.38
c) Others									
c1) Clearing Member	327992	0	327992	0.57	675645	0	675645	1.16	0.60
c2) Directors/Relatives	4339824	0	4339824	7.48	0	0	0	0.00	-7.48
c3) Non Resident Indians (NRI)	384325	0	384325	0.66	696359	0	696359	1.20	0.54
c4) Non Residen Indians (Repat)	0	0	0	0.00	2691	0	2691	0.00	0.00
c5) Non Residen Indians (Non Repat)	10933	0	10933	0.02	121526	0	121526	0.21	0.19
c6) Trusts	0	0	0	0.00	170000	0	170000	0.29	0.29
c7) Corporate Body NBFC	2200	0	2200	0.00	700	0	700	0.00	0.00
<b>Sub-total (B)(2)</b>	<b>28800564</b>	<b>3069062</b>	<b>31869626</b>	<b>54.91</b>	<b>29687305</b>	<b>3034047</b>	<b>32721352</b>	<b>56.38</b>	<b>1.47</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>28800564</b>	<b>3069512</b>	<b>31870076</b>	<b>54.91</b>	<b>29886855</b>	<b>3034497</b>	<b>32921352</b>	<b>56.72</b>	<b>1.81</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>54970226</b>	<b>3069512</b>	<b>58039738</b>	<b>100.00</b>	<b>55005241</b>	<b>3034497</b>	<b>58039738</b>	<b>100.00</b>	<b>0.00</b>



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

Sr. No.	Name	Shareholding at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			% Change in share holding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Shankarlal Sitaram Somani	3706183	6.39	5.43	3809919	6.56	0.00	0.18
2	Sumeet Shankarlal Somani	1144000	1.97	0.00	1965070	3.39	0.00	1.41
3	Gangadevi Shankarlal Somani	1200000	2.07	1.59	1200000	2.07	0.00	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	150000	0.26	0.00	-0.60
6	Sumandevi Somani	550000	0.95	0.00	550000	0.95	0.00	0.00
7	Rajkumar Sitaram Somani	360000	0.62	0.00	360000	0.62	0.00	0.00
8	Rakesh Rajkumar Somani	138023	0.24	0.00	138023	0.24	0.00	0.00
9	Ritesh Rajkumar Somani	120977	0.21	0.00	120977	0.21	0.00	0.00
10	Sushil Shankarlal Somani	1310844	2.26	0.86	68500	0.12	0.00	-2.14
11	Somani Overseas Private Limited	8641928	14.89	0.00	8641928	14.89	0.00	0.00
12	Sitaram Prints Private Limited	3584775	6.18	0.00	3884775	6.69	0.00	0.52
13	Sumeet Menthol Private Limited	2530000	4.36	4.31	2530000	4.36	0.00	0.00
14	National Poly Yarn Pvt Ltd	1258932	2.17	0.00	575194	0.99	0.00	-1.18
15	Betex India Limited	584000	1.01	0.00	584000	1.01	0.00	0.00
16	Ambaji Syntex Pvt Ltd	40000	0.07	0.00	40000	0.07	0.00	0.00
	<b>TOTAL</b>	<b>26169662</b>	<b>45.09</b>	<b>12.18</b>	<b>25118386</b>	<b>43.28</b>	<b>0.00</b>	<b>-1.81</b>

**ANNEXURE - E**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(iii) Change in Promoters' Shareholding**

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 1st April, 2016)			Cumulative Shareholding during the year (As on 31st March, 2017)	
		No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company
1.	<b>Shankarlal Sitaram Somani</b>					
	At the beginning of the year 22.11.2016	3706183	6.39			
		103736	0.18	Bought	3809919	6.56
	At the end of the year				3809919	6.56
2.	<b>Sumeet Shankarlal Somani</b>					
	At the beginning of the year 22.11.2016	1144000	1.97			
		321070	0.55	Bought	1465070	2.52
	13.12.2016	500000	0.86	Bought	1965070	3.39
	At the end of the year				1965070	3.39

3.	<b>Sushil Shankarlal Somani</b> At the beginning of the year 28.04.2016 04.05.2016 05.05.2016 06.05.2016 09.05.2016 06.06.2016 07.06.2016 08.06.2016 21.06.2016 At the end of the year	1310844 42632 47672 100000 138940 115600 111500 136000 175000 375000 68500	2.26 0.07 0.08 0.17 0.24 0.20 0.19 0.23 0.30 0.65 0.12			
				Sold Sold Sold Sold Sold Sold Sold Sold Sold Sold	1268212 1220540 1120540 981600 866000 754500 618500 443500 68500 68500	2.19 2.10 1.93 1.69 1.49 1.30 1.07 0.76 0.12 0.12
4.	<b>Sitaram Prints Private Limited</b> At the beginning of the year 27.10.2016 At the end of the year	3584775 300000 3884775				
			0.52	Bought	3884775 3884775	6.69 6.69
5.	<b>National Poly Yarn Pvt Ltd</b> At the beginning of the year 18.04.2016 20.04.2016 21.04.2016 22.04.2016 25.04.2016 26.04.2016 27.04.2016 22.11.2016 At the end of the year	1258932 237200 240249 285000 181483 90000 218201 6799 575194 575194	2.17 0.41 0.41 0.49 0.31 0.16 0.38 0.01 0.99			
				Sold Sold Sold Sold Sold Sold Sold Sold Bought	1021732 781483 496483 315000 225000 6799 0 575194 575194	1.76 1.35 0.86 0.54 0.39 0.01 0.00 0.99 0.99
6.	<b>Neelam Sushil Somani</b> At the beginning of the year 28.04.2016 29.04.2016 At the end of the year	500000 240000 110000 150000	0.86 0.41 0.19			
				Sold Sold	260000 150000 150000	0.45 0.26 0.26
7.	<b>Gangadevi Shankarlal Somani</b> At the beginning of the year At the end of the year	1200000 1200000	2.07			
					1200000	2.07
8.	<b>Manisha Sumeet Somani</b> At the beginning of the year At the end of the year	500000 500000	0.86			
					500000	0.86
9.	<b>Sumandevi Somani</b> At the beginning of the year At the end of the year	550000 550000	0.95			
					550000	0.95
10.	<b>Rajkumar Sitaram Somani</b> At the beginning of the year At the end of the year	360000 360000	0.62			
					360000	0.62
11.	<b>Rakesh Rajkumar Somani</b> At the beginning of the year At the end of the year	138023 138023	0.24			
					138023	0.24
12.	<b>Ritesh Rajkumar Somani</b> At the beginning of the year At the end of the year	120977 120977	0.21			
					120977	0.21
13.	<b>Somani Overseas Private Limited</b> At the beginning of the year At the end of the year	8641928 8641928	14.89			
					8641928	14.89
14.	<b>Sumeet Menthol Private Limited</b> At the beginning of the year At the end of the year	2530000 2530000	4.36			
					2530000	4.36

15.	<b>Betex India Limited</b> At the beginning of the year At the end of the year	584000	1.01		584000	1.01
16.	<b>Ambaji Syntex Pvt Ltd</b> At the beginning of the year At the end of the year	40000	0.07		40000	0.07

### 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.	Particulars	Shareholding at the beginning of the year (As on 1st April, 2016)		Cumulative Shareholding during the year (As on 31st March, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Bajranglal Sitaram Somani</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	1351087 0 1351087	2.33 0.00 2.33	1351087 0 0	2.33 0.00 0.00
2.	<b>Shardadevi Somani</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	1221000 0 1221000	2.10 0.00 2.10	1221000 0 0	2.10 0.00 0.00
3.	<b>Urmiladevi Somani</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	940000 0 940000	1.62 0.00 1.62	940000 0 0	1.62 0.00 0.00
4.	<b>Ankit Bajrang Somani</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	360737 0 360737	0.62 0.00 0.62	360737 0 0	0.62 0.00 0.00
5.	<b>Anil Bansilal Lodha</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	336301 250318 586619	0.58 0.43 1.01	586619 0 0	1.01 0.00 0.00
6.	<b>Master Capital Services Limited</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	181418 561261 443877	0.31 0.97 0.76	742679 298802 298802	1.28 0.51 0.51
7.	<b>Mainsh Maheshkumar Somani</b> At the beginning of the year Bought during the year Sold during the year At the end of the year	267000 0 267000	0.46 0.00 0.46	267000 0 0	0.46 0.00 0.00

8.	<b>Globe Capital Market Limited</b>				
	At the beginning of the year	38560	0.07		
	Bought during the year	376593	0.65	415153	0.72
	Sold during the year	165652	0.29	249501	0.43
	At the end of the year			249501	0.43
9.	<b>Mudar Patherya</b>				
	At the beginning of the year	0	0.00		
	Bought during the year	275000	0.47	275000	0.47
	Sold during the year	30000	0.05	245000	0.42
	At the end of the year			245000	0.42
10.	<b>IL and FS Securities Services Limited</b>				
	At the beginning of the year	42000	0.07		
	Bought during the year	736077	1.27	778077	1.34
	Sold during the year	537289	0.93	240788	0.41
	At the end of the year			240788	0.41

### ANNEXURE - G

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

##### (v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.		Shareholding at the beginning of the year (As on 1st April, 2016)		Cumulative Shareholding during of the year (As on 31st March, 2017)	
	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.	Shankarlal Sitaram Somani - Chairman				
	At the beginning of the year	3706183	6.39		
	Bought during the year	103736	0.17	3809919	6.56
	Sold during the year	-	-	3809919	6.56
	At the end of the year			3809919	6.56
B.	Sumeet Shankarlal Somani - MD				
	At the beginning of the year	1144000	1.97		
	Bought during the year	821070	1.41	1965070	3.39
	Sold during the year	-	-	1965070	3.39
	At the end of the year			1965070	3.39
C.	Gangadevi Shankarlal Somani - Director				
	At the beginning of the year	1200000	2.07		
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year			1200000	2.07

##### The following directors/KMP did not hold any shares during the financial year 2016-17

- Mr. Dinesh Sharan Khare - Director
- Mr. Atma Ram Sarda - Director
- Mr. Manoj Kumar Jain - Director
- Mr. Dipesh Dasadia - Director
- Mr. Abhishek B. Desai - Director
- Mr. Abhishek Prasad - KMP
- Mr. Anil Kumar Jain - KMP

**ANNEXURE - H**
**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	42751.42	3183.94	202.79	46138.15
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>42751.42</b>	<b>3183.94</b>	<b>202.79</b>	<b>46138.15</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	2094.27	601.75	0	2696.02
· Reduction	4212.68	0	196.31	4408.99
<b>Net Change</b>	<b>-2118.41</b>	<b>601.75</b>	<b>-196.31</b>	<b>-1712.97</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	0	0	0	0.00
iii) Interest accrued but not due	0	0	0	0.00
<b>Total (i+ii+iii)</b>	<b>40633.01</b>	<b>3785.69</b>	<b>6.48</b>	<b>44425.18</b>

**ANNEXURE - I**
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (₹ in Lakh)**

Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Shankarlal Somani	Sumeet Kumar Somani	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	30.00	3.00	33.00
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others	- -	- -	- -
5	Others	-	-	-
	<b>Total (A)</b>	<b>30.00</b>	<b>3.00</b>	<b>33.00</b>
	Ceiling as per the Act @10% of profit calculated u/s. 198 of the Companies Act,2013			548.48



**ANNEXURE - J**
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**B. Remuneration to other Directors (Non-Executive) :**

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Bhagchand Chordia*	Atmaram Sarda	Dinesh Khare	Gangadevi Somani	Dipesh Dasadia**	
1	Non-Executive Directors Fee for attending Board/Committee meetings						
	Commission	-	-	3.40	-	-	3.40
	Sitting Fees	4.19	3.00	5.70	5.70	0.60	19.19
	Professional fees	4.00	-	-	-	-	4.00
2	Total (1)	8.19	3.00	9.10	5.70	0.60	26.59
3	Total Managerial Remuneration						
4	Ceiling as per the Act @1% of profit calculated u/s. 198 of the Companies Act, 2013						54.85

\* Mr. Bhagchand Chordia has resigned as Independent Director and appointed as Professional Director of the company w.e.f. February 13, 2007.

\*\* Mr. Dipesh Dasadia has been appointed as an Independent Director of the company w.e.f. February 13, 2007.

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

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Sumeet Kumar Somani (C.F.O)*	Anil Kumar Jain (Company Secretary)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3.00	6.59	9.59
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others	- -	- -	- -
5	Others	-	-	-
	Total	3.00	6.59	9.59

\*Mr. Sumeet Kumar Somani has vacated the post of C.F.O. after appointing him as Managing Director of the company w.e.f 1<sup>st</sup> Day of April, 2017.

**ANNEXURE - L**
**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**
**A. COMPANY**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
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	The Hon'ble Securities Appellate Tribunal (SAT) has by an order dated June 30, 2016 set aside the order of the adjudication officer of SEBI dated February 20, 2014 against the Company and some of its promoters and has remanded back the same for fresh orders on merits.
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	The SAT has also its orders dated June 30, 2016 ("SAT Orders") set aside order dated May 21, 2014 against the Company and its promoters/directors and has remanded back the matter for fresh orders re-computing the quantum of alleged unlawful gains.  The restraints against the Company and its promoters/directors have concluded with the passing of the SAT Orders.
Compounding	-	-	-	-	-

**B. DIRECTORS**

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	The Hon'ble Securities Appellate Tribunal (SAT) has by an order dated June 30, 2016 set aside the order of the adjudication officer of SEBI dated February 20, 2014 against the Company and some of its promoters and has remanded back the same for fresh orders on merits
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	Mr. Shankarlal Somani and MR. Sumeet Somani are Prohibited from dealing in Securities market for a period of 3 and 2 years respectively.	SEBI	he SAT has also its orders dated June 30 2016 ("SAT Orders") set aside order dated May 21, 2014 against the Company and its promoters/directors and has remanded back the matter for fresh orders re-computing the quantum of alleged unlawful gains.  The restraints against the Company and its promoters/directors have concluded with the passing of the SAT Orders
Compounding	-	-	-	-	-

**C. OTHER OFFICERS IN DEFAULT**

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE TO DIRECTORS' REPORT****ANNEXURE - 6 (i)****Nomination & Remuneration and Evaluation Policy (Framed under Section 178(3) of Companies Act, 2013 & Clause 49 of the Listing Agreement)**

This Nomination, Remuneration and Evaluation Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Sumeet Industries Limited (the "Company").

**"Key Managerial Personnel (KMP) means—**

- (i) Managing Director;
- (ii) Company Secretary,
- (iii) Whole-time Director;
- (iv) Chief Financial Officer; and
- (v) Such other Officer as may be prescribed.

The term "Senior Management Personnel" means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments/divisions/branches of the Company.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

**1. PREAMBLE**

- 1.1 Sub-section (3) of Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee shall 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.
- 1.2 Section 178 of the Companies Act, 2013 has been made effective from April 1, 2014 by the Central Government by notification no. S.O. 902(E) issued on March 26, 2014. Therefore this Nomination and Remuneration Policy ("the Policy") has been framed in compliance with the provisions of the Act and Rules made under the Act.
- 1.3 The Policy provides a framework for remuneration to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives").

The expression "senior management" means employees of Company who are members of its core management team excluding directors comprising all members of management one level below the executive directors, including the functional heads.
- 1.4 The existing Remuneration Committee of the Board of Directors has been re-named as Nomination and Remuneration Committee ("the Committee or NRC") so as to comply with the provisions of Section 178(1) of the Act. The Members of the Committee shall be appointed by the Board and shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.
- 1.5 This Policy will be called "SIL Nomination & Remuneration Policy" and referred to as "the Policy".
- 1.6 The Policy will be reviewed at such intervals as the Nomination and Remuneration Committee will deem fit.

**2. OBJECTIVES**

- 2.1 The objectives of the Policy are as follows:
  - 2.1.1 To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.
  - 2.1.2 To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.
  - 2.1.3 To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

- 2.1.4 To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- 2.1.5 To ensure that remuneration to directors, KMP and senior management employees of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### **3. ACCOUNTABILITIES**

- 3.1 The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
- 3.2 The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

### **4. PRINCIPLES OF REMUNERATION**

- 4.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, and supports and reinforces the achievement of the Company's vision and strategy.
- 4.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 4.3 Internal equity: The Company shall remunerate the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 4.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 4.5 Flexibility: Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other laws.
- 4.6 Performance-Driven Remuneration: The Company shall establish a culture of performance-driven remuneration through the implementation of the Performance Incentive System.
- 4.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on sustainable basis.

### **5. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee is responsible for:

- 5.1 reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- 5.2 identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- 5.3 recommending to the Board on the selection of individuals nominated for directorship;
- 5.4 making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
- 5.5 assessing the independence of independent directors;
- 5.6 such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules thereunder.
- 5.7 to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 5.8 ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;



- 5.9 to devise a policy on Board diversity;
- 5.10 to develop a succession plan for the Board and to regularly review the plan;

**The Nomination and Remuneration Committee comprises of the following:**

- a) The Committee shall consist of minimum four members out of that there will be minimum three non-executive directors and majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**CHAIRMAN**

- a) Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**The Committee shall :-**

- i) review the ongoing appropriateness and relevance of the Policy;
- ii) ensure that all provisions regarding disclosure of remuneration, including pensions, leave encashment gratuity, etc. are fulfilled;
- iii) obtain reliable, up-to-date information about remuneration in other companies;
- iv) ensure that no director or executive is involved in any decisions as to their own remuneration.

**6. PROCEDURE FOR SELECTION AND APPOINTMENT OF THE BOARD MEMBERS**

**6.1 Board membership criteria :**

- 6.1.1 The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
- 6.1.2 In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.
- 6.1.3 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

**7. PROCEDURE FOR SELECTION AND NOMINATION OF KMP AND SMPS**

The C.F.O who is also a Member of the NRC, shall along with the Chairman of the committee and the Company Secretary / Vice President ( Plant ), identify and appoint suitable candidates for appointing them as KMPs (excluding Executive Directors) or SMPs of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning KMP or SMP.

Further, in case of KMP (excluding Executive Director) appointment, approval of the Board of Directors / concerned Committee shall be taken in accordance with provisions of relevant Act, statutes, regulations etc. Existing as on that date. The appointment and/or removal of KMPs shall be placed before the NRC and / or Board of Directors at regular intervals.

**8. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.

The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee (NRC) determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate.

**(i) REMUNERATION :****a) Base Compensation (fixed salaries) :**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

**b) Variable salary :**

The NRC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

**(ii) Statutory Requirements :**

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its any one Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

- 8.1 The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.
- 8.2 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
- 8.3 The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

#### **9. EVALUATION/ASSESSMENT OF DIRECTORS/ KMPs/SENIOR OFFICIALS OF THE COMPANY**

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement. The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been :

- Leadership & stewardship abilities
- contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.
- review & approval achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs, senior officials
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate / assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

#### **10. APPROVAL AND PUBLICATION**

- 10.1 This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 10.2 The Policy shall form part of Director's Report as required under Section 178(4) of the Companies Act, 2013.

#### **11. SUPPLEMENTARY PROVISIONS**

- 11.1 This Policy shall formally be implemented from the date on which it is adopted by the Board of Directors.
- 11.2 Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations, the Company's Articles of Association.
- 11.3 The right to interpret this Policy vests in the Board of Directors of the Company.

On behalf of the Board of Directors

Sd/-

**Shankarlal Somani**  
Chairman

Place : Surat  
Date : 3rd August 2017

**ANNEXURE - 6 (ii)****BOARD DIVERSITY POLICY**

**(Pursuant to Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which have come into effect from 1st December, 2015).**

This policy was originally framed pursuant to Clause 49 of the Listing agreement and is amended pursuant to Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements ) Regulations, 2015 which have come into effect from 1st December, 2015.

**PURPOSE**

The Board Diversity Policy ('the Policy') sets out the approach to have diversity on the Board of Directors ('Board') of Sumeet Industries Limited (the "company").

**SCOPE OF APPLICATION**

The Policy applies to the Board.

**POLICY STATEMENT**

The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspective appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. The differences will be considered in determining the optimum composition of Board and when possible should be balanced appropriately.

The Company maintains that Board appointments should be based on merits that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience, and qualifications, gender, age, cultural and educational background, and any other factors that the board might consider relevant and applicable from time to time for it to function effectively.

These diversities will be considered in determining the optimum composition of the Board and when and wherever possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

**OPTIMUM COMPOSITION**

- (a) The Board shall have an optimum combination of executives and non- executive directors and not less than fifty per cent of the Board of directors comprising non- executive directors.
- (b) At least half of the Board should comprise of independent directors (where the chairman of the Board is executive or promoter) or at least one-third of the Board consisting of independent directors (where the chairman of the Board is non-executive).

In any case, the Company should strive to ensure that the number of independent directors do not fall below 3(three) so as to enable the board to function smoothly and effectively.

- (c) The Company shall have at least one women director on the Board to ensure that there is no gender inequality on the Board.

**ROLE OF NOMINATION AND REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee ('Committee') reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors also considering the provisions of Companies Act, 2013 and rules framed there under. The Committee also oversees the conduct of the annual review of Board effectiveness.

In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

**REVIEW OF THE POLICY**

The Committee will review the policy from time to time keeping in view the statutory requirement and need of the organization and recommend the same to the Board for their approval

On behalf of the Board of Directors

Sd/-

**Shankarlal Somani**

Chairman

Place : Surat

Date : 3rd August 2017

## CORPORATE GOVERNANCE REPORT

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.

The Board of Directors acknowledges that it has a fiduciary relationship and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavours to strike a right balance with its various stakeholders.

### 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

#### COMPOSITION OF DIRECTORS

SUMEET INDUSTRIES LTD is having 8 Directors on its Board consisting of 1 Executive and 7 Non-Executive with Non-Executive Chairman as on date. 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.

Sr. No.	Name of Directors & DIN No.	Category	Attendance of Board Meeting	Attendance Last AGM	No. of Other Directorships/ Committee Memberships/ Chairmanships **		
					O.D.	C.M.	C.C.
1	Mr. Shankarlal Somani DIN : 00165238	Non-Executive Chairman	19	Yes	2	-	-
2	Mr. Sumeet Kumar Somani DIN : 00318156	Executive- Managing Director	19	Yes	6	3	-
3	Mr. Dinesh Sharan Khare DIN : 00383743	Non-Executive Independent	19	Yes	-	1	3
4	Mr. Atmaram R Sarda DIN : 06713264	Non-Executive	10	Yes	-	1	-
5	Mrs. Gangadevi Somani DIN : 06913790	Non-Executive	19	No	-	-	1
6	Mr. Dipesh Dasadia* DIN : 01048684	Non-Executive Independent	2	No	2	3	-
7	Mr. Abhishek B. Desai* DIN : 07790468	Non-Executive Independent	-	No	-	3	-
8	Mr. Manojkumar Jain* DIN : 03546851	Non-Executive Independent	-	No	1	-	-
9	Mr. Bhagchand Chordia # DIN : 00165398	Non-Executive	12	Yes	-	-	-



\*Mr. Dipesh Dasadia , Mr. Abhishek Desai and Mr. Manoj Kumar Jain has been appointed as Independent, Non-Executive ( Director ) of the company on dated February 13, 2017, April 11, 2017 and June 29, 2017 respectively.

\*\* (O.D.) – Directorship in other Companies (C.M.) - Committee Membership (C.C.) - Committee Chairmanship (Chairmanship / Membership of Board Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committees of public limited companies held including Sumeet Industries Limited)

# Mr. Bhagchand Chordia has resigned from the Board w.e.f. 29th June, 2017 due to their other commitments and personal reasons.

As on 31st March, 2017, out of 8 Directors, 3 Directors are related Directors viz : Mr. Shankarlal Somani, Mr. Sumeet Shankarlal Somani and Mrs. Ganga Devi Shankarlal Somani are related to each other.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

### **INFORMATION GIVEN TO THE BOARD**

The dates for the Board Meetings for the ensuing year are decided well in advance and communicated to the Directors. Additional meetings of the Board are held when deemed necessary. Board members are given agenda papers with necessary documents and information in advance of each meeting for the Board and Committee(s). The Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company. The recommendations of the Committees are placed before the Board for necessary approvals. This information is enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **INDEPENDENT DIRECTORS**

The Independent Directors of the Company meet the requirements laid down under the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have declared that they do not fall under any disqualifications specified under the Companies Act, 2013.

### **TRAINING OF INDEPENDENT DIRECTORS**

Whenever new Independent Director is inducted on the Board, he/she is introduced to the Company's Policies and procedures through appropriate orientation session, Company's organization structure, business, constitution, board procedures, major risks and management strategy. The appointment letters of Independent Directors as placed on the Company's website at [www.sumeetindustries.com](http://www.sumeetindustries.com) under investor relations/ corporate governance / terms & conditions of appointment of Independent Directors are also issued to each Independent Director upon his/her appointment once approved by Members.

### **PERFORMANCE EVALUATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS**

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Independent Directors are Non- Executive Directors of the Company and eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board helps in taking complex business decisions.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of each Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### **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. Independent Directors meeting conducted on dated 13th February, 2017 to Independent Directors discussed on matters pertaining to the Company's affairs and proposed various suggestions for improving the performance of the company.

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Board of Directors of the Company adopted the Familiarization Program ("the Program") for Independent Directors of the Company. Some of the key features of the Program are as under:

**Purpose**

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

**Overview of the Familiarization process**

The Company undertakes various initiative to familiarize the Independent Directors with the Company, its business, operations, risks, nature of industry, their roles and responsibilities etc. These initiative are summarized as below -

- At the time of appointment, new Independent Director is provided with Annual Report of the Company, Code of Conduct for Directors, Code of Conduct for Prevention of Insider Trading, detailed information regarding products of the Company, Memorandum & Articles of Associations, policies of the company framed by the board or its committees, compositions of board and its committees, terms of references of the Committee in which the Director is inducted.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration, Code of Conduct and obligations on disclosures, is issued to the Independent Director at the time of appointment.
- When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairman and Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- The Independent Directors of the Company are given every opportunity to familiarize themselves with the Company, its management and its operations so as to understand the Company, its operations, business, industry and environment in which it functions.
- Quarterly information is presented to the Board on business performance, operations, market conditions, financial parameters, debtors positions, working capital management, fund flow position, senior management change, investment, regulatory compliance, related party transactions, risk management framework, area of concern in Internal Audit, formation of various policies etc.
- The Independent Directors has complete access to the information within the company. They may seek any information pertaining to matter laid before the board.
- The Company may circulate news and articles related to the industry on a regular basis and may provide specific regulatory updates from time to time;

**Review :**

The Board will review this Program and make revisions as may be required.

**CODE OF CONDUCT**

The Board has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, in details, the standards of business conduct, ethics and governance. The compliance of the same has been affirmed and a declaration signed by the Managing Director forms part of this Annual Reports. Code of Conduct has also been posted on the Company's website. [www.sumeetindustries.com](http://www.sumeetindustries.com)

**NO. OF BOARD MEETINGS HELD AND DATES**

During the Financial Year 2016-17, the Board meeting has been held for 19 times.

**The Dates of the Board Meetings are :**

01.	21.04.2016	06.	25.07.2016	11.	17.10.2016	16.	23.01.2017
02.	17.05.2016	07.	04.08.2016	12.	27.10.2016	17.	13.02.2017
03.	30.05.2016	08.	12.08.2016	13.	01.12.2016	18.	17.02.2017
04.	20.06.2016	09.	08.09.2016	14.	08.12.2016	19.	31.03.2017
05.	27.06.2016	10.	13.10.2016	15.	21.12.2016		

### 3. COMMITTEES OF THE BOARD

#### I) AUDIT COMMITTEE

The Audit committee was re-constituted by the Board on 31/03/2017. The Audit committee now comprises of four members viz; Mr. Dinesh Sharan Khare, Mr. Sumeet Shankarlal Somani, Mr. Dipesh Dasadia and Mr. Abhishek B. Desai, consisting of 1 Executive Director and 3 Non-Executive and Independent Directors. Mr. Dinesh Sharan Khare 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Committee members have requisite experience in the fields of Finance & Accounts and Banking & Management. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the Audit Committee.

During the financial year Eight Audit Committee meeting were held on 12th May, 2016, 27th May, 2016, 22nd July, 2016, 14th October, 2016, 15th November, 2016, 28th December, 2016, 20th January, 2017 and 31st March, 2017. Composition of Audit Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1	Mr. Dinesh Sharan Khare	Chairman	Non-Executive	8	1
2	Mr. Sumeet Shankarlal Somani	Member	Executive	8	8
3	Mr. Dipesh Dasadia	Member	Non-Executive	8	1
4	Mr. Abhishek B. Desai	Member	Non-Executive	8	-
5	Mr. B. C. Chordia *	Member	Non-Executive	8	7
6	Mr. Atma Ram Sarda *	Member	Non-Executive	8	7

\* Mr. Dinesh Sharan Khare, Mr. Dipesh Dasadia and Mr. Abhishek B. Desai has been inducted as Chairman/members of this Committee in place of Mr. B. C. Chordia and Mr. Atma Ram Sarda at the time of reconstitution by the Board on dated 31.03.2017.

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

- 1) Review 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.
  - 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.
- 5) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- 6) 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.
- 20) Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

## **II ) NOMINATION AND REMUNERATION COMMITTEE**

### **A) Composition**

The Nomination and Remuneration Committee was re-constituted by the Board on 31/03/2017. The Nomination and Remuneration Committee now comprises of four members viz; Mr. Dinesh Sharan Khare, Mr. Atmaram Sarda, Mr. Dipesh Dasadia and Mr. Abhishek B. Desai, consisting of 4 Non-Executive Directors. Mr. Dinesh Sharan Khare is the Chairman of the Nomination and Remuneration Committee.

The role of the Committee is to perform all such matters as prescribed under the Companies Act, 2013 and schedule II-Part D about Role of Nomination and Remuneration Committee of Directors under the Securities and Exchange Board of India (LODR) Regulations, 2015.

### **B) Meetings and attendance during the year**

During the financial year one meeting of Nomination and Remuneration Committee were held on 31st March, 2017. Composition of Nomination and Remuneration Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1	Mr. Dinesh Sharan Khare	Chairman	Non-Executive	1	1
2	Mr. Atma Ram Sarda	Member	Non-Executive	1	1
3	Mr. Dipesh Dasadia	Member	Non-Executive	1	1
4	Mr. Abhishek B. Desai	Member	Non-Executive	1	1

Mr. Dipesh Dasadia and Mr. Abhishek B. Desai have been inducted as members of this Committee in place of Mr. B. C. Chordia at the time of reconstitution by the Board on dated 31.03.2017.

**C) Remuneration policy :**

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Nomination, Remuneration and Board Diversity Policy of the Company is attached to the Board's Report as Annexure 6(I) & 6(ii).

**D) Details of Remuneration of Executive Directors for the Financial Year 2016-17**

The following are the details of remuneration paid to the Executive Director for the financial year 2016-17.

Sr. No.	Name of the Director	Salary ( ₹ )	Perquisites ( ₹ )
1	Mr. Shankarlal Somani	30,00,000	-
2	Mr. Sumeet Kumar Somani	3,00,000	-

**E) Details of Remuneration of Non- Executive Directors for the Financial Year 2016-17**

The following are the details of remuneration paid to Non-Executive Director for the financial year 2016-17.

Sr. No.	Name of Non-Executive (Director)	Sitting Fees ( ₹ )	Commission ( ₹ )
1	Mr. Bhagchand Chordia *	4,19,000	-
2	Mr. Atma Ram Sarda	3,00,000	-
3	Mr. Dinesh Sharan Khare	5,70,000	3,40,000.00
4	Mrs. Gangadevi Shankarlal Somani	5,70,000	-
5	Mr. Dipesh Dasadia **	60,000	-

\* Mr. Bhagchand Chordia has resigned as Independent Director and appointed as Professional Director of the company w.e.f. February 13, 2017.

\*\* Mr. Dipesh Dasadia has been appointed as Independent Director of the company w.e.f. February 13, 2017.

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.

**F) Terms of reference**

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.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- 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.
- To frame company's policies for compensation and benefits for Executive Directors.
- To review HR Policies and initiatives.



### III) STAKEHOLDERS' RELATIONSHIP COMMITTEE

#### A) Composition

The Stakeholders Relationship Committee was re-constituted by the Board on 31/03/2017. The Stakeholders Relationship Committee now comprises of four members viz; Mr. Dinesh Sharan Khare, Mr. Sumeet Shankarlal Somani, Mr. Dipesh Dasadia and Mr. Abhishek B. Desai, consisting of one Executive Director and three Non-Executive Directors. Mr. Dinesh Sharan Khare is the Chairman of the Stakeholders Relationship Committee.

#### B) Terms of Reference

The Stakeholders Relationship Committee is looking for redressal of investors complaint 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.

#### C) Meetings and Attendance during the year

During the financial year twenty four meetings of Stakeholders Relationship Committee were held on 12.04.2016, 20.05.2016, 31.05.2016, 10.06.2016, 19.08.2016, 14.09.2016, 23.09.2016, 07.10.2016, 04.11.2016, 06.12.2016, 13.12.2016, 27.12.2016, 06.01.2017, 07.01.2017, 20.01.2017, 27.01.2017, 03.02.2017, 10.02.2017, 17.02.2017, 24.02.2017, 03.03.2017, 07.03.2017, 17.03.2017 and 24.03.2017. Composition of Stakeholders Relationship Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1	Mr. Dinesh Sharan Khare	Chairman	Non- Executive	24	-
2	Mr. Sumeet Shankarlal Somani	Member	Executive	24	24
3	Mr. Dipesh Dasadia	Member	Non-Executive	24	-
4	Mr. Abhishek B. Desai	Member	Non-Executive	24	-
5	Mr. B. C. Chordia *	Member	Non-Executive	24	24
6	Mr. Atma Ram Sarda *	Member	Non-Executive	24	24

\* Mr. Dinesh Sharan Khare, Mr. Dipesh Dasadia and Mr. Abhishek B. Desai have been inducted as Chairman/members of this Committee in place of Mr. B. C. Chordia and Mr. Atma Ram Sarda at the time of reconstitution by the Board on dated 31.03.2017.

#### D) Compliant Status

Number of complaints/requests received from the shareholders during the financial year 2016-17 and the number of pending complaints is given below :

Compliant received during the year 2016-2017	12
Complaint pending as on 31/03/2017	NIL
Number of pending shares transfer as on 31/03/2017 :	NIL

The Stakeholders' Relationship Committee's composition and the terms of reference meet with requirements Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

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

#### A) Composition

The "Corporate Social Responsibility Committee" was re-constituted by the Board on 01/06/2017. The Corporate Social Responsibility Committee now comprises of three members viz; Mrs. Gangadevi Shankarlal Somani, Mr. Sumeet Kumar Somani and Mr. Dinesh Sharan Khare. Mrs. Gangadevi Shankarlal Somani is the Chairman of the Corporate Social Responsibility Committee.



**B) Terms of Reference**

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.

**C) Meeting and attendance during the year**

During the year, two meetings of Corporate Social Responsibility Committee (CSR) were held on 15.04.2016 and 05.01.2017. The number of meetings held and number of meetings attended by the members during the year are as given below :-

Sr. No.	Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1	Mrs. Gangadevi Somani	Chairman	Non-Executive	2	2
2	Mr. Sumeet Kumar Somani	Member	Executive	2	2
3	Mr. Dinesh Sharan Khare	Member	Non-Executive	2	-
4	Mr. Atma Ram Sarda *	Member	Non-Executive	2	2

\* Mr. Dinesh Sharan Khare has been inducted as members of the CSR Committee in place of Mr. Atma Ram Sarda at the time of reconstitution by the Board on dated 01.06.2017.

**4. 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.

**5. 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	30/09/2016	Shree Maheshwari Bhavan, First Floor Hall, Near Science Centre, City Light, Surat	10:00 A.M.
2	30/09/2015	Bombay Market Hall, Umarwada, Surat	10:00 A.M.
3	30/09/2014	Bombay Market Hall, Umarwada, Surat	10:00 A.M.

**II) Special Resolution passed at the last 3 (Three) Annual General Meetings :****YEAR 2015-16**

- 1) Ratification of issue of 6% Non-Convertible Redeemable Preference Shares on Private Placement basis to Promoters & Promoter Group

**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

**III) No resolution were passed through Postal Ballot during the year under review.****IV) SHAREHOLDING AS ON 31ST MARCH, 2017****A) DISTRIBUTION OF SHAREHOLDING (IN RUPEES) AS ON 31ST MARCH, 2017**

NO. OF SHARES	NO. OF HOLDERS	% OF HOLDERS	VALUE OF SHARES	% OF EQUITY CAPITAL
1 To 5000	32106	80.49	56073190	9.66
5001 To 10000	3754	9.41	31960690	5.51
10001 To 20000	1847	4.63	29179140	5.03
20001 To 30000	683	1.71	17945130	3.09
30001 To 40000	292	0.73	10574500	1.82
40001 To 50000	340	0.85	16332730	2.81
50001 To 100000	459	1.15	34707180	5.98
100001 To 999999999	409	1.03	383624820	66.10
<b>TOTAL</b>	<b>39890</b>		<b>580397380</b>	<b>100.00</b>

**B) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017**

Category	No. of Shares Held	% of Shareholding
Promoters & Promoter Group	25118386	43.28
Corporate Bodies	4922611	8.48
Clearing Member	675645	1.17
Non Resident Indians (NRI'S)	820576	1.41
Indian Public & Others	26502520	45.66
<b>TOTAL</b>	<b>58039738</b>	<b>100.00</b>

**V) MARKET PRICE DATA**

Month wise High, Low price and volume data for the F.Y. 2016-17 at BSE &amp; NSE are as under :

Month	BSE			NSE		
	High	Low	Total Volume	High	Low	Total Volume
Apr-16	12.10	10.40	1232029	12.20	10.40	4825952
May-16	14.20	10.36	3431065	14.20	10.35	12206747
Jun-16	13.84	11.10	2392068	13.85	11.05	7835893
Jul-16	16.75	12.60	4903738	16.75	12.60	12374079
Aug-16	17.40	14.50	4134591	17.40	14.40	11462119
Sep-16	25.85	15.10	9896126	25.80	15.10	29100201
Oct-16	43.90	24.10	15212739	43.90	24.30	44143536
Nov-16	44.00	26.60	6143374	44.10	26.50	29178034
Dec-16	42.95	33.35	6259544	42.90	33.35	25960978
Jan-17	41.70	34.00	3470285	41.75	33.70	16042208
Feb-17	39.50	33.15	2812987	39.70	33.10	11766221
Mar-17	36.25	29.50	2246472	36.20	29.50	8102531

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

Mrs. Ganga Devi Somani (DIN No: 06913790), Director of the company who retires by rotation and being eligible, offer himself for re-appointment

<b>Name of the Director</b>	<b>Mrs. Ganga Devi Somani</b>
Date of Birth	21/08/1957
Date of Appointment on the Board	28/06/2014
List of other Directorship	-
Committees Memberships of the companies	-
No. of shares held in the Company	12,00,000

Mr. Sumeet Shankarlal Somani (DIN: 00318156) has been appointed as Managing Director of the company for a period of five years with effect from 1st April 2017 to 31st March, 2022. Their details are mentioned below:-

<b>Name of the Director</b>	<b>Mr. Sumeet Shankarlal Somani</b>
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 and Business Development
List of other Directorship	- Somani Overseas Pvt. Ltd. - Sitaram Prints Pvt. Ltd. - Sumeet Poly Power Ltd. - Varsha Dyeing And Printing Mills Pvt Ltd - Inherent Computers Private Limited - Sumeet Global Pte. Ltd.
Committees Memberships of the companies	-Audit Committee, Member -Stakeholders Relationship Committee, Member
No. of shares held in the Company	19,65,070

Mr. Dipesh Shashikantbhai Dasadia (DIN: 01048684) has been appointed as an Independent Director of the company for a term up to 3 (Three) consecutive years. Their details are mentioned below:-

Name of the Director	<b>Mr. Dipesh Shashikantbhai Dasadia</b>
Date of Birth	23/10/1969
Date of Appointment on the Board	13/02/2017
Qualification	Engineer (B.E. in Electronics)
Expertise in specific functional areas	Project Engineer
List of other Directorship	- Transit Geo System Integrators Pvt Ltd - Transit Electronics Ltd.
Committees Memberships of the companies	-Audit Committee -Nomination And Remuneration Committee -Stakeholders Relationship Committee
No. of shares held in the Company	Nil

Mr. Abhishek Bhupendra Desai (DIN: 07790468) has been appointed as an Independent Director of the company for a term up to 3 (Three) consecutive years. Their details are mentioned below:-

Name of the Director	<b>Mr. Abhishek Bhupendra Desai</b>
Date of Birth	23/05/1979
Date of Appointment on the Board	11/04/2017
Qualification	Bachelor of Commerce
Expertise in specific functional areas	Communication and Relationship
List of other Directorship	Nil
Committees Memberships of the companies	-Audit Committee -Nomination And Remuneration Committee -Stakeholders Relationship Committee
No. of shares held in the Company	Nil

Mr. Manojkumar Ganeshmal Jain (DIN: 03546851) has been appointed as an Independent Director of the company for a term up to 3 (Three) consecutive years. Their details are mentioned below:-

Name of the Director	<b>Mr. Manojkumar Ganeshmal Jain</b>
Date of Birth	29/04/1980
Date of Appointment on the Board	29/06/2017
Qualification	Practicing Chartered Accountant & CS
Expertise in specific functional areas	Accounts, Audit & Taxation
List of other Directorship	- Kalka Advisory Services Pvt Ltd
Committees Memberships of the companies	Nil
No. of shares held in the Company	Nil

**VII) ANNUAL GENERAL MEETING (TENTATIVE)**

Date : 30/09/2017, Saturday  
Time : 10:00 A.M.  
Venue : Conference Hall, Bombay Market, Umarwada, Surat

**(VIII) FINANCIAL CALENDAR (TENTATIVE) :**

Annual General Meeting : September, 2017  
Results for quarter ending June 30, 2017 : on or before 14th August, 2017  
Results for quarter ending Sept 30, 2017 : on or before 14th November, 2017  
Results for quarter ending Dec 31, 2017 : on or before 14th February, 2018  
Results for quarter ending March 31, 2018 : on or before 30th May, 2018

**(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, 2017 about 94.77% 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) BOOK CLOSURE :**

The books will be closed from Saturday, 23rd day September, 2017 to Saturday, 30th September, 2017 (both days inclusive) as annual closure for the purpose of Annual General Meeting.

**(XIV) DIVIDEND DATE : NIL****(XV) LISTING :**

Equity shares of the company are listed on 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.

**XVI) BUILD UP OF EQUITY SHARE CAPITAL**

Date of Allotment	Reason for Allotment	No. of Equity Shares Issued	Face Value (Rs.)	Cumulative Share	Cumulative Paid-up Capital (Rs.)
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 Bennett Coleman & Co. Ltd.	6,67,000	10.00	1,80,66,300	18,06,63,000.00
13.04.2007	Preferential Allotment to Vishvas Infrastructure Ltd.	2,50,000	10.00	1,83,16,300	18,31,63,000.00
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 QIP Placement	1,82,94,578	10.00	5,82,89,738	58,28,97,380.00
04/12/2013	Reduction of Capital by cancelling shares allotted to Vishvas Infrastructure Ltd as per High Court order.	( 2,50,000)	10.00	5,80,39,738	58,03,97,380.00

\* Record Date

**(XVII) CORPORATE BENEFITS TO INVESTORS**
**A) BONUS ISSUE OF FULLY PAID UP EQUITY SHARES**

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

**B) 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%

**(XVIII) 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

\*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.

**(XIX) 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 form can be obtained from the Company's Registrar and Share Transfer Agent. 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.

**(XX) 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, Announcements and Intimations etc. are filed electronically on NEAPS.

**(XXI) 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/Un-audited Financial Results, Announcements and Intimations etc. are also filed electronically on the Listing Centre.

**(XXII) 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.

**(XXIII) 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.

**(XXIV) REGISTERED OFFICE :**

504, 5th Floor, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat- 395 002 (Gujarat)  
Phone : 0261- 2328902, Fax : 0261- 2334189 Mail : corporate@sumeetindustries.com

**(XXV) REGISTRARS AND SHARE TRANSFER AGENTS :**

M/S. Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East  
Mumbai 400059, Maharashtra

Ph. : (022) 62638200 Fax : (022) 62638299

**(XXVI) 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 and Gujarati news papers and were also sent to the Stock Exchanges. Shareholders can also visit Company's website [www.sumeetindustries.com](http://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.

**(XXVII) ADDRESS FOR CORRESPONDENCE**

Unit : Sumeet Industries Limited

Investor Correspondence : Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East Mumbai 400059, Maharashtra. Ph. : 022 62638200

- A)** For any complaints relating to non-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialization of shares or any other query relating to shares shall be forwarded to the Share Transfer Agents directly at the address given hereunder. Members are requested to provide complete details regarding their queries quoting folio number/DP ID no./Client ID No., number of shares held.

**M/S. Bigshare Services Pvt. Ltd.**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East Mumbai 400059, Maharashtra. Ph. : (022) 62638200 Fax : (022) 6263829

- B)** For any query on any point in Annual Report, non-receipt of Annual Report, non-receipt of dividend etc., the complaint should be forwarded to the kind attention of Mr. Anil Kumar Jain, Company Secretary & Compliance Officer of the Company at the following address:

504, Trividh Chamber, Opp. Fire Station, Ring Road, Surat - 395 002. (Gujarat)  
Ph. : (0261) 2328902. Fax : (0261) 2334189. E-mail : [corporate@sumeetindustries.com](mailto:corporate@sumeetindustries.com)

**6. 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.

**7. 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 Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The CFO certification of the financial statements for the year under review is published in this report.

**8. 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 Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

**9. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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.

**10. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism (Whistle Blower) Policy in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for Directors and Employees to report concerns about unethical behavior, 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.

**11. DECLARATION UNDER CODE OF CONDUCT**

As required under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board members and senior management personnel have complied with code of conduct of the Company for the financial year ended on 31st March, 2017.

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**DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT OF  
BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

This is to certify that as provided under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2017.

**For Sumeet Industries Limited**

Place : Surat  
Date : 18th May 2017

**Shankarlal Somani**  
Chairman

**CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS  
OF CORPORATE GOVERNANCE**

To,  
**THE MEMBERS OF  
SUMEET INDUSTRIES LIMITED  
SURAT.**

I have examined the compliance of conditions of Corporate Governance by Sumeet Industries Limited ("the Company") for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures 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 on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, 2015/Listing Agreements, to the extent applicable to the Company during the year under report.

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

For, **PRADEEP SINGHI & ASSOCIATES**  
Chartered Accountants

**PRADEEP KUMAR SINGHI**  
Proprietor  
M. NO. 200/24612  
FIRM NO. 108029W

Place : Surat  
Date : 18th May 2017

**CHIEF EXECUTIVE OFFICER (CEO) AND  
CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To  
The Board of Directors of  
**SUMEET INDUSTRIES LIMITED**  
Surat.

Dear Sirs,

**Sub : CEO / CFO Certificate**

**[Issued in accordance with the provisions of Regulation 17(8) of SEBI (LODR) Regulations, 2015]**

We, Mr. Sumeet Shankarlal Somani, Managing Director and Mr. Abhishek Prasad, Chief Financial Officer of the Sumeet Industries Ltd., to the best of our knowledge and belief, certify that :

- (a) We have reviewed the financial statements, and the cash flow statement of Sumeet Industries Limited for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - (ii) 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) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that :
  - (i) there are no significant changes in internal control over financial reporting during the year;
  - (ii) there are no significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - (iii) there are no instances of significant frauds 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 financial reporting.

**For SUMEET INDUSTRIES LIMITED**

Place : Surat  
Date : 18th May 2017

**SUMEET KUMAR SOMANI**  
Managing Director  
(DIN : 00318156)

**ABHISHEK PRASAD**  
Chief Financial officer

**MANAGEMENT DISCUSSION AND ANALYSIS (MDA)****Global Economy**

Global Economic activity is picking up with a long awaited cyclical recovery in Investment, Manufacturing, and Trade. Stronger activity and expectations of more robust global demand, coupled with agreed restrictions on oil supply, have helped commodity Prices recover from their troughs in early 2016. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth. Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit). Activity surprised on the upside in Japan due to strong net exports, as well as in euro area countries, such as Germany and Spain, as a result of strong domestic demand. Emerging Market and Developing Economies are also projected to register growth in coming times. In China, supportive macroeconomic policies, surging credit growth and a booming property market have held up the momentum of growth albeit amidst concerns about financial stability and capital outflows. In Brazil, hardening commodity prices are providing tail winds to reforms undertaken by the authorities to pull the economy out of recession, although financial fragilities remain a risk. Russia is benefiting from the firming up of crude prices and it is widely expected that growth will return to positive territory in 2017. Overall, as per IMF estimates, Global Economy is gaining momentum and is expected to come out of the decadal gloom of Financial Crisis.

The IMF update for January, 2017 predicts likely pickup in economic activities in 2017 and 2018 after a lacklustre outturn in 2016, especially in emerging markets and developing economies. Global growth for 2016 is estimated at 3.1 per cent. For 2017 and 2018, growth is projected at 3.4 per cent and 3.6 per cent respectively. In the backdrop of global slowdown and lower world demand, India witnessed steady growth momentum in comparison to other developing world economies. The WTO lowered world trade growth forecast in 2016 to 1.7 per cent and revised the 2017 estimate between 1.8 per cent and 3.1 per cent. The contraction was driven by slowing GDP and trade growth in developing economies such as China and Brazil but also in North America, which had the strongest import growth of any region in 2014-15 but has decelerated since then.

**Growth Table of world economy**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Global Economy	3.1%	<b>3.4%</b>	<b>3.6%</b>
Advanced Economies	1.6%	<b>1.9%</b>	<b>2.0%</b>
Emerging market and developing economies	4.1%	<b>4.5%</b>	<b>4.8%</b>

(Source : IMF)

**Indian Economy****Growth**

On the domestic front, India remained the fastest growing major economy in the world, after surpassing China last year. Gross Domestic Product growth rate was 7.1% for FY 2016-17, supported by strong consumption growth and government spending.

India's GDP growth decelerated from 7.6% in FY 2015-16 to 7.1% in FY 2016-17 due to lacklustre private investment and household consumption and also perhaps the impact of demonetisation. Contribution from agriculture increased while growth in industrial and mining sectors decelerated. Government consumption was the major source of growth through increased spending on infrastructure.

**Inflation**

Retail inflation dropped from 4.8% in March 2016 to 3.8% in March 2017. The drop in inflation was mainly led by the fall in food prices due to bumper agriculture production. Wholesale inflation, however, rebounded to 3.7% in FY 2016-17. This was mainly driven by fuel and power inflation.



**Monetary Policy**

Continuing its accommodative stance on the monetary policy, the Reserve Bank of India delivered a total 50bps cut in FY 2016-17 in its benchmark repo rate, bringing it down to a six-year low of 6.25%. Monetary transmission also picked up pace after demonetization as many large banks cut their lending rates by up to 80 bps, lowering the cost of borrowing.

**Demonetization and ensuing process of remonetization**

Government decided to ban the high value currency notes of Rs.1,000 and Rs.500 on November 8, 2016. Non-availability of cash created disruption in economic activity in the months of November and December 2016, particularly in the unorganized sector. Highly cash dependent sectors of the economy – land, real estate, construction, luxury items, gold etc. witnessed sharp falls in demand. However, many organised segments of the economy were close to normalcy by March 2017.

**GST**

GST will replace nearly a dozen central & state levies into a single national direct tax, not only simplifying the current tax system, but also hopefully make the movement of goods cheaper & seamless across the nation. Achieving smooth agreement on GST is an outstanding symbol of Cooperative Federalism, for which the Government needs to be complimented.

**Outlook**

The near-term growth outlook for India seems brighter than during the last fiscal. The growth forecast for the next fiscal has been trimmed by 40 bps. This has been primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the currency note withdrawal.

**Indian Textile Industry**

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 15 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 51 million people directly and 68 million people indirectly. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion. The Indian Textiles Industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

**Market Size**

The Indian textiles industry, currently estimated at around US\$ 120 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 4 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

**Government Initiatives**

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

The key initiatives announced in the Union Budget 2017-18 to boost the textiles sector are listed below:

- Encourage new entrepreneurs to invest in sectors such as knitwear by increasing allocation of funds to Mudra Bank from Rs 1,36,000 crore (US\$ 20.4 billion) to Rs 2,44,000 crore (US\$ 36.6 billion).

- Upgrade labour skills by allocating Rs 2,200 crore (US\$ 330 million)  
Some of initiatives taken by the government to further promote the industry are as under:
- The Government of India plans to introduce a mega package for the powerloom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.
- The Ministry of Textiles has signed memorandum of understanding (MoU) with 20 e-commerce companies, aimed at providing a platform to artisans and weavers in different handloom and handicraft clusters across the country for selling their products directly to the consumer.
- The Government of India has announced a slew of labour-friendly reforms aimed at generating around 11.1 million jobs in apparel and made-ups sectors, and increasing textile exports to US\$ 32.8 billion and investment of Rs 80,630 crore (US\$ 12.09 billion) in the next three years.

(Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau, Union Budget 2017-18 )

### Indian Polyester Industry

The Indian man-made fibre manufacturing industry is not only one of the rapidly growing sectors in the economy, but also a critical enabler of the largest export earner – the textiles industry. The fortunes of the man-made fibres industry are linked to the performance of the petrochemicals industry at the global level, and of the textile industry at the domestic level.

The healthy recovery in International polyester market also reflected in domestic market. In India, polyester demand witnessed 3% growth y-o-y, led by PET (+6%), and Polyester Filament Yarn (+3%). Polyester filament demand was driven by strong textiles demand and high growth in Fully Drawn Yarn supported by better demand for school uniforms, denim and circular knitted fabrics. Polyester Staple Fibre demand was largely stable amid steady offtake from non-wovens and auto upholstery segments. Domestic cotton prices increased 35% y-o-y owing to tight availability, which was favourable for polyester blending.

### Business Overview :

The company has shown robust performance the year under review due to business re-engineering work undertaken in the previous year , diversification in product portfolio in value added products. Financial and operational performance in FY 2016-17 was outstanding, reflecting substantial increase in net profit..

It has restrained its position in the industry due to proactive planning, efficient use of resources, capitalizing on emerging opportunity and striving on cutting edge technology.

Two important factors which improved the performance during the year despite headwinds were : a) Saving in energy cost due to sourcing of power through open access and b) better price realisation due to production of value added products.

During the financial year under review , the company has modified and also upgraded its spinning lines for improving its operational costs and efficiencies thereby improved its topline margins. The company is enhancing its capacity and focusing on speciality and value added yarns with the simple objective of catering to a wide customer spectrum.

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	-
Texturising Yarn	15	15
Carpet Yarn	12.5	-
Recycled Chips	7	-

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. 119801.51 Lacs in the year 2016-17 as against Rs. 105248.48 Lacs during the previous year. Increase in sales was noted being better realization of prices.

**Other Operating Income** : Other operating income consists of Export Incentives, Vat refund etc. Other operating Income for the year 2016-17 amounted to Rs.22.35 Lacs as against Rs.Nil during the previous year.

**Other Income** : Other income consisting receipt of Dividend, Discounts and Interest on Fixed Deposits & others. Other income for the year 2016-17 is amounting of Rs. 729.50 Lacs against Rs. 723.74 Lacs in the previous year. Other income were marginally increased.

**Consumption of Raw material** : Consumption of raw material decreased from Rs. 52776.84Lacs to Rs. 51339.48Lacs due to decrease in cost prices of raw materials. The prices of our basic raw materials mainly i.e. PTA and MEG are petroleum products and are closely linked with crude oil prices. Prices of Crude oil declined during the year.

**Employee Cost** : Employees cost were increased from Rs. 1311.61 Lacs to Rs. 1667.55 Lacs. This increase is mainly due to higher increments given to employees and further recruitment of employees in POY / FDY and Texturised Yarn division.

**Interest Cost** : Interest cost were increased from Rs. 4341.82 Lacs to Rs. 4822.47 Lacs due to enhanced working capital. Debt Service Coverage ratio is 1.07 and Debt Equity ratio is 1.75.

The Company has delivered outstanding performance despite considerable headwinds and made good progress in strengthening the established business segments through high value products and also reported positive contribution in the overall segment.

## **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's internal control policies are in line with its size and nature of operations and they provide assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly following all applicable statutes, General Accepted Accounting Principles, Company's Code of Conduct and Corporate Policies.

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 plug 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.

## **ENERGY COST**

Sourcing of cheap power through open access purchase which were discontinued due to technical constraint in transmission network since March, 2014 by GETCO two years back were again allowed to source the same

since the last quarter of the previous year. The company has also set up two nos. of 4.8 MW F.O. based captive Genset Power Plant to further reducing its power cost. F.O. is the bye- product of Crude oil which is available at cheaper price being crude oil has been sharply declined. Due to substantial saving in power cost being low cost of power generated through F.O. and also sourcing of power through open access, the company has benefited much and its operating profit margin has increased.

### **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 six important Polyester products : Pet chips, POY, FDY, Dope Dyed Yarn, 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. The company is continuing putting its thrust on re-engineering of its existing operations and carry on balancing investment in modification of existing equipment's and some fresh investments in energy conservation schemes and sourcing of cheap electricity power.

#### **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, depreciation 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.

India remained the fastest growing major economy in the world, after surpassing China last year. Gross Domestic Product growth rate was 7.1% for FY 2016-17, supported by strong consumption growth and

government spending. The growth in India is primarily consumption driven with the increase in per capita income and to some extent by the capital expenditure undertaken by the government. 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 .

Our product mix spread over six important Polyester products : Pet chips, POY, FDY, Dope Dyed, Texturised yarn and Carpet Yarn. We will keep opportunity of further backward and forward integration cum expansion program to lead to the company to a new high. The company is continuing putting its thrust on re-engineering of its existing operations.

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**

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 prices of raw material, mainly PTA and MEG which are by products of the crude oil. Falling of crude oil prices in the international market has affected the carrying cost of inventory. To mitigate the risk, the Company is now procuring imported raw material on spot basis or under short terms contracts instead of long term contracts, and is maintaining minimum inventory to reduce losses in the event of further fall in crude oil prices in the international market being the situation is uncertain.

**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.

We follow a conservative foreign exchange risk management policy to minimize 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 depreciation of rupees against dollar.



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.

#### **h) TECHNOLOGY RISK**

Obsolescence of technology may affect the production process and technical support from original equipment manufacturers. The Company monitors such issues and makes investment in technology upgradation on regular basis. This, in turn, helps the Company to stay at par with the global practices. The Company also does process re-engineering and improvisation to enhance efficiency.

The company has restrained its position in the industry due to proactive planning, efficient use of resources, capitalising on emerging opportunity, striving on cutting edge technology and re-engineering of its existing operations by adding more value added and speciality products.

#### **WASTE MANAGEMENT**

We have adopted various methods and practices for solid and hazardous waste management. Solid waste like polymers are sold to authorized parties for re-use. Fibre waste are used as captive material through waste re-cycling plant set up by the company in last year. The company has setup a 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.

Safeguarding the health and safety of our people is integral to our commitment to remain a responsible organisation. Our employees are rigorously trained with advanced safety and security standards to minimize hazards and ensure high performance. 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 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 up gradation. 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**

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 works for sustainable development by achieving excellence in its key functional areas including safety, business operations, process management, business results, climate change, carbon footprint reduction, energy and water management, community development, customer promise and engagement, governance and compliance, human capital, and innovation under its CSR program.

The Company contributes to the development of its community near the plant at Karanj (Kim) Village as well as through employee volunteerism as a part of its Corporate Social Responsibility in the areas of education, training, health care and self-employment.

**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**

3rd August, 2017

**INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS**

TO,  
THE MEMBERS  
SUMEET INDUSTRIES LIMITED,  
SURAT.

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

1. I have audited the accompanying standalone financial statements of The Sumeet Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. My responsibility is to express an opinion on these standalone financial statements based on my audit.
4. I have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.
8. **Opinion**
  - a. The balances for Sundry Debtors, Sundry creditors, loans & advances, bank balances, statutory and other liabilities as on 31st March' 2017 are subject to confirmation. The figures reported in the financial statement are as per the ledger account.
  - b. I have relied on the information & documents submitted to me by management for physical verification of stores & spares, Fixed assets.

Subject to above paragraph (a) and (b) and paragraph mentioned under Report on Other Legal and Regulatory Requirements under paragraph 10(d) relating to non-compliance of Accounting Standard, in my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone 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 for the year ended on 31st March, 2017;
- b. in the case of the Profit and Loss Account, of the profit/ loss for the year ended on 31st March, 2017; and
- c. in the case of the Cash Flow Statement, of the cash flows for the period from 1st April, 2016 to 31st March, 2017 on that date

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

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me, I give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 it appears from my examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in my opinion, the aforesaid standalone 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. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "**Annexure B**".
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my knowledge and belief and according to the information and explanations given to me:
    1. As per the information provided to me, the Company did not have any provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts.
    2. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund by the Company.

For, **PRADEEP SINGHI & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN NO. 108029W

(**PRADEEP KUMAR SINGHI**)  
PROPRIETOR  
M. NO. 200/24612

PLACE : SURAT  
DATE : 18th May 2017

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 basis of such checks as were considered appropriate, I report that;

#### ANNEXURE 'A' TO THE 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. Company is maintaining proper records of fixed assets.
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals;  whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt within the books of account;	Yes, fixed assets have been physically verified at regular intervals.  No, material discrepancies have been noticed on such verification.
	(c) Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof.	Yes.
(ii)	(a) Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, how they have been dealt within the books of account.	Yes, physical verification has been conducted except material lying with third parties, where confirmations are obtained.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. If so,	No loans have been granted to the companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013 during the year under audit.
	(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest	Yes.
	(b) Whether receipt of the principal amount and interest are regular. If not provide details thereof; and	Yes.
	(c) If overdue amount is more than rupees five lakhs, whether reasonable steps have been taken by the company for recovery of the principal and interest	Yes.
(iv)	In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide details thereof.	Yes, all the compliances have been followed by the company.
(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, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions 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, 2013 and whether such accounts and records have been made and maintained;	Yes.
(vii)	<p>(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-Lax, , service tax, duty of customs, duty of excise, value added tax, 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.</p> <p>(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax 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 be treated as a dispute).</p>	<p>Yes, the company is regular.</p> <p>1. Assessment for A.Y. 2009-10 to A.Y. 2015-16 is pending with ACIT Central Circle - II.</p> <p>2. An appeal is pending before Commissioner of Central Excise, Custom and Service Tax (Appeals) Surat-II for F.Y. 2008-09 and amount involved is Rs.1,19,55,863/- (Including Interest and Penalty)</p>
(viii)	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 (in case of banks and financial institutions, lender wise details to be provided).	No, default has been made in repayment of dues.
(ix)	Whether moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported;	No Money has been raised by way of Public issue/ follow-on offer during the period. Term loans were applied for the purposes for which those are raised.
(x)	Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; if yes, the nature and the amount involved be indicated	No. Not Applicable
(xi)	Whether managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Yes. Managerial Remuneration has been paid / provided in accordance with provisions of section 197 and under other rules.
(Xii)	Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability.	Not Applicable

(Xii)	Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.	Yes.
(xiv)	Whether the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof.	During the year under consideration, no such allotment / placement has been made.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with.	No. Not Applicable

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

FRN NO. 108029W

**PRADEEP KUMAR SINGHI**

Proprietor

M. NO. 200/24612

Place : Surat

Date : 18th May 2017



**ANNEXURE 'B' TO THE AUDITOR'S REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

I have audited the internal financial controls over financial reporting of Sumeet Industries Limited ("the Company") as of 31 March 2017 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility:**

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

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

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

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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting:**

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

**Opinion:**

Subject to our qualification & other comments of my main report, in my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

FRN NO. 108029W

**PRADEEP KUMAR SINGHI**

Proprietor

M. NO. 200/24612

Place : Surat

Date : 18th May 2017

**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, Polyester Yarn (POY and FDY), Polyester Chips, Texturising Yarn and Carpet Yarn. The company caters to both domestic and international markets.

**Note: 2****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):**

- (i) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable, and guidelines issued by the Securities Exchange Board of India.
- (ii) These accounts are prepared on the historical cost convention on an accrual basis and the accounting principles of a going concern. The company follows mercantile system of Accounting and recognizes income & expenditure on accrual basis
- (iii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

**(b) Use of Estimates (AS 1):**

The preparation of financial statement requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

**(c) 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 (including taxes and duties) + 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.

**(d) Cash Flow (AS 3):**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

**(e) Depreciation (AS 6) :**

From 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 respectively, as specified in the manner disclosed in the schedule II of the Companies Act, 2013. Depreciation on additions/ disposals during the year has been provided on pro-rata basis with reference to the number of days utilized.

**(f) Revenue Recognition (AS 9) :**

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. 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, octroy & 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.

**(g) 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.

**(h) Foreign Currency Transactions (AS 11):**

- (i) The reporting currency of the company is Indian rupees.
- (ii) Sales in foreign currencies are accounted at the rate prevailing on the date of purchase of bills by the collecting bank.
- (iii) 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 due to exchange difference are recognized in the profit and loss account under the natural revenue heads of accounts.
- (iv) In case of forward contract, foreign currency derivatives or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contract transactions are included in determining the net profit for the year.
- (v) 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.

**(i) 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.

**(j) Retirement Benefits (AS 15) :**

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.

Provision for gratuity has been made in the accounts, only in case of those employees who have become eligible for the retirement benefits.

**(k) Borrowing cost (AS 16) :**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are accrued / incurred.

**(l) 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.

**(m) Earning per Share (AS 20) :**

Basic and Diluted earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

**(n) 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.

- (i) **Current tax** - Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions.
- (ii) **Deferred tax** - 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.

**(o) Provisions and contingent liabilities (AS 29) :**

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

**Note: 2A**

As per Notification No. GSR 308E dated 30-3-2017, details of SBN held and transacted during the period from 08-11-2016 to 30-12-2016 is provided as follows.

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08-11-2016	48,20,000	9,48,328	57,68,328
+ Permitted receipts	-	10,90,863	10,90,863
- Permitted payments	-	14,43,795	14,43,795
- amount deposited in banks	48,20,000	-	48,20,000
Closing Cash in hand as on 30-12-2016	-	5,95,396	5,95,396

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

**PRADEEP KUMAR SINGHI**

Proprietor

Place : Surat

Date : 18th May 2017

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

**AUDITED BALANCE SHEET AS AT 31st MARCH, 2017**

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
			(Amount in Rs.)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	880,397,380	880,397,380
(b) Reserves and Surplus	4	2,199,122,224	1,831,846,490
(c) Money received against Share Warrants		-	-
<b>(2) Share Application Money pending allotment</b>			-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	1,414,362,098	1,795,086,088
(b) Deferred Tax Liabilities (Net)		740,330,490	574,702,756
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	3,028,156,143	2,818,728,955
(b) Trade Payables	7	546,118,792	1,142,430,373
(c) Other Current Liabilities	8	234,989,470	258,231,215
(d) Short-Term Provisions	9	177,123,434	65,923,598
<b>TOTAL</b>		<b>9,220,600,029</b>	<b>9,367,346,856</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		4,020,026,976	4,104,896,457
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		61,305	39,936,015
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	11	254,496,496	259,228,724
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	12	23,651,107	21,960,948
(e) Other Non-Current Assets		-	-
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	13	2,146,052,738	2,011,756,421
(c) Trade Receivables	14	1,570,008,655	1,760,151,722
(d) Cash and Cash Equivalents	15	366,741,695	315,038,382
(e) Short-Term Loans and Advances	16	359,883,005	509,699,650
(f) Other Current Assets	17	479,678,053	344,678,537
<b>TOTAL</b>		<b>9,220,600,029</b>	<b>9,367,346,856</b>
<b>Notes Forming Part of Accounts</b>	25		

As per our report of even date  
For, **PRADEEP SINGHI & ASSOCIATES**  
Chartered Accountants

**PRADEEP KUMAR SINGHI**  
Proprietor  
M. NO. 200/24612  
FRN NO. 108029W

Place : Surat  
Date : 18-05-2017

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman  
**Sumeet Kumar Somani** Mg. Director  
**Anil Kumar Jain** Company Secretary  
**Abhishek Prasad** CFO

Place : Surat  
Date : 18-05-2017



**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

(Amount in Rs.)

Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
I Revenue from Operations	18	11,980,150,857	10,524,848,288
II Other Incomes	19	72,949,770	72,373,670
III Total Revenue (I + II)		12,053,100,626	10,597,221,958
<b>IV Expenses :</b>			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	20	6,226,239,737	6,443,555,787
Purchases of Stock-in-Trade		4,308,745,563	2,882,917,510
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(42,984,896)	(40,565,842)
<u>Administrative &amp; Selling Expenses</u>			
Employee Benefit Expenses	22	166,755,002	131,161,268
Other Expenses	23	158,976,320	260,810,853
Finance Costs	24	482,246,821	434,182,385
Depreciation and Amortization Expense	10	204,632,778	201,357,347
Total Expenses		11,504,611,325	10,313,419,308
<b>V Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		548,489,302	283,802,650
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V - VI)		548,489,302	283,802,650
VIII Extra Ordinary Items		-	-
<b>IX Profit before Tax (VII - VIII)</b>		548,489,302	283,802,650
X Tax Expense :			
(1) Current tax		117,056,105	56,782,795
(2) Deferred Tax		165,627,734	103,037,012
(3) MAT credit		(101,470,271)	(52,503,740)
<b>Profit After Tax</b>		367,275,734	176,486,583
Less: Taxation for previous year		-	8,040,607
<b>XI Profit/ (Loss) for the period from Continuing Operations</b>		367,275,734	168,445,976
<u>Appropriation :</u>			
Prov. for Dividend & Dividend Dist. Tax		-	-
Short Prov. for Dividend & Dividend Dist. Tax		-	-
		-	-
<b>Profit/(loss) from the period from continuing operations</b>		367,275,734	168,445,976
XII Profit/Loss from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV Profit/ (Loss) from Discontinuing Operations (after Tax)		-	-
<b>Profit/ (Loss) for the Period</b>		367,275,734	168,445,976
Earnings Per Equity Share			
(1) Basic		6.33	2.90
(2) Diluted		6.33	2.90

**Notes Forming Part of Accounts**

25

As per our report of even date  
For, **PRADEEP SINGHI & ASSOCIATES**  
Chartered Accountants  
**PRADEEP KUMAR SINGHI** Proprietor  
M. NO. 200/24612  
FRN NO. 108029W  
Place : Surat  
Date : 18-05-2017

For and on behalf of Board of Directors  
**Shankarlal Somani** Chairman  
**Sumeet Kumar Somani** Mg. Director  
**Anil Kumar Jain** Company Secretary  
**Abhishek Prasad** CFO  
Place : Surat  
Date : 18-05-2017

**ANNEXURE "A"**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

(Amount in Rs.)

Particulars	2016-2017		2015-2016	
	₹	₹	₹	₹
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and Extraordinary Items		54,84,89,301		28,38,02,650
<b>Adjustment For :</b>				
Depreciation	20,39,00,461		20,06,25,030	
Interest Income	4,85,27,794		(3,35,02,882)	
Dividend Income	1,352		(1,352)	
Preliminary Ex. Written off	7,32,317		-	
Amount Written off	99,57,646		-	
Profit / Loss on Sale of Investments	-		-	
Dividend Declared	-		-	
Dividend written off	-		2,50,000	
Interest Paid	31,47,46,962	57,78,66,531	28,55,43,361	45,29,14,156
Operating Profit before Working Capital Changes		1,12,63,55,832		73,67,16,806
<b>Adjustment For :</b>				
Trade & Other Receivables	19,01,43,067		(33,41,71,816)	
Inventories	(13,42,96,317)		(12,61,92,081)	
Trade Payables and Other Liabilities	(61,95,53,327)		(10,08,05,300)	
Short Term Provisions	(58,56,269)	(56,95,62,845)	(43,14,250)	(56,54,83,446)
Cash Generated From Operations		55,67,92,987		17,12,33,360
Tax paid	-		(5,81,00,470)	
Interest Paid	-		-	
Provision for Dividend and Div. Dist. Tax	-		-	
Provision for Taxation	-		-	
Previous Year Taxation	-	-	-	(5,81,00,470)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		55,67,92,987		11,31,32,890
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
<b>Fixed Assets :</b>				
Purchases of Fixed Assets	(11,90,30,981)		(15,51,60,947)	
Sale of Fixed Asset	-		9,77,84,532	
Loss on sale of Fixed Assets	-		98,57,270	
<b>Work in Progress :</b>				
Increase /Decrease in Capital Work in Progress	3,98,74,710		(3,99,36,015)	
<b>Investments :</b>				
Purchases of Investment	(2,33,08,920)		(1,12,65,000)	
Sale of Investment	1,85,13,689		-	
Profit on sale of Investment	(4,30,187)		-	
Dividend received	(1,352)		1,352	
<b>Other :</b>				
F.D. Interest	(2,12,64,758)		-	
Interest received	(2,72,63,036)		3,35,02,882	
Long Term Loans & Advances given	(16,90,159)		(1,42,93,159)	
Short Term Loans & Advances received back	11,55,55,084		(8,62,90,513)	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		(1,90,45,909)		(16,57,99,598)

Particulars	2016-2017		(Amount in Rs.) 2015-2016	
	₹	₹	₹	₹
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Increase/Decrease in Long Term Borrowings	(38,07,23,990)		6,60,17,309	
Increase/Decrease in Short Term Borrowings	20,94,27,187		13,03,00,188	
Interest Paid	(31,47,46,962)		(28,55,43,361)	
Proceeds from issue of shares	-		10,00,00,000	
Security premium received	-		5,00,00,000	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>(48,60,43,765)</b>		<b>6,07,74,136</b>
<b>Net Increase in Cash &amp; Cash equivalents (A+B+C)</b>		<b>5,17,03,313</b>		<b>81,07,428</b>
<b>(D) Cash and Cash equivalents as on 1st April, 2016</b>		<b>31,50,38,382</b>		<b>30,69,30,954</b>
<b>(E) Cash and Cash equivalents as on 31st March, 2017</b>		<b>36,67,41,695</b>		<b>31,50,38,382</b>

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  
FRN NO. 108029W

Place : Surat  
Date : 18-05-2017

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman

**Sumeet Kumar Somani** Mg. Director

**Anil Kumar Jain** Company Secretary

**Abhishek Prasad** CFO

Place : Surat  
Date : 18-05-2017

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31st MARCH, 2017**

The previous period figures have been regrouped / reclassified, wherever necessary to confirm to the current period presentation.

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 3</b>		<i>(Amount in Rs.)</i>
<b>SHARE CAPITAL :</b>		
<b>Authorised Capital:</b>		
145,000,000 Equity Shares of Rs.10/- each &	<b>1,450,000,000</b>	700,000,000
300,00,000 6% Non convertible redeemable Preference Shares of Rs.10/- each	<b>300,000,000</b>	300,000,000
	<b>1,750,000,000</b>	1,000,000,000
<b>Issued, Subscribed and Paid up</b>		
5,80,39,738 Equity Shares of Rs.10/- each fully paid up (out of which 76,05,930 shares are issued for consideration other than cash) (Pre.Year 5,80,39,738 Equity Shares of Rs.10/- each fully paid up)	<b>580,397,380</b>	580,397,380
3,00,00,000 6% Non convertible redeemable preference shares of Rs.10/- each (Pre.Year 3,00,00,000 6% Non-convertible Redeemable Preference Shares of Rs.10/- each)	<b>300,000,000</b>	300,000,000
	<b>880,397,380</b>	880,397,380

**A. Reconciliation of the number of shares at the beginning & end of the Reporting Period :**

**Authorised Share Capital**

Previous Year	<b>100,000,000</b>	100,000,000
Increased by	<b>75,000,000</b>	-
Current Year	<b>175,000,000</b>	100,000,000

**Equity Share Capital**

Number of shares at the beginning	<b>58,039,738</b>	58,039,738
Add : Addition during the year	-	-
Number of shares at the end	<b>58,039,738</b>	58,039,738

**Preference Share Capital**

Number of shares at the beginning	<b>30,000,000</b>	20,000,000
Add : Addition during the year	-	10,000,000
Number of shares at the end	<b>30,000,000</b>	30,000,000

**B. Shares held by each shareholder holding more than 5% shares, specifying the number of shares held :**

Name of Shareholder	No. of Shares (31-3-17)	% of Holding	No. of Shares (31-3-16)	% of Holding
Somani Overseas Private Limited	<b>8,641,928</b>	<b>14.89</b>	8,641,928	14.89
Sitaram Prints Private Limited	<b>3,884,775</b>	<b>6.69</b>	3,584,775	6.18
Shankarlal Sitaram Somani	<b>3,809,919</b>	<b>6.56</b>	3,706,183	6.39

*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 4</b>		
<b>Reserves and Surplus :</b>		
(a) Capital Reserve	2,500,000	2,500,000
(b) Securities Premium As per last Balance Sheet	533,166,355	483,166,355
Add : Addition during the year	-	50,000,000
	<b>533,166,355</b>	<b>533,166,355</b>
(c) Other Reserve		
General Reserve	6,208,052	6,208,052
(d) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	1,289,972,083	1,121,276,107
Dividend Written off	-	250,000
Profit during the year	367,275,734	168,445,976
	<b>1,657,247,817</b>	<b>1,289,972,083</b>
<b>Total (a + b + c + d)</b>	<b>2,199,122,224</b>	<b>1,831,846,490</b>

**NOTE # 5**
**Long-Term Borrowings**
**Term Loans**
From Banks & Financial Institutions\*

## Secured :

Term Loan (GETCO)	-	37,500,000
ECB Loan -2 (BOB LONDON)	254,767,859	354,937,498
BKB Bremer Kredit Bank AG	357,490,587	444,542,076
Term Loan (BOB FDY Winder Loan)	124,684,415	-
Term Loan (Canara Bank Carpet Yarn)	3,123,507	1,611,261
Term Loan (Canara Bank Texturising M/C)	18,928,306	24,460,831
Term Loan (IDBI Corporate Loan)	175,925,932	238,520,304
Term Loan (BOB Corporate Loan)	-	75,000,000
Corporat Loan From TFCI Ltd.	90,000,000	-
Unsecured	-	-

From Others \*

## Secured :

Life Insurance Corporation of India	8,631,250	8,631,250
Vehicle Loan		
HDFC Bank Ltd. (CIAZ Car)	522,106	678,447
HDFC Bank Ltd. (ERTIGA VDI)	-	209,325
HDFC Bank Ltd. (TERRANO Car)	581,343	749,475
ICICI Bank Ltd. (SWIFT Car)	489,561	593,410

## Unsecured

30,079,646	-
------------	---

Buyers Credit on Capital Goods

## Secured

-	-
---	---

## Unsecured

268,979,341
-------------

Loans and advances from Corporates \*\*

## Secured

-	-
---	---

## Unsecured

349,137,586	338,672,870
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<b>1,414,362,098</b>	<b>1,795,086,088</b>
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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 :**
**# Term Loan From Banks & Financial Institutions :**

(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 Bungalow of Shri Shankar Lal Somani and Smt.Ganga devi Somani.

**Secured by way of hypothecation of Exclusive Charges of Machinery Financed by Them only.**
**\* 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

Smt. Gangadevi Shankarlal Somani

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

" Term Loan: Rs. 68.08 Crores  
&  
US\$ 53.57 Lakh "

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 7060218.10 for loan taken from Bremer Kredit Bank AG .

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 6</b>		
<b>Short-Term Borrowings</b>		
Cash Credit facilities	958,158,364	933,979,767
Buyer's Credit and Inland LCs	1,522,068,810	1,389,654,343
Current Maturities of Long Term Debts	547,928,969	495,094,845
	<u>3,028,156,143</u>	<u>2,818,728,955</u>

**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 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.

**Working Capital : Rs. 113 Crores**  
**Non Fund Based Rs. 303 Crores**

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

Long & Short Term Borrowings	Original Amount of Borrowings	Tenor at inception (in years)	Terms of Repayment	Months in which last Installment is Due	Balance as on 31st March, 2017 (Rs.)		Balance as on 31st March, 2016 (Rs.)		Prevailing Interest Rate % Per Annum
					Shown in Long term Borrow.	Shown in Short term Borrow.	Shown in Long term Borrow.	Shown in Short term Borrow.	
Term Loan (GETCO)	Rs. 1500 Lacs	3.75	Quarterly	31/03/2017	-	37,500,000	37,500,000	37,500,000	11.70%
ECB Loan (BOB & BOI)	Rs. 100 Cr. 20M UDS	5	Quarterly	07/04/2017	-	-	-	99,382,500	-
ECB Loan -2 (BOB LONDON)	Rs.50 Cr. 10 MN USD	7	Quarterly	23/04/2017	254,767,859	92,642,858	354,937,498	94,650,000	5.36%
Bremer Kredit Bank AG	10441142 Euro	8.5	Half Yearly	08/08/2017	357,490,587	137,719,055	444,542,076	111,135,518	2.20%
Term Loan (BOB Corporate Loan)	Rs. 30 Cr.	5	Quarterly	30/04/2020	-	75,000,000	75,000,000	75,000,000	12.20%
Term Loan (BOB FDY Winder Loan)	Rs. 29.45 Cr.	4	Quarterly	03/06/2017	124,684,415	62,000,000	-	968	11.70%
Term Loan (Canara Bank Text)	Rs. 4.12 Cr.	6	Monthly	27/03/2017	18,928,306	6,670,320	24,460,831	6,866,664	13.65%
IDBI Loan (Corporate)	Rs. 25 Cr.	4.5	Monthly	31/03/2017	175,925,932	55,555,548	-	13,888,887	11.90%
Canara Bank	Rs. 3.85 Cr.	6.5	Monthly	31/03/2017	3,123,507	841,188	1,611,261	6,670,308	13.90%
IDBI Loan	Rs. 5 Cr.	-	Quarterly	-	-	50,000,000	-	50,000,000	10.65%
TOURISM FINANCE CORPORATION OF INDIA LTD. (LOAN)	Rs.12 Cr.	4	Monthly	15/04/2017	90,000,000	30,000,000	-	-	13.00%
<b>Total</b>					<b>1,024,920,606</b>	<b>547,928,969</b>	<b>938,051,666</b>	<b>495,094,845</b>	

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
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**NOTE # 7**

**Trade Payables**

Sundry Creditors for Goods

<b>546,118,792</b>	<b>1,142,430,373</b>
<b>546,118,792</b>	<b>1,142,430,373</b>

*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 8</b>		
<b>Other Current Liabilities</b>		
Trade Payables for expenses	66,363,377	97,446,815
Advance from Customers	3,748,268	17,069,884
Vat and Additional Vat Account	22,214,684	37,008,996
Agency Deposits	809,396	909,396
CST Payable A/c	4,533,309	3,970,209
Interest Accrued and due but not paid	14,485,834	23,093,848
Withholding Tax Payable	1,201,755	-
Professional Tax Payable	126,860	-
TCS Payable	18,344	11,616
TDS Payable	2,312,132	2,534,723
TDS Payable (salary)	963,550	900,410
Cenvat Payable	-	7,792,636
Other Liabilities	118,211,960	67,492,683
	<b>234,989,470</b>	<b>258,231,215</b>

**NOTE # 9**
**Short-Term Provisions**
**Provision For Employees Benefit**

Gratuity Payable	8,742,178	8,143,580
	<b>8,742,178</b>	<b>8,143,580</b>

**Others**

Provision for Taxation	167,384,033	56,782,795
Provision for Dividend & Dividend Distribution Tax	997,223	997,223
	<b>168,381,256</b>	<b>57,780,018</b>
	<b>177,123,434</b>	<b>65,923,598</b>

**NOTE # 10**

Depreciation	203,900,461	200,625,030
Preliminary Expenses W/O	732,317	732,317
	<b>204,632,778</b>	<b>201,357,347</b>

**FIXED ASSETS**
**Schedules To And Forming Part of Accounts**

		GROSS BLOCK			DEPRECIATION					NET BLOCK	
Sr. No.	Particulars	As At 01.04.2016	Addition	Deletion	As At 31.03.2017	As At 01.04.2016	For the Year	Adjust- ment	As At 31.03.2017	As At 31.03.2017	As At 31.03.2016
1	Land	2,356,255	149,030	-	2,505,285	-	-	-	-	2,505,285	2,356,255
2	Building	267,697,276	3,990,247	-	271,687,523	135,899,035	12,570,362	-	148,469,397	123,218,126	131,798,241
3	Plant & Machinery	5,284,622,065	113,710,879	-	5,398,332,944	1,329,140,683	187,616,342	-	1,516,757,025	3,881,575,918	3,955,481,382
4	Furniture, Fixture & Equipments	20,731,824	1,180,825	-	21,912,649	11,399,562	1,205,927	-	12,605,489	9,307,160	9,332,262
5	Vehicle	36,611,065	-	-	36,611,065	30,682,749	2,507,829	-	33,190,578	3,420,487	5,928,316
	<b>TOTAL</b>	<b>5,612,018,485</b>	<b>119,030,981</b>	<b>-</b>	<b>5,731,049,466</b>	<b>1,507,122,028</b>	<b>203,900,461</b>	<b>-</b>	<b>1,711,022,489</b>	<b>4,020,026,976</b>	<b>4,104,896,457</b>
	<b>PREVIOUS YEAR</b>	<b>5,591,150,474</b>	<b>155,160,947</b>	<b>134,292,935</b>	<b>5,612,018,485</b>	<b>1,333,148,132</b>	<b>200,625,030</b>	<b>26,651,134</b>	<b>1,507,122,028</b>	<b>4,104,896,457</b>	<b>4,258,002,341</b>

*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 11</b>		
<b>Non-Current Investments</b>		
Investments in Equity Instruments	252,496,496	258,228,724
Investments in Mutual Funds	2,000,000	1,000,000
	<b>254,496,496</b>	<b>259,228,724</b>
<b>A. Non-Current Investments are Trade Investments.</b>		
<b>B. - Name of Body Corporate (also indicating whether it is a subsidiary/associate/JV/SPE)</b>		
<b>- Nature &amp; Extent of Investment so made (showing separately investments that are partly paid)</b>		
<b>Investment in Equity shares : At Cost</b>		
43255 Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Stampede Capital Ltd. (Brilliant Securities)	1,868,433	-
6000 Fully Paid-up Equity Shares of Rs. 100/- Each of M/s. Vakrangee Softwares	1,856,985	-
10000 Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. IFCI Ltd	-	545,005
500 Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Rajasthan Petro Synthetics Ltd.	-	16,250
169, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Tata Steel Ltd.	33,705	33,705
1000, Fully Paid-up Equity Shares of Rs. 1/- Each of M/s. Paras Petrofils Ltd.	-	1,000
700, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Chandra Synthetics Ltd.	-	5,075
400, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Haryana Petrochemicals Ltd.	-	6,200
5000, Fully Paid-up Equity Shares of Rs. 1/- Each of M/s. Paras Petro Chemicals Ltd.	-	17,000
100, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Parasrampur Ind. Ltd.	-	1,050
100, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Shree Rajasthan Syntex Ltd.	-	2,025
20000, Fully Paid-Up Equity Shares of Rs. 10/- Each of M/s. Questfin Ltd.	137,543	137,543
30000, Fully Paid-up Equity Shares of Rs. 2/- Each of M/s. UPL Limited (Formerly known as United Phos Ltd).	-	4,649,041
25000, Fully Paid-up Equity Shares of Rs. 5/- Each of M/s. 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. 64.85	194,550,000	198,765,000
	<b>252,496,496</b>	<b>258,228,724</b>
<b>Investment in Mutual Funds :</b>		
Reliance Vision	-	500,000
India First Life Insurance Co Ltd.	500,000	-
Union KBC Capital Protection Oriental Fund	1,500,000	500,000
<b>Total</b>	<b>254,496,496</b>	<b>259,228,724</b>

*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Aggregate Book Value of Investments</b>		
Unquoted Cost	250,737,373	253,999,973
Quoted Cost	3,759,123	5,228,751
Market Value *	3,040,219	14,735,159
Aggregate provision for diminution in the value of Investments.		

\* To the Extent Available

Note: Quoted investments for which quotation are not available have been included in market value at the face value.

#### NOTE # 12

##### Long-Term Loans and Advances

a) Secured, Considered Good		
Other Deposit	23,651,107	21,960,948
	<u>23,651,107</u>	<u>21,960,948</u>

These Long Term Loans and Advances be further classified as :

- Secured, Considered Good

#### NOTE # 13

##### Inventories

Raw Materials	487,082,216	419,249,719
Work-in-Progress	510,802,662	460,270,805
Finished Goods	658,590,740	666,137,701
Stores and Spares	489,577,120	466,098,196
	<u>2,146,052,738</u>	<u>2,011,756,421</u>

##### Mode of Valuation

Raw Materials, Stores & Spares have been valued at Cost.

Finished Goods & WIP have been valued at Cost or Net Realisable value whichever is less as per AS 2 issued by Institute of Chartered Accountants of India.

#### NOTE # 14

##### Trade Receivables

Unsecured, Considered Good		
- Others	1,570,008,655	1,760,151,722
	<u>1,570,008,655</u>	<u>1,760,151,722</u>

#### NOTE # 15

##### Cash and Cash Equivalents

Cash-in-Hand	359,042	90,655
Balance with Banks	52,616,958	1,278,032
Fixed deposits / Margin Money / Security against borrowings	313,765,695	313,669,695
	<u>366,741,695</u>	<u>315,038,382</u>

#### NOTE # 16

##### Short-Term Loans and Advances

Advance to Suppliers	167,542,782	285,627,355
Others	192,340,223	224,072,295
	<u>359,883,005</u>	<u>509,699,650</u>

Short-Term Loans & Advances shall be further classified as:

- Unsecured, Considered Good

*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 17</b>		
<b>Other Current Assets (Residual Head)</b>		
Advance for Exp (Godown-Delhi)	-	20,000
Cenvat Receivable	6,030,911	-
Claim Receivable	78,074,405	50,821,960
Krishi Kalyan Cess	767,366	-
Excise duty refund receivable	4,541,741	-
Export Incentive receivable	464,796	3,161,091
Mat credit	378,206,970	276,736,699
Preliminary Expenses	1,464,635	2,196,952
Prepaid Expenses	634,635	662,519
Service tax receivable	1,763,657	1,768,768
TCS Receivable	6,860	61,774
TDS Receivable	4,866,396	6,393,093
Income Tax Seized Cash	1,350,000	1,350,000
Insurance Claim receivable	1,505,681	1,505,681
	<b>479,678,053</b>	<b>344,678,537</b>
<b>NOTE # 18</b>		
<b>Revenue From Operations</b>		
Domestic sales	12,082,009,812	10,072,862,864
Export sales	710,227,088	1,176,548,329
Deemed Export sales	223,608,195	141,930,864
Total sales	13,015,845,095	11,391,342,057
Less : Excise duty	1,037,929,579	866,493,769
	11,977,915,516	10,524,848,288
Export Incentives	2,235,341	-
	<b>11,980,150,857</b>	<b>10,524,848,288</b>
<b>NOTE # 19</b>		
<b>Other Incomes</b>		
Dividend received	1,352	1,352
Commission received	-	12,937,117
Discount received	3,990,099	7,332,591
Int. on FDR'S (Net of Int. on Buyers credit)	21,264,758	24,843,833
Others - Interest	27,263,036	26,733,726
Profit on sale of Shares / Mutual Funds	430,186	-
Job Charges	2,420,117	525,050
Exchange Diff Income	17,580,222	-
	<b>72,949,770</b>	<b>72,373,670</b>
<b>NOTE # 20</b>		
<b>Cost of Materials Consumed</b>		
<b>a) Purchases of Raw Materials and Stores</b>		
Opening stock	419,249,719	394,907,236
Add : Purchase(net)	5,201,780,486	5,302,026,648
	5,621,030,205	5,696,933,884
Less : Closing Stock	487,082,216	419,249,719
Sub Total (a)	5,133,947,989	5,277,684,165

*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>b) Direct/Production expenses</b>		
Labour & Security	1,858,752	818,320
Power & Fuel	663,533,929	794,928,622
Freight & Octroi	120,822,801	121,095,619
Stores & Spares	77,407,514	61,480,171
Factory Expense	1,434,043	1,084,265
Repair & Maintenance:Factory Building	242,437	409,296
Repair & Maintenance:Plant&Machinery	7,634,180	7,376,222
Packing	219,358,093	178,679,107
Sub Total (b)	<u>1,092,291,748</u>	<u>1,165,871,622</u>
<b>Total (a + b)</b>	<u><u>6,226,239,737</u></u>	<u><u>6,443,555,787</u></u>
<b>NOTE # 21</b>		
<b>Change in inventories</b>		
Opening Stock	1,126,408,506	1,085,842,664
Less : Closing Stock	<u>1,169,393,402</u>	<u>1,126,408,506</u>
	<u>(42,984,896)</u>	<u>(40,565,842)</u>
<b>NOTE # 22</b>		
<b>Employment Benefit Expenses</b>		
Salary	150,043,565	116,074,013
Bonus	8,806,816	6,924,298
P.F.	3,964,299	3,205,586
Leave Encashment	633,411	1,644,201
Directors Remuneration	3,300,000	3,300,000
Staff Welfare/ESI	6,911	13,170
	<u>166,755,002</u>	<u>131,161,268</u>
<b>NOTE # 23</b>		
<b>Other Expenses</b>		
Electricity Expenses	455,520	507,401
Vehicle Expense	3,081,467	3,055,680
Travelling & Conveyance	2,381,267	2,519,545
Repairs Office Building	203,680	185,096
Repairs Other	603,727	444,185
Brokerage & Overseas Agency Commission	30,590,511	35,676,350
Office & General Expenses	2,251,754	2,548,538
Insurance Expenses	2,653,087	3,286,021
Books & Periodicals	6,960	7,850
Diwali Expenses	-	3,595,470
Legal & Professional	21,227,817	22,509,278
Postage & Telegram & Telephone	1,514,084	1,535,682
Membership & Subscriptions	101,125	300,109
Printing & Stationery Expenses	1,443,916	1,405,185
Auditors Remuneration	1,193,152	1,251,281
Director Sitting Fees	1,860,000	2,010,000
Rates & Taxes	8,507,809	4,582,417
Advertisement & Publicity	1,276,730	9,935,583
Carraige outward	70,223,458	63,891,256
Sales Promotion Expenses	25,702	-
Donation	2,405,801	3,938,100
Demat Charges	24,352	-
Loss on sale of Fixed Assets	-	9,857,270
Loss from forex transaction	-	87,230,634
Written off amounts	5,742,646	-
Withholding Tax	<u>1,201,755</u>	<u>537,923</u>
	<u><u>158,976,320</u></u>	<u><u>260,810,853</u></u>



*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 24</b>		
<b>Financial Cost</b>		
Interest paid to Banks	277,739,966	271,071,740
Interest paid to others	37,006,996	32,546,298
"Bank Charges & Guarantee commission (Others & Buyers credit)"	165,712,485	129,430,663
Overseas Bank Charges	1,787,374	1,133,684
	<b>482,246,821</b>	<b>434,182,385</b>

**NOTE # 25**
**Other Notes to Accounts :**

- (1) Advances include Rs. 1255 Lacs (Pre-Year Rs.1020 Lacs) to companies in which directors are interested.
- (2) Contingent Liabilities (AS 29) :
  - (a) Letter of credit outstanding is 380000 US\$ and JPY 14269760 as on 31.03.2017 (Pre. Year 133477.68 Lacs US\$ and JPY 14327760 respectively).
  - (b) SEBI had imposed penalty of Rs.2.00 crore 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 educating 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 against the said order. The same has been remanded back to SEBI for fresh order on merits.
- (3) The liability of excise duty amounting to Rs. 7,91,46,382 (Prev. year Rs. 5,90,96,290) has been provided for the goods manufactured but not cleared as on 31.3.2017, the effect of which on profit and loss account of the year is Nil.

Particulars	Current year	Previous year
<b>(4) Payment to Auditors :</b>		
(i) As Auditors :	7,50,000	7,50,000
(ii) As Advisor or in any other capacity in respect of :		
Company Law matter	Nil	Nil
Taxation matter	Nil	Nil
Others	Nil	Nil
<b>(5) Managerial Remuneration :</b>		
(i) Salary	33,00,000	36,77,075
(ii) Perquisite	Nil	Nil
<b>(6) Earnings Per share (AS 20) :</b>		
(i) Net profit attributable to share holder	36,72,75,735	16,84,45,976
(ii) Number of equity shares	5,80,39,739	5,80,39,738
(iii) Earning per share of Rs. 10 each	6.33	2.90

**(7) 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:

Name of the related parties Key management Personnel	Nature of Relationship	Nature of Transactions	Amounts (in Rs.)
<b>Shankarlal Somani</b>	Chairman/MD	Remuneration	30,00,000
<b>Sumeet Somani</b>	Relative of key Management Personal (Director)	Salary	3,00,000
<b>Bhagchand Choradia</b>	Non-executive Independent Director	Director Sitting Fees Professional Fees	4,19,000 4,00,000
<b>Atma Ram Sharda</b>	Non-executive Independent Director	Director Sitting Fees Reimbursement of Out of Pocket Expenses	3,00,000 2,11,200
<b>Dinesh Khare</b>	Non-executive Independent Director	Director Sitting Fees Commission	5,70,000 3,39,504

<b>Somani Overseas (P) Ltd.</b>	Relative of key Management Personal (Director)	Loan accepted during the year Loan re-paid during the year Interest Expense Sales Purchase	10,82,77,000 10,63,93,000 42,99,252 108,40,10,768 120,74,81,907
<b>Sumeet Menthol Pvt. Ltd.</b>	Relative of key Management Personal (Director)	Loan accepted during the year Loan re-paid during the year Interest Paid Purchase	6,00,00,000 11,10,726 3,22,280 1,46,41,901
<b>Betex India Ltd.</b>	Relative of key Management Personal (Director)	Loan given during the year Interest received	4,35,75,000 78,88,468
<b>Sitaram Prints Pvt. Ltd.</b>	Relative of key Management Personal (Director)	Loan accepted during the year Loan re-paid during the year Interest Expense Advance given for Goods	3,08,00,000 2,08,00,000 71,358 35,00,000
<b>Sumeet Global PTE LTD.</b>	100% owned subsidiary Co.	Sales Purchase Commission	6,42,61,512 1,31,26,298 6,70,950
<b>Sumeet Poly Power Ltd.</b>	Relative of key Management Personal (Director)	Interest Received Purchases Sales	1,04,48,415 9,40,29,641 86,79,240
<b>Dhanvirdi Financial Consultants Pvt. Ltd.</b>	Relative of key Management Personal (Director)	Loan accepted during the year Loan re-paid during the year Interest Paid Purchase Sales	29,99,990 1,65,44,930 7,36,804 61,50,39,876 11,01,31,925
<b>National Poly Yarn Pvt. Ltd.</b>	Relative of key Management Personal (Director)	Purchase Loan accepted during the year Interest	1,00,34,155 6,00,00,000 3,10,684
<b>Anil Kumar Jain</b>	Company Secretary	Salary	7,54,648
<b>Gangadevi Somani</b>	Non-executive Director	Director Sitting Fees	5,70,000
<b>Dipesh Dasadia</b>	Director	Director Sitting Fees	60,000
<b>Neelam Somani</b>	Director's daughter in law	Loan accepted during the year Interest Expense	1,00,00,000 22,783
<b>Rakesh Kumar Somani</b>	Son of Director's brother	Loan accepted during the year Interest Expense	1,00,00,000 29,589
<b>Sushil Kumar Somani</b>	Director's Son	Loan accepted during the year Interest Expense	1,00,00,000 36,123

**(8) Deferred Tax (AS 22) :**

Sr. No.	Description	Amount (in Rs.)	Amount (in Rs.)
1.	Difference in closing Balance of Depreciations		
	W.D.V. as per Companies Act	4,01,75,21,695	
	W.D.V. as per Income Tax Act	1,84,82,50,359	
	Deffered Tax Assets/(Liability) at 33.06 % on Rs.	2,16,92,71,332	(75,07,41,423)
2.	Speculation Loss carried forward	1,20,413	41,673
3.	Dis-Allowance u/s. 43B	2,99,62,033	1,03,69,260
			(74,03,30,490)

Sr. No.	Particulars	Amount (in Rs.)
1.	Opening Balance of DTA / (DTL)	(57,47,02,756)
2.	Deferred Tax liabilities/(Assets) of the year	(16,56,27,734)
3.	Closing Balance of DTA / (DTL)	(74,03,30,490)

Pursuant to Accounting Standards (AS) 22 – Accounting for taxes on income, the impact of deferred tax liability of Rs. 16,56,27,734 for the year ended on 31.03.2017 have been debited to Profit and Loss account.

**(9) Additional Information's :**

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

<b>A. Capacity :</b>	<b>Units</b>	<b>2016-2017</b>	<b>2015-2016</b>
a) PET Chips/Polyester POY/FDY/Texturised Yarn			
i) Licensed Capacity *	TPA		
ii) Installed Capacity **	TPA	<b>82800</b>	82800
b) Twisted			
i) Installed Capacity **	TPA	<b>2500</b>	2500
c) Texturised **	TPA	<b>3300</b>	3300
d) Draw twisted **	TPA	<b>700</b>	700

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

\*\* As Certified by the management, being a technical matter.

(₹ in '000)

<b>B. Production :</b>	<b>Unit</b>	<b>2016-17</b>	<b>2015-16</b>
C.P.Plant & Spinning Unit	<b>Ton</b>	<b>87273.064</b>	90891.72

- Production excludes here Wastages.

(₹ in '000)

<b>C. Turnover :</b>	<b>Unit</b>	<b>2016-17</b>		<b>2015-16</b>	
		<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
C.P.Plant & Spinning Unit	<b>Ton</b>	<b>85643.27</b>	<b>11962312</b>	90493.18	10506123
Wastage	<b>Kgs.</b>	<b>1241.95</b>	<b>17838</b>	1155.06	18725

(₹ in '000)

<b>D. Raw Materials Consumed :</b>	<b>Unit</b>	<b>2016-17</b>		<b>2015-16</b>	
		<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
C.P.Plant & Spinning Unit	<b>Ton</b>	<b>101572.401</b>	<b>5152658</b>	108966.24	5277684
<b>Total</b>		<b>101572.401</b>	<b>5152658</b>	108966.24	5277684

(₹ in '000)

<b>E. Purchase :</b>	<b>Unit</b>	<b>2016-17</b>		<b>2015-16</b>	
		<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
Purchase on High Seas	<b>Ton</b>	<b>9.50</b>	<b>44892.50</b>	14.5	50210.50
(Coal/FDY (Winder))	<b>Total</b>	<b>9.50</b>	<b>44892.50</b>	14.5	50210.50

(₹ in '000)

<b>F. Finished Stock :</b>	<b>Unit</b>	<b>2016-17</b>		<b>2015-16</b>	
		<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
a. Opening Stock : *PPMFY/ Polyester / FDY	<b>Kgs.</b>	<b>10914.349</b>	<b>666137</b>	5089.264	570154
b. Closing Stock : *PPMFY/ Polyester / FDY	<b>Kgs.</b>	<b>7063.079</b>	<b>658590</b>	10914.349	666137

\* Excluding Wastage of Poly Yarn / FDY Yarn and PPMF Yarn

(₹ in '000)

G. Raw Material Purchased :	2016-17		2015-16	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	2201294	42.32	2681256	50.80
Indigenous	3000486	57.68	2596428	49.20
<b>Total</b>	<b>5201780</b>	<b>100.00</b>	<b>5277684</b>	<b>100.00</b>

(₹ in '000)

H. Stores and Spares Purchased :	2016-17		2015-16	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	10314	13.03	7774	11.65
Indigenous	68843	86.97	58955	88.35
<b>Total</b>	<b>79156</b>	<b>100.00</b>	<b>66729</b>	<b>100.00</b>

(₹ in '000)

I. Expenditure in Foreign Currencies on account of (on Accrual Basis) :	2016-17	2015-16
Interest	25539	42344
Commission to selling Agent	868	12132
Foreign Traveling	534	1015
Overseas Banking Charges	1787	1134

(₹ in '000)

J. C.I.F. Value of import :	2016-17	2015-16
i) Raw Material	2201294	2681256
ii) Stores and Spares	4960	7189
iii) Capital Goods	11848	2758
iv) Coal	44892	50211
v) Furnish Oil	93125	-

(₹ in '000)

K. Earnings in Foreign Currency (FOB Value of Exports) :	2016-17	2015-16
PET Chips / POY / FDY / DTY / Carpet Yarn	543751	1168834

As per our report of even date  
For, **PRADEEP SINGHI & ASSOCIATES**  
Chartered Accountants

**PRADEEP KUMAR SINGHI**  
Proprietor  
M. NO. 200/24612  
FRN NO. 108029W

Place : Surat  
Date : 18-05-2017

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman  
**Sumeet Kumar Somani** Mg. Director  
**Anil Kumar Jain** Company Secretary  
**Abhishek Prasad** CFO

Place : Surat  
Date : 18-05-2017

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

TO,  
THE MEMBERS  
SUMEET INDUSTRIES LIMITED,  
SURAT.

**Report on the Financial Statements:**

I have audited the accompanying consolidated financial statements of SUMEET INDUSTRIES LIMITED. ("the holding company") and its subsidiary (the holding, and its subsidiary referred to as "the group"), which comprise the consolidated Balance Sheet as at 31 March 2017, being submitted by the holding company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation Disclosure Requirements) Regulation, 2015 as modified by the circular no. CIR/CFD/FAC/ 62/2016 dated July 5, 2016.

the consolidated Statement of Profit and Loss, the consolidated 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 Holding Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility:**

My responsibility is to express an opinion on these consolidated 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 on 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 consolidated 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 consolidated 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 consolidated financial statements.

**Auditor's Opinion:**

In my opinion and to the best of my information and according to the explanations given to me, the consolidated 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 consolidated Balance Sheet, of the state of affairs of the group for the year ended on 31st March, 2017;
- b) in the case of the consolidated Profit and Loss Account, of the profit / loss for the year ended on 31st March, 2017; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the period from 1st April, 2016 to 31st March, 2017 on that date

**Other Matter:**

I did not audit the financial statement of one subsidiary naming "Sumeet Global PTE Limited" included in the consolidated financial statements, which constitute (all figures after intercompany eliminations) the total assets of Rs. 990 lacs as at 31st March, 2017, total revenue of Rs. 1406 lacs, net profit (before tax) of Rs. 5738 lacs for the period ended on that date, as considered in the consolidated financial statements.

The financial statement and other financial information of subsidiary company have been audited by other auditors whose reports have been furnished to us by the Management, and my opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosure included in respect of this subsidiary and associate, and my report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the report of the other auditors.

For, **PRADEEP SINGHI & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN NO. 108029W

(**PRADEEP KUMAR SINGHI**)  
PROPRIETOR  
M. NO. 200/24612

PLACE : SURAT  
DATE : 18th May 2017



**SCHEDULE 25 : 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 :** From 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 respectively, as specified in the manner disclosed in the schedule II of the companies Act, 2013. Depreciation on additions/ disposals during the year has been provided on pro-rata basis with reference to the number of days utilized
- (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, have been prepared in accordance with the requirements of accounting standard (AS-21: Consolidated Financial Statement). The financial statements of the parent and its subsidiary are combined on a line to line basis and all the intercompany transactions, balances, unrealized surpluses and deficits on transaction have been eliminated.

The financial statement of the subsidiary used in consolidation is drawn up to the same reporting date of as of the company i.e March 31, 2017.

The accounts of the "Sumeet Global PTE. Ltd." ,Singapore (subsidiary company) as on 31st March 2017 have not been audited by me and have taken for consolidation on the basis of the accounts as certified by the respective auditor.

- (e) **Goodwill / Capital Reserve :** Since the wholly owned subsidiary, Sumeet Global PTE. Ltd., have been incorporated by issuing 30,00,000 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 (including taxes and duties) + 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.

- (g) **Income Tax** : Tax expenses for the year, comprising current tax and deferred tax is included in determining the net profit for the year.
- (i) Current tax - Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions.
- (ii) Deferred tax - 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.
- (h) **Minority Interest** : Since the company holds 100% share in subsidiary company there is no Minority Interest.
- (i) **Earnings Per Share** :
- Net Profit attributed to share holders : **Rs. . 39,08,01,012**
- No. of Equity Share : **Rs. 5,80,39,738**
- Earning per share : **Rs. 6.73**
- (j) Consolidated Cash Flow statement is as per Annexure "A".

As per our report of even date  
For, **PRADEEP SINGHI & ASSOCIATES**  
Chartered Accountants

**PRADEEP KUMAR SINGHI**  
Proprietor  
M. NO. 200/24612  
FRN NO. 108029W

Place : Surat  
Date : 18-05-2017

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman  
**Sumeet Kumar Somani** Mg. Director  
**Anil Kumar Jain** Company Secretary  
**Abhishek Prasad** CFO

Place : Surat  
Date : 18-05-2017

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017**

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
			(Amount in Rs.)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	880,397,380	880,397,380
(b) Reserves and Surplus	4	2,293,786,559	1,904,526,823
(c) Money received against Share Warrants		-	-
<b>(2) Share Application Money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	1,414,362,098	1,795,086,088
(b) Deferred Tax Liabilities (Net)		740,330,490	574,702,756
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	3,028,156,143	2,827,495,485
(b) Trade Payables	7	1,132,189,996	1,818,525,732
(c) Other Current Liabilities	8	235,268,000	258,231,215
(d) Short-Term Provisions	9	180,512,041	71,800,012
<b>TOTAL</b>		<b>9,905,002,707</b>	<b>10,130,765,491</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		4,020,026,976	4,104,896,457
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		61,305	39,936,015
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	11	59,946,496	60,463,724
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	12	23,651,107	21,960,948
(e) Other Non-Current Assets		-	-
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	13	2,146,052,738	2,011,756,421
(c) Trade Receivables	14	2,347,021,477	2,615,026,062
(d) Cash and Cash Equivalents	15	464,713,379	420,997,792
(e) Short-Term Loans and Advances	16	359,883,005	509,699,650
(f) Other Current Assets	17	483,646,225	346,028,422
<b>TOTAL</b>		<b>9,905,002,707</b>	<b>10,130,765,492</b>

As per our report of even date  
For, **PRADEEP SINGHI & ASSOCIATES**  
Chartered Accountants

**PRADEEP KUMAR SINGHI**  
Proprietor  
M. NO. 200/24612  
FRN NO. 108029W

Place : Surat  
Date : 18-05-2017

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman  
**Sumeet Kumar Somani** Mg. Director  
**Anil Kumar Jain** Company Secretary  
**Abhishek Prasad** CFO

Place : Surat  
Date : 18-05-2017

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

(Amount in Rs.)

Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
I Revenue from Operations	18	<b>14,057,507,992</b>	12,354,078,947
II Other Incomes	19	<b>96,629,877</b>	57,298,737
III Total Revenue (I + II)		<b>14,154,137,869</b>	12,411,377,685
<b>IV Expenses :</b>			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	20	<b>6,226,239,738</b>	6,443,555,787
Purchases of Stock-in-Trade		<b>6,351,700,422</b>	4,669,789,101
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	<b>(42,984,896)</b>	(40,565,842)
<u>Administrative &amp; Selling Expenses</u>			
Employee Benefit Expenses	22	<b>168,808,409</b>	131,161,268
Other Expenses	23	<b>162,253,572</b>	264,250,230
Finance Costs	24	<b>509,470,603</b>	435,751,204
Depreciation and Amortization Expense	10	<b>204,712,639</b>	201,357,347
Total Expenses		<b>13,580,200,487</b>	12,105,299,095
<b>V Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>573,937,382</b>	306,078,589
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V - VI)		<b>573,937,382</b>	306,078,589
VIII Extra Ordinary Items		-	-
<b>IX Profit before Tax (VII - VIII)</b>		<b>573,937,382</b>	306,078,589
X Tax Expense :			
(1) Current tax		<b>118,978,908</b>	58,317,658
(2) Deferred Tax		<b>165,627,734</b>	103,037,012
(3) MAT credit		<b>(101,470,271)</b>	(52,503,740)
Profit After Tax		<b>390,801,012</b>	197,227,660
Less: Taxation for previous year		-	8,040,607
<b>XI Profit/ (Loss) for the period from Continuing Operations</b>		<b>390,801,012</b>	189,187,053
<u>Appropriation :</u>			
Prov. for Dividend & Dividend Dist. Tax		-	-
<b>Profit/(loss) from the period from continuing operations</b>		<b>390,801,012</b>	189,187,053
Profit/Loss from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
Profit/ (Loss) from Discontinuing Operations (after Tax)		-	-
<b>XII Profit/ (Loss) for the Period</b>		<b>390,801,012</b>	189,187,053
XIII Earnings Per Equity Share			
XIV (1) Basic		<b>6.73</b>	3.26
(2) Diluted		<b>6.73</b>	3.26
<b>Notes Forming Part of Accounts</b>	25		

As per our report of even date  
For, **PRADEEP SINGHI & ASSOCIATES**  
Chartered Accountants

**PRADEEP KUMAR SINGHI** Proprietor  
M. NO. 200/24612  
FRN NO. 108029W

Place : Surat

Date : 18-05-2017

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman**Sumeet Kumar Somani** Mg. Director**Anil Kumar Jain** Company Secretary**Abhishek Prasad** CFO

Place : Surat

Date : 18-05-2017

**ANNEXURE "A"**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**
*(Amount in Rs.)*

Particulars	2016-2017		2015-2016	
	₹	₹	₹	₹
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and Extraordinary Items		57,39,37,382		30,60,78,589
<b>Adjustment For :</b>				
Depreciation	20,39,80,322		20,06,25,030	
Interest Income	5,11,74,712		(3,35,02,882)	
Dividend Income	(1,352)		(1,352)	
Preliminary Ex. Written off	7,32,317		-	
Reserve created on Foreign exchange rate diff.	(15,41,275)		31,89,764	
Dividend Declared	-		-	
Dividend written off	-		2,50,000	
Interest Paid	31,54,12,518	56,97,57,241	28,67,45,360	45,73,05,920
Operating Profit before Working Capital Changes		1,14,36,94,623		76,33,84,509
<b>Adjustment For :</b>				
Trade & Other Receivables	26,80,04,585		(36,05,15,740)	
Inventories	(13,42,96,317)		(12,61,92,081)	
Trade Payables and Other Liabilities	(68,63,35,736)		(20,32,37,133)	
Short Term Provisions	(2,23,64,618)	(57,49,92,084)	(43,14,250)	(69,42,59,204)
Cash Generated From Operations		56,87,02,539		6,91,25,305
Tax paid		(1,08,65,478)		(5,81,00,470)
Interest Paid	-	-	-	-
Provision for Dividend and Div. Dist. Tax	-	-	-	-
Provision for Taxation	-	-	-	-
Previous Year Taxation	-	-	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		55,78,37,061		1,10,24,835
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
<b>Fixed Assets :</b>				
Purchases of Fixed Assets	(11,91,10,842)		(15,51,60,946)	
Sale of Fixed Asset	-		9,77,84,532	
Loss on sale of Fixed Assets	-		98,57,270	
<b>Work in Progress :</b>				
Increase in Capital Work in Progress	3,98,74,710		(3,99,36,015)	
<b>Investments :</b>				
Purchases of Investment	-		-	
Decrease in Investment	5,17,228		-	
Dividend received	1,352		1,352	
<b>Other :</b>				
Interest received	(2,99,09,954)		3,35,02,882	
FD Interest	(2,12,64,758)		-	
Long Term Loans & Advances given	(16,90,159)		(1,42,93,159)	
Short Term Loans & Advances given	11,29,36,797		-	
Short Term Loans & Advances received back	-		5,85,12,122	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		(1,86,45,625)		(97,31,962)

Particulars	2016-2017		(Amount in Rs.) 2015-2016	
	₹	₹	₹	₹
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Increase/Decrease in Long Term Borrowings	(38,07,23,990)		6,60,17,309	
Increase/Decrease in Short Term Borrowings	20,06,60,658		8,36,11,717	
Interest Paid	(31,54,12,518)		(28,67,45,359)	
Proceeds from issue of shares	-		10,00,00,000	
Security premium received	-		5,00,00,000	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>(49,54,75,850)</b>		<b>1,28,83,667</b>
<b>Net Increase in Cash &amp; Cash equivalents (A+B+C)</b>	-	<b>4,37,15,586</b>		<b>1,41,76,540</b>
<b>(D) Cash and Cash equivalents as on 1st April, 2016</b>	-	<b>42,09,97,791</b>		<b>40,68,21,251</b>
<b>(E) Cash and Cash equivalents as on 31st March, 2017</b>	-	<b>46,47,13,377</b>		<b>42,09,97,791</b>

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  
FRN NO. 108029W

Place : Surat  
Date : 18-05-2017

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman

**Sumeet Kumar Somani** Mg. Director

**Anil Kumar Jain** Company Secretary

**Abhishek Prasad** CFO

Place : Surat  
Date : 18-05-2017



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

The previous period figures have been regrouped / reclassified, wherever necessary to confirm to the current period presentation.

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 3</b>		(Amount in Rs.)
<b>SHARE CAPITAL :</b>		
<b>Authorised Capital:</b>		
145,000,000 Equity Shares of Rs.10/- each &	1,450,000,000	700,000,000
300,00,000 6% Non convertible redeemable Preference Shares of Rs.10/- each	300,000,000	300,000,000
	<u>1,750,000,000</u>	<u>1,000,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
5,80,39,738 Equity Shares of Rs.10/- each fully paid up (out of which 76,05,930 shares are issued for consideration other than cash)	580,397,380	580,397,380
(Pre.Year 5,80,39,738 Equity Shares of Rs.10/- each fully paid up)		
3,00,00,000 6% Non convertible redeemable preference shares of Rs.10/- each	300,000,000	300,000,000
(Pre.Year 3,00,00,000 6% Non-convertible Redeemable Preference Shares of Rs.10/- each)		
	<u>880,397,380</u>	<u>880,397,380</u>

### A. Reconciliation of the number of shares at the beginning & end of the Reporting Period :

#### Authorised Share Capital

Previous Year	100,000,000	100,000,000
Increased by	75,000,000	-
Current Year	<u>100,000,000</u>	<u>100,000,000</u>

#### Equity Share Capital

Number of shares at the beginning	58,039,738	58,039,738
Add : Addition during the year	-	-
Number of shares at the end	<u>58,039,738</u>	<u>58,039,738</u>

#### Preference Share Capital

Number of shares at the beginning	30,000,000	20,000,000
Add : Addition during the year	-	10,000,000
Number of shares at the end	<u>30,000,000</u>	<u>30,000,000</u>

### B. Shares held by each shareholder holding more than 5% shares, specifying the number of shares held :

Name	No. of Shares (31-3-17)	% of Holding	No. of Shares (31-3-16)	% of Holding
Somani Overseas Private Limited	8,641,928	14.89	8,641,928	14.89
Sitaram Prints Private Limited	3,884,775	6.69	3,584,775	6.18
Shankarlal Sitaram Somani	3,809,919	6.56	3,706,183	6.39

*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 4</b>		
<b>Reserves and Surplus :</b>		
(a) Capital Reserve	2,500,000	2,500,000
(b) Securities Premium As per last Balance Sheet	533,166,355	483,166,355
Add : Addition during the year	-	50,000,000
	<b>533,166,355</b>	<b>533,166,355</b>
(c) Other Reserve		
General Reserve	6,208,052	6,208,052
(d) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	1,36,26,52,416	1,17,02,71,656
Dividend Written off	-	2,50,000
Profit during the year	39,08,01,012	18,91,87,053
Reserves created on foreign exchange rate diff.	-15,41,275	29,43,707
<b>Total (a + b + c + d)</b>	<b>1,75,19,12,152</b>	<b>1,36,26,52,416</b>
	<b>2,29,37,86,559</b>	<b>1,90,45,26,823</b>

**NOTE # 5**
**Long-Term Borrowings**
**Term Loans**
**From Banks**

## Secured # :

Term Loan (GETCO)	-	37,500,000
ECB Loan -2 (BOB LONDON)	254,767,859	354,937,498
BKB Bremer Kredit Bank AG	357,490,587	444,542,076
Term Loan (BOB FDY Winder Loan)	124,684,415	-
Term Loan (Canara Bank Carpet Yarn)	3,123,507	1,611,261
Term Loan (Canara Bank Texturising M/C)	18,928,306	24,460,831
Term Loan (IDBI Corporate Loan)	175,925,932	238,520,304
Term Loan (BOB Corporate Loan)	-	75,000,000
Corporat Loan From TFCI Ltd.	90,000,000	-

**From Others \***

## Secured :

Life Insurance Corporation of India	8,631,250	8,631,250
Vehicle Loan		
HDFC Bank Ltd. (CIAZ Car)	522,106	678,447
HDFC Bank Ltd. (ERTIGA VDI)	-	209,325
HDFC Bank Ltd. (TERRANO Car)	581,343	749,475
ICICI Bank Ltd. (SWIFT Car)	489,561	593,410

## Unsecured

30,079,646 -

**Buyers Credit on Capital Goods**

Secured	-	-
Unsecured	-	268,979,341

**Loans and advances from Corporates**

Secured	-	-
Unsecured **	349,137,586	338,672,870

**1,414,362,098** **1,795,086,088**

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<u>Buyers Credit on Capital Goods</u>		
Secured	-	-
Unsecured	-	268,979,341
<u>Loans and advances from Corporates</u>		
Secured	-	-
Unsecured	349,137,586	338,672,870
	<b>1,414,362,098</b>	<b>1,795,086,088</b>

**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 Bungalow of Shri Shankarlal Somani and Smt. Gangadevi Somani.

Secured by way of hypothecation of Exclusive Charges of Machinery Financed by Them only.

**\* 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

**Term Loan: Rs. 68.08 Crores**

Mr. Rajkumar Sitaram Somani

**&**

Mr. Sumeetkumar Shankarlal Somani

**US\$ 53.57 Lacs**

Smt. Gangadevi Shankarlal Somani

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

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 7370218.10 for loan taken from Bremer Kredit Bank AG.

Particulars	(Amount in Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 6</b>		
<b>Short-Term Borrowings</b>		
Cash Credit facilities	958,158,364	933,979,767
Buyer's Credit and Inland LCs	1,522,068,810	1,389,654,343
Current Maturities of Long Term Debts	547,928,969	495,094,845
Bills Payable	-	8,766,530
	<b>3,028,156,143</b>	<b>2,827,495,485</b>

**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 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.

**Working Capital: 113 Crores**

**Non Fund Based 303 crores**

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

Long & Short Term Borrowings	Original Amount of Borrowings	Tenor at inception (in years)	Terms of Repayment	Months in which last Installment is Due	Balance as on 31st March, 2017 (Rs.)		Balance as on 31st March, 2016 (Rs.)		Prevailing Interest Rate % Per Annum
					Shown in Long term Borrow.	Shown in Short term Borrow.	Shown in Long term Borrow.	Shown in Short term Borrow.	
Term Loan (GETCO)	Rs. 1500 Lacs	3.75	Quarterly	31/03/2017	-	37,500,000	37,500,000	37,500,000	11.70%
ECB Loan (BOB & BOI)	Rs. 100 Cr. 20M UDS	5	Quarterly	07/04/2017	-	-	-	99,382,500	-
ECB Loan -2 (BOB LONDON)	Rs.50 Cr. 10 MN USD	7	Quarterly	23/04/2017	254,767,859	92,642,858	354,937,498	94,650,000	5.36%
Bremer Kredit Bank AG	10441142 Euro	8.5	Half Yearly	08/08/2017	357,490,587	137,719,055	444,542,076	111,135,518	2.20%
Term Loan (BOB Corporate Loan)	Rs. 30 Cr.	5	Quarterly	30/04/2020	-	75,000,000	75,000,000	75,000,000	12.20%
Term Loan (BOB FDY Winder Loan)	Rs. 29.45 Cr.	4	Quarterly	03/06/2017	124,684,415	62,000,000	-	968	11.70%
Term Loan (Canara Bank Text)	Rs. 4.12 Cr.	6	Monthly	27/03/2017	18,928,306	6,670,320	24,460,831	6,866,664	13.65%
IDBI Loan (Corporate)	Rs. 25 Cr.	4.5	Monthly	31/03/2017	175,925,932	55,555,548	-	13,888,887	11.90%
Canara Bank	Rs. 3.85 Cr.	6.5	Monthly	31/03/2017	3,123,507	841,188	1,611,261	6,670,308	13.90%
IDBI Loan	Rs. 5 Cr.	-	Quarterly	-	-	50,000,000	-	50,000,000	10.65%
TOURISM FINANCE CORPORATION OF INDIA LTD. (LOAN)	Rs.12 Cr.	4	Monthly	15/04/2017	90,000,000	30,000,000	-	-	13.00%
<b>Total</b>					<b>1,024,920,606</b>	<b>547,928,969</b>	<b>938,051,666</b>	<b>495,094,845</b>	

Particulars	(Amount in Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 7</b>		
<b>Trade Payables</b>		
Sundry Creditors for Goods	1,132,189,996	1,818,525,732
	<b>1,132,189,996</b>	<b>1,818,525,732</b>
<b>NOTE # 8</b>		
<b>Other Current Liabilities</b>		
Trade Payables for expenses	66,363,377	97,446,815
Advance from Customers	3,748,268	17,069,884
Vat and Additional Vat Account	22,214,684	37,008,996
Agency Deposits	809,396	909,396
CST Payable A/c	4,533,309	3,970,209
Interest Accrue and due but not paid	14,485,834	23,093,848
Withholding Tax Payable	1,201,755	-
Professional Tax Payable	126,860	-
TCS Payable	18,344	11,616
TDS Payable	2,312,132	2,534,723
TDS Payable (salary)	963,550	900,410
Cenvat Payable	-	7,792,636
Other Liabilities	118,490,491	67,492,683
	<b>235,268,000</b>	<b>258,231,215</b>
<b>NOTE # 9</b>		
<b>Short-Term Provisions</b>		
<b>Provision For Employees Benefit</b>		
EPF payable	-	-
Gratuity Payable	8,742,178	8,143,580
	<b>8,742,178</b>	<b>8,143,580</b>
<b>Others</b>		
Provision for Taxation	170,772,640	62,659,209
Provision for Dividend & Dividend Distribution Tax	997,223	997,223
	<b>171,769,863</b>	<b>63,656,432</b>
	<b>180,512,041</b>	<b>71,800,012</b>
<b>NOTE # 10</b>		
Depreciation	203,980,322	200,625,030
Preliminary Expenses W/O	732,317	732,317
	<b>204,712,639</b>	<b>201,357,347</b>

**FIXED ASSETS**
**Schedules To And Forming Part of Accounts**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2016	Addition	Deletion	As At 31.03.2017	As At 01.04.2016	For the Year	Adjust- ment	As At 31.03.2017	As At 31.03.2017	As At 31.03.2016
1	Land	2,356,255	149,030	-	2,505,285	-	-	-	-	2,505,285	2,356,255
2	Building	267,697,276	3,990,247	-	271,687,523	135,899,035	12,570,362	-	148,469,397	123,218,126	131,798,241
3	Plant & Machinery	5,284,622,065	113,710,879	-	5,398,332,944	1,329,140,683	187,616,342	-	1,516,757,025	3,881,575,918	3,955,481,382
4	Furniture, Fixture & Equipments	20,731,824	1,180,825	-	21,912,649	11,399,562	1,205,927	-	12,605,489	9,307,160	9,332,262
5	Vehicle	36,611,065	-	-	36,611,065	30,682,749	2,507,829	-	33,190,578	3,420,487	5,928,316
<b>TOTAL</b>		<b>5,612,018,485</b>	<b>119,030,981</b>	<b>-</b>	<b>5,731,049,466</b>	<b>1,507,122,028</b>	<b>203,900,461</b>	<b>-</b>	<b>1,711,022,489</b>	<b>4,020,026,976</b>	<b>4,104,896,457</b>
<b>PREVIOUS YEAR</b>		<b>5,591,150,474</b>	<b>155,160,947</b>	<b>134,292,935</b>	<b>5,612,018,485</b>	<b>1,333,148,132</b>	<b>200,625,030</b>	<b>26,651,134</b>	<b>1,507,122,028</b>	<b>4,104,896,457</b>	<b>4,258,002,341</b>

Particulars	(Amount in Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 11</b>		
<b>Non-Current Investments</b>		
Investments in Equity Instruments	57,946,496	59,963,724
Investments in Mutual Funds	2,000,000	500,000
	<b>59,946,496</b>	<b>60,463,724</b>

**A. Non-Current Investments are Trade Investments.**

**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 31st March, 2017	As at 31st March, 2016
43255, Fully Paid-up Equity Shares Of Rs. 10/- Each of M/s. STAMPEDE CAPITAL LTD. (BRILLANT SECURITIES )	18,68,433	-
6000, Fully Paid-up Equity Shares of Rs. 100/- Each of M/s. VAKRANGEE SOFTWARES	18,56,985	-
10000, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. IFCI Ltd	-	5,45,005
500, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Rajasthan Petro Synthetics Ltd.	-	16,250
169, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Tata Steel Ltd.	33,705	33,705
1000, Fully Paid-up Equity Shares of Rs. 1/- Each of M/s. Paras Petrofils Ltd.	-	1,000
700, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Chandra Synthetics Ltd.	-	5,075
400, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Haryana Petrochemicals Ltd.	-	6,200
5000, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Paras Petro Chemicals Ltd.	-	17,000
100, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Parasrampur Ind. Ltd.	-	1,050
100, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Shree Rajasthan Syntex Ltd.	-	2,025
20000, Fully Paid-Up Equity Shares of Rs. 10/- Each of M/s. Questfin Ltd.	1,37,543	1,37,543
30000, Fully Paid-up Equity Shares of Rs. 2/- Each of M/s. UPL Limited (Formerly known as United Phos Ltd).	-	46,49,041
25000, Fully Paid-up Equity Shares Of Rs. 5/- Each of M/s. Zylog Systems Ltd.	14,29,830	14,29,830
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.	5,26,20,000	5,26,20,000
	<b>5,79,46,496</b>	<b>5,94,63,724</b>
Investment in Mutual Funds	20,00,000	10,00,000
<b>Total in Rs.</b>	<b>5,99,46,496</b>	<b>6,04,63,724</b>



(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Aggregate Book Value of Investments		
Unquoted Cost	250,737,373	253,999,973
Quoted Cost	3,759,123	5,228,751
Market Value *	3,040,219	14,735,159

Aggregate provision for diminution in the value of Investments.

\* To the Extent Available

Note: Quoted investments for which quotation are not available have been included in market value at the face value.

**NOTE # 12****Long-Term Loans and Advances**

a) Secured, Considered good

Other Deposit

23,651,107	21,960,948
<u>23,651,107</u>	<u>21,960,948</u>

These Long Term Loans and Advances be further classified as : Secured, considered Good

**NOTE # 13****Inventories**

Raw Materials	487,082,216	419,249,719
Work-in-Progress	510,802,662	460,270,805
Finished Goods	658,590,740	666,137,701
Stores and Spares	489,577,120	466,098,196
	<u>2,146,052,738</u>	<u>2,011,756,421</u>

**Mode of Valuation**

Raw Materials, Stores &amp; Spares have been valued at Cost.

Finished Goods &amp; WIP have been valued at Cost or Net Realisable value whichever is less as per AS 2 issued 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 &amp; Doubtful Debts

2,347,021,477	2,615,026,062
<u>2,347,021,477</u>	<u>2,615,026,062</u>

**NOTE # 15****Cash and Cash Equivalents**

Cash-in-Hand	435,889	6,667,565
Balance with Banks	53,236,794	1,278,032
Fixed deposits / Margin Money / Security against borrowings	411,040,695	413,052,195
	<u>464,713,379</u>	<u>420,997,792</u>

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 16</b>		
<b>Short-Term Loans and Advances</b>		
Advance to Suppliers	167,542,782	285,627,355
Others	192,340,223	224,072,295
	<b>359,883,005</b>	<b>509,699,650</b>

**NOTE # 17****Other Current Assets (Residual Head)**

Advance for Exp (Godown-Delhi)	-	20,000
Cenvat Receivable	6,030,911	-
Claim Receivable	78,074,405	50,821,960
Krishi Kalyaan Cess	767,366	-
Excise duty refund receivable	4,541,741	-
Export Incentive receivable	464,796	3,161,091
Interest Receivable	3,968,172	1,349,885
Mat credit	378,206,970	276,736,699
Preliminary Expenses	1,464,635	2,196,952
Prepaid Expenses	634,635	662,519
Service tax receivable	1,763,657	1,768,768
TCS Receivable	6,860	61,774
TDS Receivable	4,866,396	6,393,093
Income Tax Seized Cash	1,350,000	1,350,000
Insurance Claim receivable	1,505,681	1,505,681
	<b>483,646,225</b>	<b>346,028,422</b>

**NOTE # 18****Revenue From Operations**

Domestic sales	14,159,366,947	12,220,998,417
Export		
Export sales	710,227,088	1,176,548,329
Deemed Export sales	223,608,195	141,930,864
Total sales	15,093,202,230	13,539,477,610
Less : Excise duty	1,037,929,579	866,493,769
Less : Inter Unit Sales		318,904,894
	<b>14,055,272,651</b>	<b>12,354,078,947</b>
Export Incentives	2,235,341	-
	<b>14,057,507,992</b>	<b>12,354,078,947</b>

*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 19</b>		
<b>Other Incomes</b>		
Dividend received	1,352	1,352
Commission received	21,032,865	13,124,286
Profit/(loss) on sale of fixed assets	-	-
Discount received	3,990,423	10,145,167
Int. on FDR'S (Net Of Int. on Buyers credit)	21,264,758	6,769,156
Profit from forex transaction	430,186	-
Others - Interest	29,909,954	26,733,726
Job Charges	2,420,117	525,050
Other Income	17,580,222	
	<u>96,629,877</u>	<u>57,298,737</u>
<b>NOTE # 20</b>		
<b>Cost of Materials Consumed</b>		
<b>a) Purchases of Raw Materials and Stores</b>		
Opening stock	419,249,719	394,907,236
Add : Purchase(net)	5,201,780,486	5,302,026,648
	<u>5,621,030,205</u>	<u>5,696,933,884</u>
Less : Closing Stock	487,082,216	419,249,719
Sub Total (a)	<u>5,133,947,989</u>	<u>5,277,684,165</u>
<b>b) Direct/Production expenses</b>		
Labour & Security	1,858,752	818,320
Power & Fuel	663,533,929	794,928,622
Freight & Octroi	120,822,801	121,095,619
Stores & Spares	77,407,514	61,480,171
Factory Expense	1,434,043	1,084,265
Repair & Maintenance : Factory Building	242,437	409,296
Repair & Maintenance : Plant & Machinery	7,634,180	7,376,222
Packing	219,358,093	178,679,107
Sub Total (b)	<u>1,092,291,749</u>	<u>1,165,871,622</u>
<b>Total (a + b)</b>	<u>6,226,239,738</u>	<u>6,443,555,787</u>
<b>NOTE # 21</b>		
<b>Change in inventories</b>		
Opening Stock	1,126,408,506	1,085,842,664
Less : Closing Stock	1,169,393,402	1,126,408,506
	<u>(42,984,896)</u>	<u>(40,565,842)</u>
<b>NOTE # 22</b>		
<b>Employement Benefit Expenses</b>		
Salary	152,096,972	116,074,013
Bonus	8,806,816	6,924,298
P.F.	3,964,299	3,205,586
Leave Encashment	633,411	1,644,201
Directors Remuneration	3,300,000	3,300,000
Staff Welfare/ESI	6,911	13,170
	<u>168,808,409</u>	<u>131,161,268</u>

*(Amount in Rs.)*

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 23</b>		
<b>Other Expenses</b>		
Electricity Expenses	455,520	507,401
Vehicle Expense	3,081,467	3,055,680
Travelling & Conveyance	2,381,267	2,519,545
Repairs Office Building	203,680	185,096
Repairs Other	603,727	444,185
Brokerage & Overseas Agency Commission	30,590,511	35,963,180
Office & General Expenses	2,288,831	2,548,538
Insurance Expenses	3,105,464	3,777,037
Books & Periodicals	6,960	7,850
Diwali Expenses	-	3,595,470
Legal & Professional	22,287,606	24,225,368
Postage & Telegram & Telephone	1,634,307	1,535,682
Membership & Subscriptions	101,125	300,109
Printing & Stationery Expenses	1,454,745	1,405,185
Auditors Remuneration	1,471,683	2,046,341
Director Sitting Fees	1,860,000	2,010,000
Rates & Taxes	8,507,809	4,582,417
Advertisement & Publicity	1,276,730	9,935,583
Carraige outward	70,374,622	63,891,256
Sales Promotion Exp	25,702	
Donation	2,405,801	3,938,100
Demat Charges	24,352	-
Loss on sale of Fixed Assets	-	9,857,270
Loss from forex transaction	-	87,230,634
Withholding Tax	1,201,755	537,923
Rent Expenses	1,126,178	102,743
Exchange Rate Difference	41,084	29,872
Other Expenses	-	17,767
Written Off Balances	5,742,646	-
	<b>162,253,572</b>	<b>264,250,230</b>

**NOTE # 24**
**Financial Cost**

Interest paid to Banks	277,739,966	252,997,062
Interest paid to others	37,672,552	33,748,297
Bank commission	20,602,197	18,441,497
"Bank Charges & Guarantee commission (Others & Buyers credit)"	171,668,515	129,430,663
Overseas Bank Charges	1,787,374	1,133,684
	<b>509,470,603</b>	<b>435,751,204</b>

## SUMEET INDUSTRIES LIMITED

(CIN : L45200GJ1988PLC011049)

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

**Email :** corporate@sumeetindustries.com **website :** www.sumeetindustries.com

**Phone :** 0261-2328902 **Fax :** 0261-2334189

### ATTENDANCE SLIP

**ANNUAL GENERAL MEETING - 30.09.2017**

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

**Joint shareholders may obtain additional slip at the venue of the meeting.**

Folio No.	
DP ID	
CLIENT ID	
No. of Shares	

I/We hereby record my presence at the 29th ANNUAL GENERAL MEETING of the Company at Conference Hall, Bombay Market, Umarwada, Surat, on Saturday, 30th September, 2017 at 10:00 A.M.

Name of the Shareholder	Signature of the Shareholder

Shareholders who come to attend the meeting are requested to bring their copies of Annual Report with them.

## SUMEET INDUSTRIES LIMITED

(CIN : L45200GJ1988PLC011049)

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

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### PROXY FORM

**ANNUAL GENERAL MEETING - 30.09.2017**

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No./Client ID	
DP ID	
No. of Shares	

I/We, being the member(s) of \_\_\_\_\_ shares of Sumeet Industries Limited, hereby appoint.

- 1) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
- 2) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
- 3) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote for me/us at the 29th Annual General Meeting of the Company to be held on Saturday, 30th September, 2017 at 10:00 A.M. or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	Vote (*Optional)	
	For	Against
<b>Ordinary Business :</b>		
1. Consider and Adopt Audited Statement of Accounts for the financial year ended on 31st March, 2017 and Reports of Auditors and Board of Directors.		
2. Appointment of Mrs. Ganga Devi Somani (DIN No. 06913790), Director of the Company who retires by rotation.		
3. Appointment of Auditors		
<b>Special Business :</b>		
4. Appointment of Mr. Dipesh Shashikantbhai Dasadia (DIN: 01048684) as an Independent Director		
5. Appointment of Mr. Abhishek Bhupendra Desai (DIN: 07790468) as an Independent Director		
6. Appointment of Mr. Manojkumar Ganeshmal Jain (DIN: 03546851) as an Independent Director		
7. Ratification of appointment of Cost Auditor		
8. Appointment of Mr. Sumeet Shankarlal Somani (DIN: 00318156) as Managing Director of the Company		
9. Commission to Mr. Shankarlal Sitaram Somani and Mrs. Ganga Devi Somani, Director of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signature of the Shareholder \_\_\_\_\_

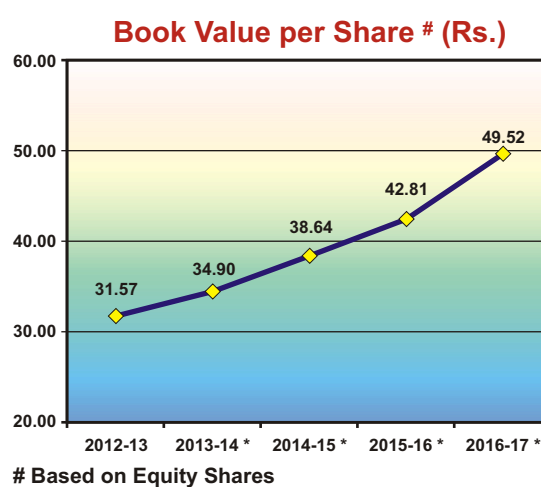
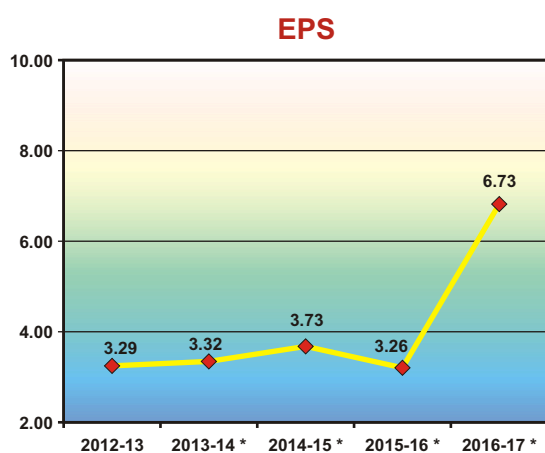
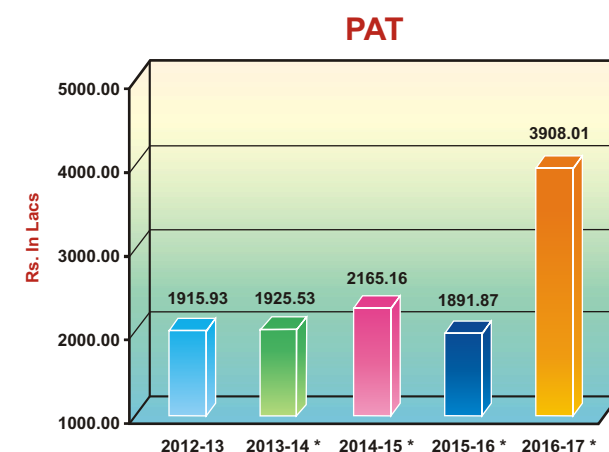
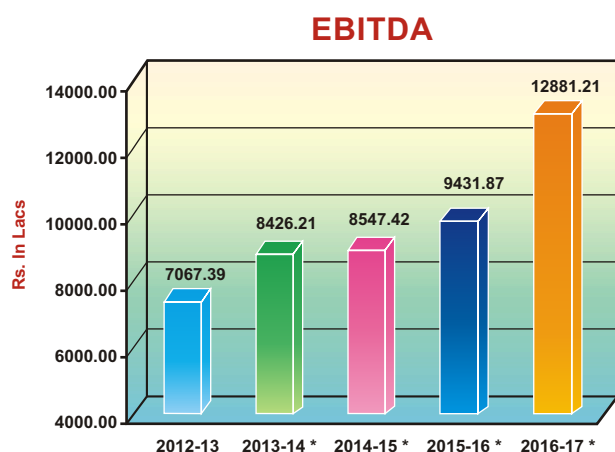
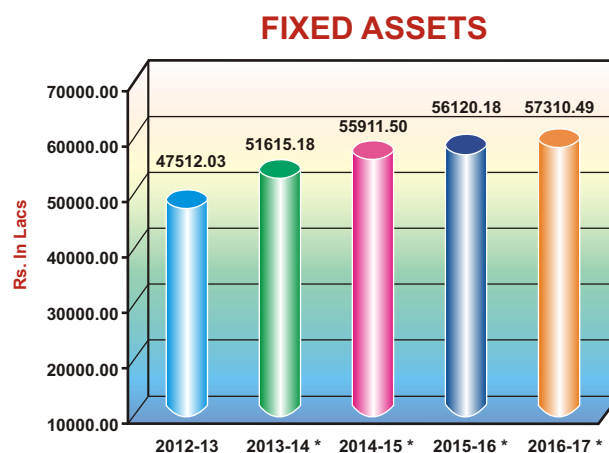
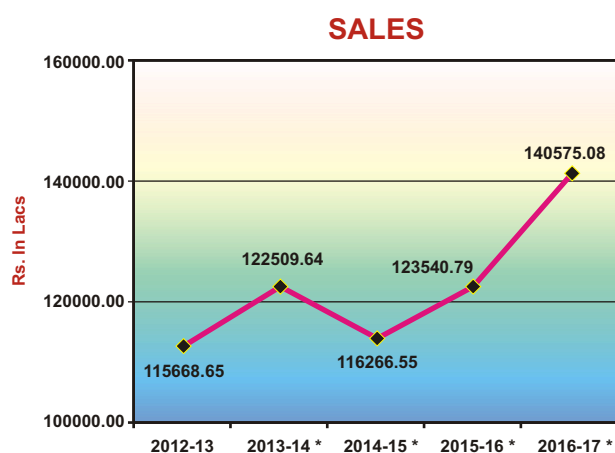
Signature of Proxy Holder(s) \_\_\_\_\_

Affix  
Rs.1  
Revenue  
Stamp

**Notes :**

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.
3. 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.





[ \* Consolidated ]

***Book-Post***

If undelivered please return to :

**SUMEET INDUSTRIES LIMITED**

504, Trividh Chamber, 5th Floor, Opp. Fire Station,  
Ring Road, Surat - 395 002, Gujarat, India.

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