

# ***Sumecet***

**INDUSTRIES LIMITED**

Aiding **PROGRESS**  
**STRIDING** towards Success...



# **28TH**

**ANNUAL REPORT**  
**2015-2016**



## Chairman's Message ....

### Dear Shareholders,

The overall performance of the company for the year under review improved in line with the business re-engineering work undertaken in the previous year. It has restrained its position in the industry due to proactive planning, efficient use of resources, capitalising on emerging opportunity and striving on cutting edge technology.

I strongly believe that tomorrow's innovations will be a result of how effectively human intellect can leverage modern technology. Technology will be the key differentiator in every sphere of life and work. Therefore, to stay ahead of competition, the management of your Company is investing in creating a state-of-the-art-technology platform and at the same time devoting time and energy in training our people to stay abreast with technology. The company has crossed many milestones in its journey so far and we are ready to accelerate faster, now we have both expertise and the experience.

The financial year 2016 saw major realignments in the global economy having a far reaching impact on the growth prospects of advanced and emerging economies. The slowdown and rebalancing of the economic activity in China with the devaluation of Yuan had significant spill over across the global trade, financial markets and currency movements.

India has emerged as the fastest growing economy among large economies of the world due to its intrinsic strengths such as strong domestic consumption, greater macroeconomic fundamentals and a reform oriented government. Crucial parameters such as current account deficit, fiscal deficit, inflation level, foreign exchange reserves and foreign direct investments have improved. Government of India has adopted and implemented several reform measures accelerating the economic growth, the Indian economy managed to clock a 7.6 percent GDP growth making it the world's fastest growing major economy. However, the domestic operating environment remained a cause for concern with the industrial, trade and agriculture sector reeling under pressure. Overall, going forward, broad-based economic stability can be seen globally as well as locally, with India playing important and major role.

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 are enhancing our capacity and focusing on speciality and value added yarns i.e. micro filament yarns, carpet yarns, dope dyed yarns of different colours, polyester colour yarns, with the simple objective of catering to a wide customer spectrum. Our marketing efforts are helping us reach more customers nationally and internationally.

We are confident of the fact that polyester has much to gift the world as the fabric of the future. The demand for man-made fibre is showing signs of growing relevance in daily life across home textiles, apparel, automotive, furnishing fabrics, technical textile and non-woven segments.

In the year 2015-16, the company has achieved consolidated Turnover of Rs. 123540.79 Lakh and acquired Net Profit of Rs. 1891.87 Lakh. Total export of goods during the year was Rs. 11765.48 Lakh. During the first quarter of the current year, the company has achieved Turnover of Rs. 36913.13 Lakh an increase over 34% and recorded Net Profit of Rs. 830.59 Lakh, an impressive increase over 74% in comparison to previous year.

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

**Shankarlal Somani**  
Chairman cum Mg. Director

## TWENTY EIGHTH ANNUAL REPORT

### **BOARD OF DIRECTORS**

<b>Shri Shankarlal Somani</b>	Chairman cum Mg. Director
<b>Shri Sumeet Kumar Somani</b>	Executive Director & CFO
<b>Shri Bhagchand Chordia</b>	Non-Executive 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

### **COMPANY SECRETARY**

**Shri Anil Kumar Jain**

### **STATUTORY AUDITORS**

**PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants, Surat

### **INTERNAL AUDITOR**

**RRA & CO.**

Chartered Accountants, Surat

### **SECRETARIAL AUDITOR**

**Shri Dhiren R. Dave**

Practicing Company Secretary, Surat

### **BANKERS**

Bank of Baroda

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.**

E-2/3, Ansa Industrial Estate, Sakivihar Road,

Sakinaka, Andheri (E), MUMBAI - 400 072.

Ph. : (022) 40430200 / 28470652

E-mail : investor@bigshareonline.com

### **28th ANNUAL GENERAL MEETING**

DATE : Friday, 30th September, 2016

VENUE : Shree Maheshwari Bhavan,  
First Floor Hall, Nr. Science Centre,  
City Light, 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	2015-16	2014-15	2013-14	2012-13	2011-12
Sales & Income from operation	105248.48	93117.27	110799.61	115933.78	82447.64
Other Income	542.99	94.38	-1607.12	-1130.36	-541.96
Increase (Decrease) in Inventories	405.66	714.50	-105.28	5907.96	1476.56
<b>Total</b>	<b>106197.13</b>	<b>93926.15</b>	<b>109087.21</b>	<b>120711.38</b>	<b>83382.24</b>
Purchase of Finished Goods	28829.18	11407.38	33815.62	29451.12	19735.21
Raw Material Consumed	52776.84	60050.64	55567.31	71989.19	49721.82
Staff Cost	1311.61	1238.50	1154.78	1069.54	741.52
Manufacturing Expenses	11658.72	12350.21	9664.16	9822.80	5184.07
Administrative & Selling & Dist. Exp.	2608.10	868.17	714.65	1311.34	2181.71
Interest & Depreciation	6174.65	5509.21	5503.75	4161.73	2282.94
<b>Total</b>	<b>103359.1</b>	<b>91424.11</b>	<b>106420.27</b>	<b>117805.72</b>	<b>79847.27</b>
<b>Profit / (Loss) before Taxation</b>	<b>2838.03</b>	<b>2502.04</b>	<b>2666.94</b>	<b>2905.66</b>	<b>3534.97</b>
Taxation	1153.57	656.31	905.40	989.73	1122.97
<b>Profit / (Loss) after Taxation</b>	<b>1684.46</b>	<b>1845.73</b>	<b>1761.54</b>	<b>1915.93</b>	<b>2412.00</b>
<b>Earning per Share (EPS)</b>	<b>2.90</b>	<b>3.18</b>	<b>3.04</b>	<b>3.29</b>	<b>4.14</b>

FINANCIAL DATA					
Share Capital	* 8803.97	* 7803.97	* 7803.97	* 6828.97	* 6828.97
Share Application Money	0.00	0.00	0.00	870.00	870.00
Reserve & Surplus	18318.46	16131.50	14285.77	12574.22	10928.11
Deferred Tax Liability	5747.03	4716.66	4150.58	3277.26	2332.56
Loan Funds **	46138.15	44174.98	47535.27	40374.34	38292.42
<b>Capital &amp; Funds Employed</b>	<b>79007.61</b>	<b>72827.11</b>	<b>73775.59</b>	<b>63924.79</b>	<b>59252.06</b>
Fixed Assets (Gross) ***	56519.54	55911.50	54675.31	48528.14	43540.57
Depreciation	15071.22	13331.48	11527.23	9145.98	7164.91
Fixed Assets (Net)	41448.32	42580.02	43148.08	39382.16	36375.66
Investments	2592.29	2479.64	1566.24	77.95	59.14
Current Assets	49632.85	43417.27	41501.83	38709.00	26156.96
Current Liabilities & Provisions	14665.85	15649.82	12440.56	14244.32	3349.97
Net Current Assets	34967.00	27767.45	29061.27	24464.68	22806.99
Misc. Exp. not written off	0.00	0.00	0.00	0.00	10.27
<b>Capital &amp; Funds Applied</b>	<b>79007.61</b>	<b>72827.11</b>	<b>73775.59</b>	<b>63924.79</b>	<b>59252.06</b>

\* Includes Equity and Preference Share Capital

\*\* Includes Secured & Unsecured Loan

\*\*\* Includes Capital Work in Progress



## NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of SUMEET INDUSTRIES LIMITED will be held at Shree Maheshwari Bhavan, First Floor Hall, Near Science Centre, City Light, Surat, on Friday, 30th Day of September, 2016 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, 2016 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, 2016 together with the report of the Auditors thereon.
2. To appoint a Director in place of Shri Shankarlal Somani (DIN No.00165238), 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 29th AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company for the Financial Year 2016-17 at such remuneration plus service tax, out-of-pocket expenses etc., as may be mutually agreed to between the Board of Directors and the Auditors.”

### SPECIAL BUSINESS

#### 04. APPOINTMENT OF MR. BHAGCHAND CHORDIA AS AN INDEPENDENT DIRECTOR

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149,150,152 and other applicable provisions if any, read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors, Mr. Bhagchand Chordia (DIN:00165398), a Non-Executive Director of the Company whose term of office expires at this Annual General Meeting and he has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and is eligible for appointment, 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 director 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.”

#### 05. APPOINTMENT OF MR. ATMA RAM SARDA AS AN INDEPENDENT DIRECTOR

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149,150,152 and other applicable provisions if any, read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors, Mr. Atma Ram Sarda (DIN:06713264), a Non-Executive Director of the Company whose term of office expires at this Annual General Meeting and he

has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and is eligible for appointment, 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 director 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 offices shall not be liable to retire by rotation”

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

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 35000/- (Rupees Thirty Five Thousand only) be paid to M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 101519), the Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2017, be and is hereby ratified.”

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

#### **07. RATIFICATION OF ISSUE OF 6% NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES ON PRIVATE PLACEMENT BASIS TO PROMOTERS & PROMOTER GROUP**

To consider and if thought fit to pass the following resolution with or without modification(s), as a Special Resolution.

**“RESOLVED THAT** in continuation of resolution passed in the Annual General Meeting held on 30th September, 2014 in accordance with the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Rules framed there under, as may be amended from time to time and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to ratify and approve the allotment of 1,00,00,000 (One Crore) Nos. of 6% Non-Convertible Redeemable Preference Shares (“NCRPS”) of the face value of Rs.10/- each at a premium of Rs.5/- for an aggregate value of Rs. 15.00 Crores, for cash on private placement basis, to Promoters & Promoter group as named and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

**“RESOLVED FURTHER THAT** in accordance with provisions of Section 43 of the Act, the NCRPS shall be non-participating, carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental in relation thereto as it may deem appropriate.”

#### **Registered Office :**

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

Place : Surat  
Date : 04-08-2016

By order of the Board Directors

Sd/-

**Shankarlal Somani**  
Chairman cum Mg. Director

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER.**
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
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, 24th September, 2016 to Friday, 30th September, 2016, Friday (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, 2016 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 2015-16 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 2015-16 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 28th 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 28th Annual General Meeting to be held on Friday, the 30th September, 2016, 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 Friday, 30th September, 2016.

- (i) The voting period begins on 27.09.2016 at 10:00 A.M. IST and ends on 29.09.2016 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 23.09.2016 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" tab.
- (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. Eg. 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 relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (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 27.09.2016 at 10:00 A.M. IST and ends on 29.09.2016 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 23.09.2016 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 27.09.2016 at 10:00 A.M. IST and ends on 29.09.2016 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 23.09.2016 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 23.09.2016.
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 (2) 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 28th Annual General Meeting of the Company on 30th September, 2016, 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. Shankarlal Sitaram Somani	Mr. Bhagchand Chordia	Mr. Atma Ram Sarda
Date of Birth	20/01/1954	15/04/1965	01/07/1963
Date of Appointment	01/08/1988	17/12/2001	30/09/2013
Expertise in specific functional areas	Management	Practicing Chartered Accountant	Practicing Chartered Accountant
Qualifications	B.Com	B.Com, FCA	B.Com, ACA
Shareholding in the Company as on 31st March, 2016	37,06,183	Nil	Nil
List of other entities in which the person also holds the directorship	None	None	None
List of other entities in which the person also holds membership of committees of the Board.	None	None	None
Relationships between Directors inter-se	Father of Mr. Sumeet Somani, Whole time Director of the Company	Nil	Nil

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

Mr. Bhagchand Chordia (DIN 00165398) has been re-appointed as an Independent Director of the Company. Mr. Bhagchand Chordia holds office as an Independent Director upto the date of this Annual General Meeting. The Company has received a notice in writing along with deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company. In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with SEBI (LODR) Regulation, 2015 as amended from time to time, Mr. Bhagchand Chordia is proposed to be appointed as an Independent Director of the company for a consecutive period of 3 years from the date of appointment.

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

Mr. Bhagchand Chordia is a Practicing Chartered Accountant and he has around 15 years of experience in the field of Finance and Accounts.

In the opinion of the Board, Mr. Bhagchand Chordia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bhagchand Chordia as an Independent Director. The Copy of the draft letter for appointment of Mr. Bhagchand Chordia 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 appointment of Mr. Bhagchand Chordia as an Independent Director, for the approval by the shareholders of the Company.

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

**ITEM NO. : 05**

Mr. Atmaram Sarda (DIN: 06713264) has been re-appointed as an Independent Director of the Company. Mr. Atmaram Sarda holds office as an Independent Director upto the date of this Annual General Meeting. The Company has received a notice in writing along with deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company. In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with SEBI (LODR) Regulation, 2015 as amended from time to time, Mr. Atmaram Sarda is proposed to be appointed as an Independent Director of the company for a consecutive period of 3 years from the date of appointment.

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

Mr. Atmaram Sarda is a Practicing Chartered Accountant and he has around 15 years of experience in the field of Finance and Accounts.

In the opinion of the Board, Mr. Atmaram Sarda fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Atmaram Sarda as an Independent Director. The Copy of the draft letter for appointment of Mr. Atmaram Sarda 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 appointment of Mr. Atmaram Sarda an Independent Director, for the approval by the shareholders of the Company.

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

**ITEM NO. : 06**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. V.M. PATEL & ASSOCIATES, Cost Auditor (Firm Registration No. 101519), as the Cost Auditors to conduct the audit of 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. 35,000/- (Rupees Thirty Five thousand only) upon the recommendation of the Audit Committee. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, approval of the members is sought for the resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2017.

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

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

**ITEM NO. : 07**

As per explanatory statement for the said resolution which was passed in the Annual General Meeting held on 30th September, 2014, your company was raising funds for setting up of 8 (Eight) new Texturising Machineries to enhance its production capacities. Later some small modifications were also proposed by the management to be made in existing POY and FDY Lines for producing specialised value added yarns to enhance profit margins. To complete all projects in schedule time, company is in need of more urgent funds. To satisfy the immediate fund requirements of the company for expansion cum modernisation and enhanced working capital, management has decided to issue 1,00,00,000 (One Crore) 6% Non-Convertible Redeemable Preference Shares (NCRPS) of Rs. 10/- each at a premium of Rs. 5/- to the Promoters & Promoter group aggregating Rs. 15.00 Crores instead of Rs. 10.00 Crores passed earlier in AGM held on 30th September, 2014.

As per Section 42 of the Act, read with the Rules framed there under, a company offering or making an invitation to subscribe to securities, including Redeemable Preference Shares on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, for each of the offers and invitations. Shareholders have given their consent on aggregating Rs. 10.00 Crores by way of allotment of 1,00,00,000 6% Non-Convertible Redeemable Preference Shares (NCRPS) of Rs. 10/- each but later said allotment was made with a premium of Rs. 5/- per shares.



Therefore, approval of the Members for ratification is accordingly being sought by way of a Special Resolution under Sections 42 and 55 of the Act read with the Rules made there under regarding allotment of NCRPS on a private placement basis on the terms and conditions set out hereunder. Given below is a statement of disclosures as required under Rule 9 (3) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of the NCRPS:

1. The NCRPS is cumulative, non participating and non-convertible.
2. The objective of the issue is to raise funds for backward integration project of setting up new Texturising machineries, modernization and enhanced working capital requirement.
3. The NCRPS were issued and offered on a private placement basis to the Promoters and Promoter group in accordance with the provisions of Section 42 of the Act and the Rules made there under.
4. Brief details relating to issue of Preference shares are set out below:-

1.	<b>ISSUE DETAILS</b> i) Size of the Issue ii) Number of Preference Shares iii) Nominal Value of Shares	Rs. 10,00,00,000.00 1,00,00,000 Nos. of Shares Rs. 10/- Per Share
2.	Nature of Shares	6% Non-Convertible Redeemable Preference Shares
3.	Object of the Issue	To raise funds for expansion of the Plant for installing new Texturising Machineries, modernization and enhanced working capital requirement
4.	The manner of issue of Shares	Through Private Placement
5.	Price at which such shares issued	Rs. 15/- Per Share (Face value Rs.10/- Per Shares at a premium of Rs. 5/-)
6.	Basis of arriving price	Management suomoto opted to give premium on the share.
7.	Terms of issue	Minimum application shall not be less than 50,000 rupees of face value.
8.	Rate of Dividend	6% P.A.
9.	Term and tenure of redemption	Redemption at par in accordance with Section 55 of the Act, out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption
10.	Manner & Mode of redemption	Preference shares shall be redeemed before 10 years with prior consent of Preference shareholders in class meeting.
11.	Expected dilution in equity capital upon conversion of preference shares	Nil, since the NCRPS are non convertible

5. List of Allotment of Preference are as below :-

Name	Address	Occupation	No. of Preference Shares
Somani Overseas Private Limited	703 Trividh Chambers, Opp. Fire station, Ring Road, Surat, Gujarat.	Business	40,00,000
Dhanvirdhi Financial Consultants Private Limited	Block No. 20, 21,13, Behind Garden Vareli, Vill : Vankadeda, Po. : Karodara, Tal : Palsana, Dist : Surat.	Business	40,00,000
Sumeet Menthol Private Limited	504 Trividh Chambers, Opp. Fire station, Ring Road, Surat, Gujarat.	Business	10,00,000
National Poly Yarn Private Limited	703 Trividh Chambers, Opp. Fire station, Ring Road, Surat, Gujarat.	Business	10,00,000
<b>TOTAL</b>			<b>1,00,00,000</b>

6. The current equity shareholding pattern as on 30th June, 2016 is as under :-

Category	Number of shares held	Percentage of holding
Promoters	23318386	40.18
Directors/Relatives	4139824	7.13
Indian Public & others	24906304	42.91
Corporate Bodies	5294683	9.12
NRI's	380541	0.66
<b>TOTAL</b>	<b>58039738</b>	<b>100.00</b>

7. The Directors commend the Resolution at Item No. 7 of the accompanying Notice, for theratification and approval of the Members of the Company. The Directors or Key Managerial Persons of the Company or their respective relatives may be deemed to be concerned or interested in the Resolution to the extent of the NCRPS that may be subscribed to by them or by the companies / firms in which they are interested.

**Registered Office :**

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

Place : Surat  
Date : 04-08-2016

By order of the Board Directors

Sd/-  
**Shankarlal Somani**  
Chairman cum Mg. Director

## DIRECTOR'S REPORT

**To  
The Members of  
Sumeet Industries Limited**

Your Directors have pleasure in presenting the 28th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2016.

Your Company has delivered a mixed performance despite considerable headwinds. The Company has registered consolidated revenue of Rs. 1235.41 Crores with Net Profit of Rs. 18.92 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

(R in lacs)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Sales & Income from operation	<b>105248.48</b>	93103.32	<b>123540.79</b>	116533.33
Other Income	<b>542.99</b>	669.22	<b>572.99</b>	91.85
<b>Profit before Financial cost, Depreciation and Exceptional items &amp; Tax (EBIDTA)</b>	<b>9012.68</b>	8011.24	<b>9431.86</b>	8547.42
Less : Interest	<b>4161.08</b>	3536.00	<b>4357.51</b>	3708.60
Depreciation	<b>2013.57</b>	1973.20	<b>2013.57</b>	1973.21
<b>Profit before Tax</b>	<b>2838.03</b>	2502.04	<b>3060.78</b>	2865.61
Less : Provision for Taxation				
Current tax	<b>567.83</b>	500.60	<b>583.17</b>	544.75
Mat Credit	<b>-525.04</b>	-462.87	<b>-525.04</b>	-462.87
Deferred Tax	<b>1030.37</b>	566.07	<b>1030.37</b>	566.07
<b>Profit after Tax</b>	<b>1764.87</b>	1898.24	<b>1972.28</b>	2217.66
Less : Taxation for previous year	<b>80.41</b>	52.50	<b>80.41</b>	52.50
<b>profit available for appropriation</b>	<b>1684.46</b>	1845.74	<b>1891.87</b>	2165.16
Dividend on Equity & Pref. Shares				
Transfer to General Reserve	<b>1684.86</b>	1845.74	<b>1891.87</b>	2165.16

### OPERATIONS

Despite challenging business environment the company has posted a satisfactory performance for the year under review. The company has produced 90891.72 Tons of Pet Chips / Polyester and Texturised Yarn and dispatched 90493.18 Tons of Pet Chips / Polyester and Texturised yarns.

Income from operation (Consolidated) of the company has increased from Rs. 1165.33 Crores to Rs. 1235.41 Crores. EBIDTA has been increased from Rs. 85.47 Crores to Rs. 94.32 Crores and Net profit after Tax (Consolidated) has been marginally decreased from Rs. 21.65 Crores to Rs. 18.92 Crores in comparison to previous year. Our earning per shares stand at Rs. 2.90 and Book Value per Shares at Rs. 42.81 (Based on equity shares) as on 31st March, 2016.

Two 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 and high sales in quantities term in the last quarter of the year under review. To further strengthen the company's drive on cost optimization, the company has hired the services of a well reputed consulting firm for detailed cost study.

The year 2015-16 remained one of the challenging year as the polyester industry faced several challenges. Firstly, crude prices remained decline during the year, which triggered reduction in prices for Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG) (key raw materials for polyester manufacturing). Secondly, the government levied Anti-Dumping Duty on PTA imports, which resulted in an increase in raw material cost.

Your company are enhancing its capacity on producing speciality 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 in the setting up new modification cum expansion programs 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. Until such time, it will continue to put 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.

During the financial year under review , the company has modified its spinning lines for improving its operational costs and efficiencies through the following strategic projects which are :-

- 1) Position of 4 nos. of existing FDY line has been modified for producing colour FDY Yarns.
- 2) Process Line of P.P. Yarn has been modifying for manufacturing Colour Polyester Yarns. After completion of this modification , the company will produce 4500 TPA Colour Polyester Yarns.
- 3) In old POY Plant additional 48 end winders are adding to enhance the production capacity and after completion of this modification , POY production of the company will be increased by 4500 TPA.
- 4) F. O. based 4.8 MW Captive Genset Power Plant has been installing to further reducing power cost .

#### **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. 131.85 Crores.

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

#### **DEPOSITORY SYSTEM**

As members are aware, the company's shares are compulsorily tradable in the electronic form. As on March 31, 2016 almost 94.71% 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 2015-16. Total outstanding deposits after repaying on maturity as on 31.03.2016 has been remained Rs. 2,02,79,000/-. There were no deposits, which were claimed but not paid by the Company as on date.

**DIRECTORS**

Mr. Shankarlal Somani (DIN No. 00165238), Whole-time Director of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

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. Bhagchand Chordia (DIN No. 00165398) and Mr. Atmaram Sarda (DIN No. 06713264) as Independent Director of the Company for a term upto 3 (Three) consecutive 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 under Section 149 (6) the Companies Act, 2013 and SEBI (LODR) Regulation, 2015.

The details of proposal of appointment/re-appointment of Mr. Shankarlal Somani, Mr. Bhagchand Chordia and Mr. Atmaram Sharda is mentioned in the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 of the Notice of the 28th Annual General Meeting.

**AUDITORS****a) Statutory Auditors**

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 27th Annual General Meeting of the Company held on September 30, 2015, 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 2016-17 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 2016-17. 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 2015-16. The Secretarial Audit Report for the financial year ended 31 March 2016 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 Clause 49 (VIII) (D) of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report for the FY 2015-16 duly reviewed by Audit Committee and approved by Board forms part of this Report.

### 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 that the most appropriate people are recruited in to the organization.

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

### INTERNAL CONTROL SYSTEM

Your Company has a well established Internal Control system to ensure an effective internal control environment that provides assurance on the efficiency of conducting business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Internal Auditor certifies on the assurance of adequacy of Internal Control System on quarterly basis which are regularly reviewed by the Audit Committee. Independence of the audit is ensured by the direct reporting of internal audit function to the Audit Committee of the Board.

### CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing on a sustained basis. The Company assists schools situated at near by villages by distributing dresses & books among poor students and computers 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 short fall of Rs. 13.40 Lacs in the amount spent on CSR activities during the year ended on 31st March ,2016 is intended to be utilised in future upon identification of suitable projects within your company's CSR policy.

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 has continuously adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities. Sumeet Industries' people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspiration during the year.

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

### PREVENTION OF SEXUAL HARASSMENT POLICY

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

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

## **RISK MANAGEMENT**

Risk Management is the systematic process of understanding, measuring, controlling and communicating organization's risk exposures while achieving its objectives. The company's risk management policy stems from a philosophy of pursuing sustainable growth and creating economic value while calibrating and mitigating risks. 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 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 situation. The Risk Management Policy has been reviewed and found adequate to the requirements of the Company by independent firms of Chartered Accountants and approved by the Board. A detailed report on significant risks and mitigation is forming part of Management's Discussion and Analysis.

## **INSURANCE**

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

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

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

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

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year 2015-16 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.

## **CHANGE IN SHARE CAPITAL**

During the year under review the company has issued and allotted 1,00,00,000 6% Non-Convertible Redeemable Preference Shares of Rs.10/- each at a premium of Rs. 5/- aggregating Rs. 15.00 Crores to the Promoters and Promoter group.

## **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 its 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.com](http://www.sumeetindustries.com). 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 17 times during the financial year ended 31st March, 2016 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. B.C. Chordia (Chairman), Mr. Sumeet Kumar Somani, Member and Mr. Atamram Sarda, Member.

All recommendations made by the Audit Committee were accepted by the Board during the year 2015-16. 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. B. C. Chordia (Chairman), Mr. Atamram Sarda, Member and Mr. Dinesh Sharan Khare, Member.

The Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (LODR) Regulation, 2015 (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. B. C. Chordia (Chairman), Mr. Atamram Sarda, Member and Mr. Sumeet Kumar Somani, 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. Gangadevi Somani, Chairman, Mr. Sumeet Kumar Somani, Member and Mr. Atmaram Sarda, Member.

#### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee. This evaluation is led by the Chairman of the Board Governance, Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board.

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

#### **KEY MANAGERIAL PERSON**

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

#### **ACKNOWLEDGEMENT**

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

On behalf of the Board of Directors

Sd/-

**Shankarlal Somani**

Chairman cum Mg. Director

Place : Surat

Date : 4th August 2016

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

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

**Secretarial Audit Report**

**For the financial year ended March 31, 2016**

**[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 31.03.2016, 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 31.03.2016 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings;
  - (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 (Prohibition of Insider Trading) Regulations, 2015 notified with effect from May 15, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
    - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
  - i. 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 hereinabove.
- 1. I have also examined compliance with the applicable clauses of the following:
    - i) Secretarial Standards issued by The Institute of Company Secretaries of India.
    - ii) The Listing Agreements entered into by the Company with the BSE Limited, 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. 13.40 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 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 by an order dated 30.06.2016 set aside the order of SEBI regarding penalty on company and its promoters and has reminded back the same for fresh orders on merits. The restraints against the company from dealing in Securities market have been concluded on completion of 2 years and against the promoters on passing of order by SAT.

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

**Place : Surat**  
**Date : 4th August 2016**

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 : 4th August 2016**

## 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, 2016 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, 2016 :- (R in lacs)

Name of the Director / KMP & Designation	Remuneration	% increase in Remuneration in F.Y. 2014-15	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
Shri Shankarlal Somani Chairman & Mg. Director	30.00	-	12.10	The Profit before tax registered growth of 6.81% but Profit after tax (PAT) declined by 12.62% as compared to last year.
Shri Sumeet Kumar Somani Executive Director & CFO	3.00	-	1.21	
Anil Kumar Jain Company Secretary	6.59	35.40	2.65	

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 : 9.40%
3. Number of permanent employees on the rolls of Company as on 31st March, 2016 : 472
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%-11%. The Profit before tax registered growth of 6.81% but Profit after tax (PAT) declined by 12.62% 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)	30.00	3.00	6.59
Revenue ( Rs. in Lacs)	123540.79	123540.79	123540.79
Remuneration ( As a % of Revenue)	0.024	0.002	0.005
Profit before Tax ( PBT ) ( Rs. in Lacs)	3060.78	3060.78	3060.78
Remuneration ( As a % of PBT)	0.98	0.10	0.21

Total remuneration of Key Managerial personnel increased by 35.40 % as compared to Financial year 2014-15, whereas the profit After tax declined by 12.62% as compared to previous 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 previous 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)
31.03.2015	11.45	3.73	3.07	66.45
31.03.2016	10.89	2.90	3.76	63.21
% Change	(4.89)	(22.25)	22.48	(4.87)

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. 1089/- (100 shares of Rs. 10.89 each) as on 31st March, 2016, 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 9.40% and average increase in remuneration of Managerial Personnel was 35.40 %. 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 2015-16 and 2014-15. 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 benefiting paediatrics and cancer patients, people suffering from AIDS, the Blind, Deaf and Dumb.

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

**3) Disaster relief :**

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

**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)
2013-14	25.44
2014-15	27.62
2015-16	25.55
Average net profits of last three years	26.20

Prescribed CSR expenditure ( 2% of the Average net profit of three financial years ) : Rs. 52.40 Lakh

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

- a) Total amount to be spent for the financial year : Rs. 39.00 Lakh
- b) Amount unspent , if any : Rs. 13.40 Lakh
- c) Manner in which amount spent during the financial year is detailed below :

**DETAILS OF CSR EXPENSESES FOR THE FINANCIAL YEAR 2015-16**

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	Promotion of Education	Education	Surat	38.00	36.50	36.50	Maheshwari Shikshan Sansthan
2	Health Care	Medical	Beawar (Rajasthan)	1.50	1.00	1.00	Shree Bangur Maheshwari Medical Welfare Society
3	Promoting Social Welfare	Samuhik Vivah Function	Karanj (Surat)	0.20	0.15	0.15	Direct
4	Animal Care	Goseva	Rewasa (Sikar)	2.00	1.00	1.00	Bhartiya Govansh Rakshan Sanvaerdhan Samiti
5	Promotion of Education	Mission to educate under privileged children	Surat	0.35	0.35	0.35	Surat Round Table
		<b>Total :</b>		<b>42.05</b>	<b>39.00</b>	<b>39.00</b>	

The short fall of Rs. 13.40 Lacs in the amount spent on CSR activities during the year ended on 31st March ,2016 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) Improving the power factor and thereby reduced maximum demand
- 5) Reduction of Fuel consumption of boiler by efficient maintenance thereof.
- 6) Conventional lights were replaced with high efficient LED lights.
- 7) Replacement of old and out dated Compressors with modern Energy Efficient Compressor
- 8) Power optimization of HTM heater.
- 9) Installation of booster pump in water pipe line to avoid high pressure pumping.
- 10) Optimization and improvement of Air Cooling system resulting in less usage of chiller .

**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) Conversion of electric heating to thermic fluid heating for Dowthern system
- 3) ETP RO Pump final pressure to be optimize to reduce pumping power.
- 4) Additional hot water Vam Chiller to be used for HTM Waste heat recovery by using HRU in exhaust line.

**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) New business opportunities because of competitive cost and better quality product

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

**FORM A**

	<u>2015-16</u>	<u>2014-15</u>
<b>A. Power and Fuel Consumption :</b>		
<b>1. Electricity :</b>		
(a) Purchased		
- Units	<b>101946883</b>	103443953
- Total Amount (Rs.)	<b>760391291</b>	780988747
- Rate/Unit (Rs.)	<b>7.45</b>	7.55
(b) Own generation		
(i) Through diesel generator in Units (KWH)	<b>6120</b>	3840
Liters of HSD Consumed	<b>2445</b>	1360
Unit per Ltr. of Diesel	<b>2.503</b>	2.823
(ii) Through steam turbine/generator		
Unit Consumed	-	-
Unit per MT of Coal	-	-
(iii) Gas (Generated by Gas based Gen Set)		
Quantity (in units KWH)	-	-
Gas Consumed (in SM 3)	-	-
Unit per KWH / SM3	-	-
<b>2. Gas :</b>		
Quantity (in units)	-	-
Total amount	-	-
Average rate	-	-
<b>3. Furnace oil :</b>		
Quantity (in Ltrs.)	-	-
Total amount	-	-
Average rate	-	-
<b>4. Diesel :</b>		
Quantity (in Ltrs.)	<b>2200</b>	1450
Total cost	<b>119256</b>	87920
Cost/unit	<b>54.20</b>	60.63

**B. Consumption per unit of production (in tons)**

**Product :** Polyester/Polypropylene Multi Filament Yarn

	<u>Standards (if any)</u>	<u>2015-16</u>	<u>2014-15</u>
<b>Electricity</b>			
(a) Purchases	-	<b>1121.63</b>	<b>1201.88</b>
(b) Own Generation	-	-	-
(Through Gas based Genset & Diesel Generator)			

## 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) Position of 4 nos. of existing FDY line has been modified for producing colour FDY Yarns.
- b) Process Line of P.P. Yarn has been modified for manufacturing Colour Polyester Yarns. After completion of this modification, the company will produce 4500 TPA Colour Polyester Yarns.
- c) In old POY Plant, additional 48 end winders are added to enhance the production capacity and after completion of this modification, POY production of the company will be increased by 4500 TPA.
- d) F.O. based 4.8 MW Captive Genset Power Plant has been installing to further reducing power cost.
- e) Modification in air conditioning system to improve process conditions.
- f) Upgradation of control system of after treatment machines.
- g) Continued efforts for rain harvesting measures.
- h) New products such as microfilament, fine deniers yarns, dope dyed colour yarns, Polyester colour yarns and carpet 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) Strengthened product portfolio and improved contribution margin
- d) Improvement in process parameters resulting consistency in product quality.
- e) Rationalization of manufacturing cost
- f) 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 F.O. based Captive Power Plant
- c) Installation of new Texturising Machines.
- e) Energy Audit in more comprehensive manner
- f) Enhancement of productivity of spinning and take-up machines.
- g) Energy optimization for process plants
- h) Optimization of product process for new product mix.
- i) 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 colour dope dyed yarns.
- b) Modification in existing Polypropylene Yarn line for producing colour Polyester Yarns.
- c) Modification in POY line by installing new additional winders in existing lines.

#### 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 year

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

(r in Lakh)

	2015-16	2014-15
[a] Foreign Exchange Earnings	11688.34	11231.02
[b] Foreign Exchange Outgo	27414.14	34285.13

**ANNEXURE - 5**
**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**(As on the financial year ended on 31st March, 2016)**

[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  E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400072, India Phone : 022-40430200/28470652 Fax : 022-28475207
<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/WTd	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, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	9530027	0	9530027	16.42	9530027	0	9530027	16.42	0.00
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	17700703	0	17700703	30.50	16639635	0	16639635	28.67	-1.83
<b>Sub-total (A) (1)</b>	<b>27230730</b>	<b>0</b>	<b>27230730</b>	<b>46.92</b>	<b>26169662</b>	<b>0</b>	<b>26169662</b>	<b>45.09</b>	<b>-1.83</b>
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
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>27230730</b>	<b>0</b>	<b>27230730</b>	<b>46.92</b>	<b>26169662</b>	<b>0</b>	<b>26169662</b>	<b>45.09</b>	<b>-1.83</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	450	450	0.00	0	450	450	0.00	0.00
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
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>450</b>	<b>450</b>	<b>0.00</b>	<b>0</b>	<b>450</b>	<b>450</b>	<b>0.00</b>	<b>0.00</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	15306225	16395	15322620	26.40	4508018	15480	4523498	7.79	-18.61
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. 2 lakh	3788316	3069082	6857398	11.82	14277653	3031082	17308735	29.82	18.01
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	3052961	34050	3087011	5.32	4951819	22500	4974319	8.57	3.25
c) Others									
c1) Clearing Member	135215	0	135215	0.23	327992	0	327992	0.57	0.33
c2) Directors/Relatives	5234165	0	5234165	9.02	4339824	0	4339824	7.48	-1.54
c3) Non Resident Indians	172149	0	172149	0.30	395258	0	395258	0.68	0.38
<b>Sub-total (B)(2)</b>	<b>27689031</b>	<b>3119527</b>	<b>30808558</b>	<b>53.08</b>	<b>28800564</b>	<b>3069062</b>	<b>31869626</b>	<b>54.91</b>	<b>1.83</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>27689031</b>	<b>3119977</b>	<b>30809008</b>	<b>53.08</b>	<b>28800564</b>	<b>3069512</b>	<b>31870076</b>	<b>54.91</b>	<b>1.83</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>54919761</b>	<b>3119977</b>	<b>58039738</b>	<b>100.00</b>	<b>54970226</b>	<b>3069512</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 01/04/2015			Shareholding at the end of the year 31/03/2016			% 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	3706183	6.39	5.43	0.00
2	SUMEET SHANKARLAL SOMANI	1144000	1.97	1.21	1144000	1.97	0.00	0.00
3	GANGADEVI SHANKARLAL SOMANI	1200000	2.07	1.59	1200000	2.07	1.59	0.00
4	MANISHA SUMEET SOMANI	500000	0.86	0.00	500000	0.86	0.00	0.00
5	NEELAM SUSHIL SOMANI	500000	0.86	0.00	500000	0.86	0.00	0.00
6	SUMANDEVI SOMANI	550000	0.95	0.00	550000	0.95	0.00	0.00
7	RITESH RAJKUMAR SOMANI	120977	0.21	0.00	120977	0.21	0.00	0.00
8	RAKESH RAJKUMAR SOMANI	138023	0.24	0.00	138023	0.24	0.00	0.00
9	RAJKUMAR SITARAM SOMANI	360000	0.62	0.00	360000	0.62	0.00	0.00
10	BETEX INDIA LIMITED	584000	1.01	0.00	584000	1.01	0.00	0.00
11	SOMANI OVERSEAS PRIVATE LIMITED	8641928	14.89	3.45	8641928	14.89	0.00	0.00
12	SITARAM PRINTS PRIVATE LIMITED	3584775	6.18	0.00	3584775	6.18	0.00	0.00
13	SUMEET MENTHOL PRIVATE LIMITED	2530000	4.36	4.31	2530000	4.36	4.31	0.00
14	NATIONAL POLY YARN PVT LTD	2320000	4.00	3.96	1258932	2.17	0.00	0.00
15	SUSHIL SHANKARLAL SOMANI	1310844	2.26	0.86	1310844	2.26	0.86	0.00
16	AMBAJI SYNTEX PVT LTD	40000	0.07	0.00	40000	0.07	0.00	0.00
	<b>TOTAL</b>	<b>27230730</b>	<b>46.92</b>	<b>20.80</b>	<b>26169662</b>	<b>45.09</b>	<b>12.18</b>	<b>0.00</b>

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

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 1st April, 2015)				Cumulative Shareholding during the year (As on 31st March, 2016)	
		Date	No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company
1	Total Promoters' Holding	01.04.2015	27230730	46.92		27230730	46.92
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	27.07.2015	(108324)	0.19	Sale	27122406	46.73
		31.07.2015	(350000)	0.60	Sale	26772406	46.13
		03.08.2015	(77744)	0.13	Sale	26694662	45.99
		05.08.2015	(500000)	0.86	Sale	26194662	45.13
		06.08.2015	(25000)	0.04	Sale	26169662	45.09
3	At the end of the year	31.03.2016	26169662	45.09		26169662	45.09

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

Sr. No.	Name	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	ARIHANT CAP. MKTS LTD	16,65,263	31-Mar-15	0	Transfer	16,65,263	2.87
			24-Apr-15	118000	Transfer	17,83,263	11.57
			1-May-15	-2	Transfer	17,83,261	11.57
			8-May-15	-400	Transfer	17,82,861	11.57
			15-May-15	-1500	Transfer	17,81,361	11.57
			29-May-15	-1	Transfer	17,81,360	11.57
			19-Jun-15	1000	Transfer	17,82,360	11.57
			30-Jun-15	-1	Transfer	17,82,359	11.57
			3-Jul-15	400	Transfer	17,82,759	11.57
			10-Jul-15	3900	Transfer	17,86,659	11.57
			17-Jul-15	-70078	Transfer	17,16,581	11.45
			24-Jul-15	-1424231	Transfer	2,92,350	9.00
			31-Jul-15	-118358	Transfer	1,73,992	8.80
			7-Aug-15	4587	Transfer	1,78,579	8.80
			14-Aug-15	1499	Transfer	1,80,078	8.81
			21-Aug-15	500	Transfer	1,80,578	8.81
			4-Sep-15	-7	Transfer	1,80,571	8.81
			11-Sep-15	-199	Transfer	1,80,372	8.81
			23-Sep-15	121000	Transfer	3,01,372	9.02
			30-Sep-15	153000	Transfer	4,54,372	9.28
			16-Oct-15	-146474	Transfer	3,07,898	9.03
			23-Oct-15	-22611	Transfer	2,85,287	8.99
			30-Oct-15	-96617	Transfer	1,88,670	8.82
			6-Nov-15	5000	Transfer	1,93,670	8.83
			20-Nov-15	-1155	Transfer	1,92,515	8.83
			27-Nov-15	-19313	Transfer	1,73,202	8.79
			4-Dec-15	1000	Transfer	1,74,202	8.80
			11-Dec-15	235500	Transfer	4,09,702	9.20
			18-Dec-15	-239734	Transfer	1,69,968	8.79
			25-Dec-15	-7350	Transfer	1,62,618	8.78
			31-Dec-15	36045	Transfer	1,98,663	8.84
			1-Jan-16	7100	Transfer	2,05,763	8.85
			8-Jan-16	-54763	Transfer	1,51,000	8.76
			15-Jan-16	91250	Transfer	2,42,250	8.91
			22-Jan-16	-99800	Transfer	1,42,450	8.74
			29-Jan-16	-895	Transfer	1,41,555	8.74
			5-Feb-16	6550	Transfer	1,48,105	8.75
			12-Feb-16	401	Transfer	1,48,506	8.75
			19-Feb-16	26199	Transfer	1,74,705	8.80
			26-Feb-16	-5100	Transfer	1,69,605	8.79
			4-Mar-16	-5	Transfer	1,69,600	8.79
			11-Mar-16	-126100	Transfer	43,500	8.57
			18-Mar-16	-7690	Transfer	35,810	8.56
			25-Mar-16	-13810	Transfer	22,000	8.53
		22,000	31-Mar-16	0	Transfer	22,000	8.53

2	M/S DHANVIRDHI FINANCIAL CONSULTANS PVT LTD	25,30,443	31-Mar-15	0	Transfer	25,30,443	4.36
			31-Jul-15	-443	Transfer	25,30,000	4.36
			5-Feb-16	-1696945	Transfer	8,33,055	1.44
			12-Feb-16	-833055	Transfer	0	0.00
			31-Mar-16	0	Transfer	0	0.00
3	RAGHUVIR TEXTURIZERS PRIVATE LIMITED	22,87,821	31-Mar-15	0	Transfer	22,87,821	3.94
			10-Apr-15	-229	Transfer	22,87,592	3.94
			24-Apr-15	-141850	Transfer	21,45,742	3.70
			1-May-15	-15275	Transfer	21,30,467	3.67
			10-Jul-15	-2099529	Transfer	30,938	0.05
			31-Jul-15	-30938	Transfer	0	0.00
			8-Jan-16	200000	Transfer	2,00,000	0.34
			15-Jan-16	637000	Transfer	8,37,000	1.44
			5-Feb-16	-216318	Transfer	6,20,682	1.07
			12-Feb-16	-620682	Transfer	0	0.00
			31-Mar-16	0	Transfer	0	0.00
4	BAJRANGLAL SITARAM SOMANI	13,51,087	31-Mar-15	0	Transfer	13,51,087	2.33
		13,51,087	31-Mar-16	0	Transfer	13,51,087	2.33
5	SHARDADEVI SOMANI	12,21,000	31-Mar-15	0	Transfer	12,21,000	2.10
			22-Jan-16	-1220000	Transfer	1,000	0.00
			29-Jan-16	1220000	Transfer	12,21,000	2.10
			31-Mar-16	0	Transfer	12,21,000	2.10
6	URMILADEVI SOMANI	9,40,000	31-Mar-15	0	Transfer	9,40,000	1.62
		9,40,000	31-Mar-16	0	Transfer	9,40,000	1.62
7	RELIGARE FINVEST LTD	8,11,500	31-Mar-15	0	Transfer	8,11,500	1.40
			26-Jun-15	-500	Transfer	8,11,000	1.40
			31-Jul-15	1000	Transfer	8,12,000	1.40
			7-Aug-15	-705251	Transfer	1,06,749	0.18
			14-Aug-15	-75000	Transfer	31,749	0.05
			31-Mar-16	0	Transfer	31,749	0.05
8	AMIT BAJRANGLAL SOMANI	5,64,341	31-Mar-15	0	Transfer	5,64,341	0.97
			17-Jul-15	-564341	Transfer	0	0.00
			31-Mar-16	0	Transfer	0	0.00
9	BLACK FOX FINANCIAL PRIVATE LIMITED	5,14,931	31-Mar-15	0	Transfer	5,14,931	0.89
			17-Apr-15	40000	Transfer	5,54,931	0.96
			29-May-15	-50000	Transfer	5,04,931	0.87
			5-Jun-15	-150000	Transfer	3,54,931	0.61
			19-Jun-15	56	Transfer	3,54,987	0.61
			26-Jun-15	-56	Transfer	3,54,931	0.61
			17-Jul-15	1000	Transfer	3,55,931	0.61
			24-Jul-15	-1000	Transfer	3,54,931	0.61
			31-Jul-15	-100000	Transfer	2,54,931	0.44
			7-Aug-15	-254931	Transfer	0	0.00
			31-Mar-16	0	Transfer	0	0.00
10	SEMINARY TIE UP PVT LTD	4,29,140	31-Mar-15	0	Transfer	4,29,140	0.74
			31-Jul-15	-254934	Transfer	1,74,206	0.30
			7-Aug-15	-174206	Transfer	0	0.00
			31-Mar-16	0	Transfer	0	0.00

### 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, 2015)		Cumulative Shareholding during of the year (As on 31st March, 2016)	
	Name of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A.	Executive Director				
	1. Mr. Shankarlal Somani	3706183	6.39	3706183	6.39
	2. Mr. Sumeet Kumar Somani	1144000	1.97	1144000	1.97
B.	Non Executive Director				
	1. Smt. Gangadevi Somani	1200000	2.07	1200000	2.07
	2. Mr. Dinesh Sharan Khare	0	0.00	0	0.00
	3. Mr. Bhagchad Chordia	0	0.00	0	0.00
	4. Mr. Atma Ram Sardsa	0	0.00	0	0.00
C.	Key Managerial Person				
	Mr. Anil Kumar Jain (Company Secretary)	0	0.00	0	0.00

### ANNEXURE - H

#### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	42043.46	1916.47	215.04	44174.97
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	42043.46	1916.47	215.04	44174.97
Change in Indebtedness during the financial year				
· Addition	6283.83	1919.43	0	8203.26
· Reduction	5575.87	651.96	12.25	6240.08
Net Change	707.96	1267.47	-12.25	1963.18
Indebtedness at the end of the financial year				
i) Principal Amount	42751.42	3183.94	202.79	46138.15
ii) Interest due but not paid	0	0	0	0.00
iii) Interest accrued but not due	0	0	0	0.00
Total (i+ii+iii)	42751.42	3183.94	202.79	46138.15



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

(r in Lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shankarlal Somani	Sumeet Kumar Somani	Dinesh Sharan Khare *	
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	3.77	36.77
		-	-	-	-
		-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others	- -	- -	- -	- -
5	Others	-	-	-	-
	Total (A)	30.00	3.00	3.77	36.77
	Ceiling as per the Act @10% of profit calculated u/s. 198 of the Companies Act,2013				255.43

\*Mr. Dinesh Sharan Khare has been resigned as a Executive Director w.e.f 13.08.2015.

**ANNEXURE - J**
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**B. Remuneration to other directors :**

(r in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Bhagchand Chordia	Devi Prasad Saboo	Atmaram Sarda	Dinesh Khare *	Gangadevi Somani	
1	Non-Executive Directors Fee for attending board committee meetings	-	-	-	-	-	
	Commission	-	-	-	0.66	-	0.66
	Sitting Fees	5.10	2.40	4.80	3.60	4.20	20.10
2	Total (1)	5.10	2.40	4.80	4.26	4.20	20.76
3	Total Managerial Remuneration						
4	Ceiling as per the Act @1% of profit calculated u/s. 198 of the Companies Act,2013						25.55

\*Mr. Dinesh Sharan Khare has been appointed as a Non- Executive Director w.e.f. 13.08.2015.

**ANNEXURE - K**

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

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(r 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	3.00	6.59	9.59
	(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	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5	Others	-	-	-
	Total	3.00	6.59	9.59

## 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) Chairman & 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 a 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 (3) 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 cum Mg. Director

Place : Surat

Date : 4th August 2016

**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 cum Mg. Director

Place : Surat

Date : 4th August 2016



## 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 6 Directors on its Board consisting of 2 Executive and 4 Non-Executive with Executive Chairman as on 31st March, 2016. None of the directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees, across all the Companies in which they are directors.

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

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 (00165238)	Chairman cum Managing Director (Executive & Non-Independent)	17	Yes	-	-	-
2	Mr. Sumeet Kumar Somani (00318156)	Whole time Director (Executive & Non-Independent)	17	Yes	-	2	-
3	Mr. Dinesh Sharan Khare (00383743)	Non-Executive & Independent Director	17	Yes	-	1	-
4	Mr. Bhagchand Chordia (00165398)	Non-Executive & Independent Director	17	Yes	-	-	3
5	Mr. Atmaram R Sarda (06713264)	Non-Executive & Independent Director	16	Yes	-	3	-
6	Mrs. Gangadevi Shankarlal Somani (06913790)	Non-Executive & Non-Independent Director	14	Yes	-	-	-
7	Mr. Devi Prasad Saboo ** (00095024)	Non-Executive & Independent Director	8	Yes	-	-	-

(O.D.) - Directorships in other Companies (C.M.) - Committee Memberships (C.C.) - Committee Chairmanships

\* Other directorship do not include alternate directorships, directorship of private limited companies incorporated under section 8 of the Companies Act, 2013 and companies incorporated outside India. Chairmanship/ Membership of Board Committees include only Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committees of public limited companies held including Sumeet Industries Limited.

\*\* Mr. Devi Prasad Saboo has resigned from the Board w.e.f. 30th September, 2015 due to their health concern.

As on 31st March, 2016, out of 6 Directors, 3 Directors are related Directors viz : Shri Shankarlal Somani, Shri Sumeet Kumar Somani and Smt. Gangadevi 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 12th February, 2016 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 familiarise 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 compliances, 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 Report. 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 2015-16, the Board meeting has been held for 17 times.

### The Dates of the Board Meetings are :

01.	24.04.2015	06.	13.08.2015	11.	06.11.2015	16.	12.02.2016
02.	18.05.2015	07.	25.08.2015	12.	21.12.2015	17.	30.03.2016
03.	30.05.2015	08.	30.09.2015	13.	29.12.2015		
04.	08.06.2015	09.	14.10.2015	14.	06.01.2016		
05.	30.06.2015	10.	03.11.2015	15.	18.01.2016		

### 3. COMMITTEES OF THE BOARD

#### I) AUDIT COMMITTEE

The Audit committee of the company comprises of 3 members, consisting of 1 Executive Director and 2 Non- Executive and Independent Directors. Mr. B. C. Chordia is the Chairman of the Audit Committee. The constitution of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 as well as 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 Seven Audit Committee meeting were held on 28th May, 2015, 10th August, 2015, 23rd September, 2015, 26th October, 2015, 2nd November, 2015, 4th December, 2015 and 9th February, 2016. 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. B. C. Chordia	Chairman	Non-Executive	7	7
2	Mr. Sumeet Kumar Somani	Member	Executive	7	7
3	Mr. Atma Ram Sarda	Member	Non-Executive	7	7
4	Mr. Devi Prasad Saboo *	Member	Non-Executive	7	3

\* Mr. Devi Prasad Saboo has resigned from the Board w.e.f. 30th September, 2015.

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of subsection (3) of Section 134 of the Companies Act, 2013 (corresponding to sub-section (2AA) of Section 217 of the Companies Act, 1956);
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 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 w.e.f. 01/10/2015. 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. The Nomination and Remuneration Committee now comprises of three members viz ; Mr. B. C. Chordia, Mr. Dinesh Sharan Khare and Mr. Atmaram Sarda.

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

During the financial year two meetings of Nomination and Remuneration Committee were held on 12th August, 2015 and 30th March, 2016. 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. B. C. Chordia	Chairman	Non-Executive	2	2
2	Mr. Atma Ram Sarda	Member	Non-Executive	2	2
3	Mr. Dinesh Sharan Khare	Member	Non-Executive	2	1
4	Mr. Sumeet Kumar Somani	Member	Executive	2	1
5	Smt. Gangadevi Somani	Member	Non-Executive	2	1
6	Mr. Devi Prasad Saboo	Member	Non-Executive	2	1

Mr. Dinesh Sharan Khare has been inducted as members of this Committee in place of Mr. Sumeet Kumar Somani and Smt. Ganga Devi Somani at the time of reconstitution by the Board w.e.f. dated 01.10.2015 and Mr. Devi Prasad Saboo has resigned from the post of Directorship w.e.f. 30.09.2015 due to their health concern.



**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 endeavours 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) & (ii).

**D) Details of Remuneration of Executive Directors for the Financial Year 2015-16**

The following are the details of remuneration paid to the Executive Director for the financial year 2015-16.

Sr. No.	Name of the Director	Salary	Perquisites ( ₹ )
1	Mr. Shankarlal Somani	30,00,000	-
2	Mr. Sumeet Kumar Somani	3,00,000	-
3	Mr. Dinesh Sharan Khare	3,77,075	-

**E) Details of Remuneration of Non- Executive Directors for the Financial Year 2015-16**

The following are the details of remuneration paid to Non-Executive Director for the financial year 2015-16.

Sr. No.	Name of Non-Executive (Director)	Sitting Fees ( 1 )	Commission ( 1 )
1	Mr. Bhagchand Chordia	5,10,000	-
2	Mr. Atma Ram Sarda	4,80,000	-
3	Mr. Dinesh Sharan Khare *	3,60,000	65,894
4	Mrs. Gangadevi Shankarlal Somani	4,20,000	-
5	Mr. Devi Prasad Saboo **	2,40,000	-

\* Mr. Dinesh Sharan Khare has been appointed as an Independent Director of the company w.e.f. 13.08.2015.

\*\* Mr. Devi Prasad Saboo has resigned from the post of Directorship w.e.f. 30.09.2015 due to their health concern.

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 and 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 now comprises of three members viz ; Mr. B. C. Chordia, Mr. Sumeet Kumar Somani and Mr. Atmaram Sarda. Mr. B.C.Chordia, Practicing Chartered Accountant is the Chairman of the Stakeholders Relationship Committee. It consists of two Non-Executive Directors and one Executive Director.

#### 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 eight meetings of Stakeholders Relationship Committee were held on 10.04.2015, 17.04.2015, 15.05.2015, 25.05.2015, 29.05.2015, 12.06.2015, 16.06.2015, 03.07.2015, 14.07.2015, 21.07.2015, 24.07.2015, 04.08.2015, 11.08.2015, 14.08.2015, 09.10.2015, 13.10.2015, 23.10.2015, 06.11.2015, 24.11.2015, 11.12.2015, 08.01.2016, 12.01.2016, 02.02.2016, 12.02.2016, 26.02.2016, 04.03.2016, 18.03.2016 and 29.03.2016. 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. B. C. Chordia	Chairman	Non-Executive	28	28
2	Mr. Sumeet Kumar Somani	Member	Executive	28	28
3	Mr. Atma Ram Sarda	Member	Non-Executive	28	28
4	Mr. Devi Prasad Saboo *	Member	Non-Executive	28	3

\*Mr. Devi Prasad Saboo has resigned from the post of Directorship w.e.f. 30.09.2015 due to their health concern.

#### D) Compliant Status

Number of complaints/requests received from the shareholders during the financial year 2015-16 and the number of pending complaints is given below :

Compliant Received during the year 2015-2016 : 27

Complaint Pending as on 31/03/2016 : NIL

Number of pending shares transfer as on 31/03/2016 : 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 13/08/2015. The Corporate Social Responsibility Committee now comprises of three members viz ; Mrs. Gangadevi Shankarlal Somani, Mr. Sumeet Kumar Somani and Mr. Atma Ram Sarda. Mrs. Gangadevi Shankarlal Somani is the Chairman of the Corporate Social Responsibility Committee.

**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, three meetings of Corporate Social Responsibility Committee (CSR) were held on 01.04.2015, 15.09.2015 and 02.01.2016. 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	3	2
2	Mr. Sumeet Kumar Somani	Member	Executive	3	2
3	Mr. Atma Ram Sarda	Member	Non-Executive	3	3
4	Mr. Devi Prasad Saboo*	Member	Non-Executive	3	1
5	Mr. Shankarlal Somani *	Member	Executive	3	1

Mrs. Gnagadevi Somani and Mr. Sumeet Kumar Somani has been inducted as members of the CSR Committee in place of Mr. Shankarlal Somani and Mr. Devi Prasad Saboo at the time of reconstitution by the Board on dated 13.08.2015.

**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	30/09/2015	Bombay Market Hall, Umarwada, Surat	10:00 A.M.
2	30/09/2014	Bombay Market Hall, Umarwada, Surat	10:00 A.M.
3	30/09/2013	Bombay Market Hall, Umarwada, Surat	10:00 A.M.

**II) Special Resolution passed at the last 3 (Three) Annual General Meetings :**
**YEAR 2013-14**

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

**YEAR 2012-13**

- 1) Raising of Funds by further issue of equity shares or securities convertible in to equity shares for an amount not exceeding Rs. 100 Crores.
- 2) Reconstitution of Authorized Capital of the company
- 3) Raising of Funds by way of issue of 6% Non-Convertible Redeemable Preference Shares of Rs. 10.00 Crores to the Directors and their relatives & associate concerns.

**III) No resolution were passed through Postal Ballot during the year under review.**

**IV) SHAREHOLDING AS ON 31ST MARCH, 2016**
**A) DISTRIBUTION OF SHAREHOLDING (IN SHARES) AS ON 31ST MARCH, 2016**

NO. OF SHARES	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF CAPITAL
1 To 500	26969	81.03	4587408	7.90
501 To 1000	2956	8.88	2510705	4.33
1001 To 2000	1508	4.53	2422674	4.17
2001 To 3000	524	1.58	1370908	2.37
3001 To 4000	281	0.84	1023631	1.77
4001 To 5000	293	0.88	1400744	2.41
5001 To 10000	388	1.17	2869266	4.94
10001 To 9999999999	363	1.09	41854402	72.11
<b>TOTAL</b>	<b>33282</b>		<b>58039738</b>	<b>100.00</b>

**B) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2016**

Category	No. of Shares Held	% of Shareholding
Promoters & Promoter Group	26169662	45.09
Other Directors Relatives	4339824	7.48
Corporate Bodies	4523498	7.79
Clearing Member	327992	0.57
Non Resident Indians (NRI'S)	395258	0.68
Indian Public & Others	22283504	38.39
<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. 2015-16 at BSE & NSE are as under :

Month	BSE			NSE		
	High	Low	Total Volume	High	Low	Total Volume
Apr-15	15.35	11.50	1120630	15.25	11.25	3458647
May-15	15.45	12.30	574104	16.00	12.25	2292918
Jun-15	13.40	10.70	935820	13.45	9.10	2509365
Jul-15	18.49	11.07	19705492	18.55	11.10	45772296
Aug-15	11.95	8.72	3834096	11.95	8.75	10826024
Sep-15	12.10	9.13	1355429	12.20	9.00	2454099
Oct-15	11.50	10.01	483770	11.50	10.10	1584961
Nov-15	12.88	9.90	1015982	13.00	9.40	2592253
Dec-15	15.09	10.40	2707667	15.20	10.55	6604594
Jan-16	18.53	13.00	8204978	18.50	13.00	21304436
Feb-16	18.10	10.15	11869968	18.10	10.10	37774057
Mar-16	12.10	10.63	1819441	12.10	10.50	3932151

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

Mr. Shankarlal Sitaram Somani (DIN No. 00165238) Director of the company who retires by rotation and being eligible, offer himself for re-appointment

<b>Name of the Director</b>	<b>Mr. Shankarlal Sitaram Somani</b>
Date of Birth	20/01/1954
Date of Appointment on the Board	01/08/1988
Qualification	B.Com
Expertise in specific functional areas	Management
List of other Directorship	-Somani Overseas Pvt. Ltd. -Sumeet Global Pte. Ltd.
Committees Memberships of the companies	-
No. of shares held in the Company	3706183

Mr. Bhagchand Chordia (DIN No. 00165398) has been appointed as an Independent Director of the company for a term up to 3 (Three) consecutive years. Their details are mentioned below:-

<b>Name of the Director</b>	<b>Mr. Bhagchand Chordia</b>
Date of Birth	15/04/1965
Date of Appointment on the Board	17/12/2001
Qualification	B.Com, FCA
Expertise in specific functional areas	Practicing Chartered Accountant
List of other Directorship	- B. Chordia & Co., Chartered Accountants
Committees Memberships of the companies	- Audit Committee, Chairman - Nomination and Remuneration Committee, Chairman - Stakeholders Relationship Committee, Chairman
No. of shares held in the Company	NIL

Mr. Atma Ram Sarda (DIN No. 06713264) has been appointed as an Independent Director of the company for a term up to 3 ( Three ) consecutive years . Their details are mentioned below:-

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

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

Date : 30/09/2016, Friday

Time : 10:00 A.M.

Venue : Shree Maheshwari Bhavan, First Floor Hall, Near Science Centre, City Light, Surat.

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

Annual General Meeting : September, 2016

Results for quarter ending June 30, 2016 : on or before 14th August, 2016

Results for quarter ending Sept 30, 2016 : on or before 14th November, 2016

Results for quarter ending Dec 31, 2016 : on or before 14th February, 2017

Results for quarter ending March 31, 2017 : on or before 30th May, 2017

**(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 iBoss the most advanced tool to interact with shareholders. Please login into iBoss [[www.bigshareonline.com](http://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, 2016 about 94.71% 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, the 24th September, 2016 to Friday, the 30th September, 2016 (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 (₹)	Cumulative Share	Cumulative Paid-up Capital (₹ In Lacs)
25.07.1988	Subscription to the MOA	20	10.00	20	200.00
12.12.1991	Further Allotment	1,99,980	10.00	2,00,000	20,00,000.00
13.05.1992	Further Allotment	7,95,000	10.00	9,95,000	99,50,000.00
07.07.1992	Further Allotment	10,55,000	10.00	20,50,000	2,05,00,000.00
20.07.1992	Further Allotment	9,50,000	10.00	30,00,000	3,00,00,000.00
08.08.1992 & 12.08.1992	Further Allotment	26,00,000	10.00	56,00,000	5,60,00,000.00
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) LAST FIVE YEARS RECORDS OF DIVIDEND :**

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

**(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, Announcement and Intimation 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, Announcement and Intimation 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. E-mail : corporate@sumeetindustries.com

Visit us at : www.sumeetindustries.com

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

M/S. Bigshare Services Pvt. Ltd.

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

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

**(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 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.**

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

Mumbai- 400 072. Ph. : 022- 40430200/28470652

- 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.

**Bigshare Services Pvt. Ltd.**

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

Mumbai- 400 072. Ph. : (022) 40430200 / 28470652 Fax : (022) 28475207

- 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:

**M/s. Sumeet Industries Limited,**

504, 5th Floor, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat-2 (Gujarat)

Phone : 0261-2328902, Fax : 0261-2334189 Mail : 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 behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism shall provide adequate safeguards against victimization of Director(s) / Employee(s), who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of establishment of the vigil mechanism disclosed by the Company on its website.

**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, 2016.

**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, 2016.

**For Sumeet Industries Limited**

**Place : Surat**

**Date : 30th May 2016**

**Shankarlal Somani**

Chairman cum Mg. Director

**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 2016, 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 (LODR) 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 : 30th May 2016**

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

To  
The Board of Directors of Sumeet Industries Limited

Dear Sirs,

Sub : CEO / CFO Certificate

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

We, Shankarlal Somani, Managing Director and Sumeet Kumar Somani, Chief Financial Officer of Sumeet Industries Limited, 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, 2016 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 : 30th May 2016

**SHANKARLAL SOMANI**  
Managing Director  
(DIN : 00165238)

**SUMEET KUMAR SOMANI**  
Chief Financial officer  
(DIN : 00318156)

## MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

### Global Economy

According to the World Bank, global GDP will grow at 2.9 percent in 2016, after growing at 2.4 percent in 2015. Growth rate is expected to move up to 3.1 percent in 2017. The estimates by International Monetary Fund (IMF) are a little more optimistic than the World Bank projections. IMF expects global economy to grow by 3.2 percent in 2016 and by 3.5 percent in 2017.

There has been major fall in global commodity prices such as Crude Oil, Steel, Base Metals, Iron Ore, Coal etc. This has augured well for countries which are net importers of commodities. Economic growth in Advanced Economies (AEs) has been stable, however, major Emerging Markets & Developing Economies (EMDEs) other than India continue to witness slowdown in growth. Going forward the IMF's report has projected that global GDP growth will stabilize around current levels and is projected to be 3.2% in 2016 and 3.5% in 2017.

The US fed increased its bench mark policy rate due to improved growth indicators. The ramifications of a possible exit of Britain from the European Union are still unknown. Japan continues with expansionary monetary policy and has adopted a negative savings rate in order to fuel consumption. The Chinese economy continues to rebalance itself and is moving away from manufacturing and investment led growth towards a more services and consumption driven model. China's slowdown is creating pressure on Emerging and Developing Economies (EDEs), especially those with strong trade linkages with China. Amidst these, the commodity markets, in particular, the oil prices remained subdued throughout the year. Overall, the global growth prospectus are inclined towards increased downside risks.

### Indian Economy

India is presently the fastest growing economy in the world. IMF's global economic forecast has identified India as the "bright spot" amidst global economy. This year's Economic Survey describes India as a "refuge of stability and an out post of opportunity" at a time of global turbulence and volatility. India grew 7.2 percent in 2014-15 and 7.6 percent (advance estimate) in 2015-16. For 2016-17, the Survey pegs the GDP growth at between 7 and 7.75 percent, quite a broad range keeping in mind the interplay of a number of domestic and international factors.

The Government of India has done well in adhering to the fiscal targets, initiating a number of national schemes and structural reforms, expanding the scope of the direct benefit transfer scheme, re-starting stalled projects besides stepping up public investment in infrastructure projects.

Low international oil prices have helped in containing inflation and currency has also remained stable. Also, Foreign Direct Investment (FDI) figures are at an all-time high touching USD 51 billion during April-February 2015-16. However, Indian economy has to deal with several challenges. The Central Government has started a number of initiatives such as Make in India, Smart Cities, Enhancing ease of doing business etc. to boost the economic growth in India. Additionally, enhanced infrastructure spending, pick-up in industrial activity, an improved investment climate and a rebound in rural economy on the back of an above average monsoon are expected to further strengthen growth.

The fall in the crude oil prices has further helped the economy, leading to a fall in inflation with WPI remaining in the negative territory for the complete year 2015-16. With inflation well in control, during the year (from April 2015 to March 2016) the Reserve Bank of India has reduced Repo Rate by 100 bps. This is expected to further provide support to the economic growth.

India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. India is expected to grow at 6.3 percent in 2015, and 6.5 percent in 2016 by when it is likely to cross China's projected growth rate. India's macro-economic prospects have strengthened and the country is best positioned among emerging market economies, gaining global investor's attention.



### 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 11 percent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The industry realised export earnings worth US\$ 41.4 billion in 2014-15, a growth of 5.4 percent. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. 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.

The textile industry plays a pivotal role through its contribution to industrial output and employment generation and export earnings of the country. It contributes to 10% of manufacturing production, 2% of India's GDP and to 13% of the country's export earnings#.

#. Annual report 2015-16 Ministry of Textiles

### 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.

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

In 2014-15, demand for most manmade filament & fibre was subdued due to a decline in prices of cotton yarn. Also, says a report, the levy in July 2014 of anti-dumping duty on import of purified terephthalic acid (PTA), a major input, further hit domestic production of polyester filament yarn.

As per CMIE report Demand recovery for manmade filament, fibre, yarn and fabric in 2015-16 is likely to be backed by an increase in off take by apparel manufacturers. The apparel segment consumes a little more than half of the total synthetic fibre produced by the industry. Manufacturers of home textiles and technical textiles are also expected to increase the usage of synthetic fibres during the year. Also, with crude oil prices expected to remain stable, PTA and MEG prices are likely to come down, too, leading to a decline in polyester prices by eight to 12 percent this year. Domestic and international prices of both the polyester raw materials had plunged in the latter half of 2014-15, led by a steep decline in crude oil prices. So, polyester prices had corrected sharply during the period.

### Business Overview :

The overall performance of the company for the year under review improved in line with the business re-engineering work undertaken in the previous year. 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 of bottom-line during the year despite headwinds were a) Saving in energy cost due to sourcing of power through open access and high sales in quantities term in the last quarter of the year under review.

During the financial year under review, the company has modified its spinning lines for improving its operational costs and efficiencies thereby improved its bottom line 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. 105248.48 Lacs in the year 2015-16 as against Rs. 93103.32 Lacs during the previous year. Increase in sales was noted being better realization of prices and high sales in quantities term in the last quarter of the year.

**Other Operating Income :** Other operating income consists of Export Incentives, Vat refund etc. Other operating Income for the year 2015-16 amounted to Rs. Nil as against Rs. 266.77 Lakh during the previous year. The company has imported raw materials during the year under advance license against export proceeds.

**Other Income :** Other income consisting receipt of Dividend, Discounts and Interest on Fixed Deposits & others. Other income for the year 2015-16 is amounting of Rs. 542.99 Lakh against Rs. 669.22 Lakh in the previous year. Other income were marginally decreased due to less commission income received in comparison to previous year.

**Consumption of Raw material :** Consumption of raw material decreased from Rs. 72400.85 Lakh to Rs.60051.64 Lakh 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. 1238.51 Lakh to Rs.1311.61 Lakh. 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. 3708.60 Lakh to Rs. 4357.51 Lakh due to fresh term loan taken for Texturising & Carpet yarn plant and increase in working capital. Debt Service Coverage ratio is 0.80 and Debt Equity Ratio is 2.24.

Despite the year under review he Company has delivered a mixed 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 year. The company has also set up 4.8 MW F.O. based captive Genset Power Plant to further reducing its power cost. F.O. is the by-product of Crude oil which is available at cheaper price being crude price were sharply declined in the last year. Commissioning of another 4.8 MW F.O based Genset Power plant is under process and likely to be completed in mid of the month of September, 2016. This will result in substantial saving in power cost and will improve the profit margins of the company in the ensuing financial year 2016-17.

### 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 capital income, expanding middle class, continuing urbanization witnessing high growth opportunities. Rural market is also playing important role in the economy which offers a major opportunity growth in the Polyester Industries.

Our product mix spread over five important Polyester products : Pet chips, POY, FDY, Texturised yarn & Carpet Yarn. We will keep opportunity of further backward and forward integration cum expansion program to lead to the company to a new high. 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.

While global growth improved marginally during the year under review, the Indian economy managed to clock a 7.6% GDP growth making it world's fastest growing major economy. 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 five 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 adversely 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 various 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 minimise or eliminate the risks associated with operating activities. Sufficient current assets are held to meet all of the Company's short-term payment obligations as and when they fall due, thereby ensuring solvency at all times. Payment obligations result both from operating cash flows and from changes in current financial liabilities which are included in liquidity planning.

**g) MARKET RISK**

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

The company has also converted 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. Fibrewaste are used as captive material through



recently set up waste re-cycling plant. The company has setup state of art an ETP plant for treating polluted water of the plant. Hazardous wastes are handled through registered recyclers, who are authorized by the concerned Pollution Control Boards.

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

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

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

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

### **HUMAN RESOURCES**

The company firmly believes that success of any organization largely depends upon availability of human assets within the organization as it is one of the most valuable assets because revenue and profit growth cannot take place without the right equality of people. To that effect, company has taken a series of measures that ensures that the most appropriate people are recruited in to the organization.

#### **a) RECRUITMENT POLICY**

The Company has been able to attract a team of dedicated professionals with appropriate expertise and experience, leaders who are passionate, eager to learn and succeed.

Recruitment based on merit by following well defined and systematic selection procedures eliminating discrimination, sustain motivated and quality work force through appropriate and fair performance evaluation to retain the best talent.

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

#### **b) PERFORMANCE APPRAISAL SYSTEM**

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



**c) PERSONNEL TRAINING**

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

**d) LABOUR RELATIONS**

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

**STATUTORY COMPLIANCE**

The Managing Director 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.

**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 social developments.

**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**

4th August, 2016

## INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

TO,  
THE MEMBERS  
SUMEET INDUSTRIES LIMITED,  
SURAT.

### Report on the Financial Statements :

I have audited the accompanying financial statements of SUMEET INDUSTRIES LIMITED. ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility :

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

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

I conducted my audit in accordance with the Standards 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 financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Auditor's Opinion :

In my opinion and to the best of my information and according to the explanations given to me, the 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, 2016;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on 31st March, 2016;
- and
- c) in the case of the Cash Flow Statement, of the cash flows for the period from 1st April, 2015 to 31st March, 2016 on that date

**Report on Other Legal and Regulatory Requirement :**

- 1. As required by the Companies (Auditor's Report) Order, 2004 issued by the Company Law Board in terms of Section 143(11) of the Companies Act, 2013, I enclose in the "Annexure A" a statement on the matters specified there in.
- 2. As required by section 143(3) of the Act, I report that :
  - a) I have sought and obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
  - b) In my opinion proper books of accounts as required by Law have been kept by the company, so far as it appears from my examination of the books.
  - c) The Balance Sheet, Profit & Loss Account and cash flow referred to in the report are in agreement with the books of accounts.
  - d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) There is nothing to disclose which is having adverse effect on the functioning of the company.
  - f) According to the information and explanations given to me and on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
  - g) With respect to 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", and
  - h) With respect to the other matters included in the Auditor's Report and to the best of my information and according to the explanations given to me:
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place : Surat  
Date : 30th May 2016

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;	Yes, fixed assets have been physically verified at regular intervals.
	whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	No, material discrepancies have been noticed on such verification.
	(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 with in 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,	Yes. There are two such parties.
	(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)	(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.	Yes, the company is regular.
	(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).	<ol style="list-style-type: none"> <li>1. Appeal is pending with ITAT (Ahmedabad) for F.Y. 2010-11.</li> <li>2. Assessment for A.Y. 2009-10 to A.Y. 2015-16 is pending with ACIT Central Circle – II.</li> <li>3. 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)</li> </ol>
(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;	<p>No Money has been raised by way of Public issue/ follow-on offer during the period.</p> <p>Term loans were applied for the purposes for which those are raised.</p>
(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.	NotApplicable
(xiii)	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, the Company has made preferential allotment of 1,00,00,000, 6% Non-Convertible Redeemable Preference shares at Rs. 10/- each. The company has complied with the provisions of Section 42 of the Companies Act, 2013.
(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. NotApplicable

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

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

Place : Surat  
Date : 30th May 2016



**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 2016 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 :**

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 2016, 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

**PRADEEP KUMAR SINGHI**  
Proprietor

Place : Surat  
Date : 30th May 2016

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

**Note : 1****Corporate information :**

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

**Note : 2****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 + 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, octroi & sales-tax but excludes excise duty wherever applicable and a sale of goods is recognized on transfer of property of goods as per agreed terms.

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

**(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 year end 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.

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

**PRADEEP KUMAR SINGHI**

Proprietor

M. NO. 200/24612

FRN NO. 108029W

Place : Surat

Date : 30th May 2016

**AUDITED BALANCE SHEET AS AT 31st MARCH, 2016**

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
			(Amount in Rs.)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	880,397,380	780,397,380
(b) Reserves and Surplus	4	1,831,846,490	1,613,150,514
(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	1,795,086,088	1,729,068,779
(b) Deferred Tax Liabilities (Net)		574,702,756	471,665,744
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	2,818,728,955	2,688,428,768
(b) Trade Payables	7	1,142,430,373	1,247,141,756
(c) Other Current Liabilities	8	258,231,215	254,325,132
(d) Short-Term Provisions	9	65,923,598	63,514,916
<b>TOTAL</b>		<b>9,367,346,856</b>	<b>8,847,692,989</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		4,104,896,457	4,258,002,341
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		39,936,015	-
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	11	259,228,724	247,963,724
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	12	21,960,948	7,667,789
(e) Other Non-Current Assets		-	-
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	13	2,011,756,421	1,885,564,340
(c) Trade Receivables	14	1,760,151,722	1,425,979,906
(d) Cash and Cash Equivalents	15	315,038,382	306,930,954
(e) Short-Term Loans and Advances	16	509,699,650	271,080,364
(f) Other Current Assets	17	344,678,537	444,503,570
<b>TOTAL</b>		<b>9,367,346,856</b>	<b>8,847,692,989</b>

**Notes Forming Part of Accounts**

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

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

Place : Surat  
Date : 30-05-2016

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman cum Mg. Director

**Sumeet Kumar Somani** Director & CFO

**Anil Kumar Jain** Company Secretary

Place : Surat  
Date : 30-05-2016



**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**
*(Amount in Rs.)*

Particulars	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
I Revenue from Operations	18	<b>10,524,848,288</b>	9,310,332,191
II Other Incomes	19	<b>54,298,992</b>	66,922,339
III Total Revenue (I + II)		<b>10,579,147,281</b>	9,377,254,530
<b>IV Expenses :</b>			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	20	<b>6,443,555,787</b>	7,240,084,844
Purchases of Stock-in-Trade		<b>2,882,917,510</b>	1,140,738,503
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	<b>(40,565,842)</b>	(71,449,670)
<u>Administrative &amp; Selling Expenses</u>			
Employee Benefit Expenses	22	<b>131,161,268</b>	123,850,812
Other Expenses	23	<b>260,810,853</b>	142,905,496
Finance Costs	24	<b>416,107,708</b>	353,599,752
Depreciation and Amortization Expense	10	<b>201,357,347</b>	197,320,744
Total Expenses		<b>10,295,344,631</b>	9,127,050,480
<b>V Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>283,802,650</b>	250,204,050
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V - VI)		<b>283,802,650</b>	250,204,050
VIII Extra Ordinary Items		-	-
<b>IX Profit before Tax (VII - VIII)</b>		<b>283,802,650</b>	250,204,050
X Tax Expense :			
(1) Current tax		<b>56,782,795</b>	50,059,863
(2) Deferred Tax		<b>103,037,012</b>	56,607,653
(3) MAT credit		<b>(52,503,740)</b>	(46,287,437)
Profit After Tax		<b>176,486,583</b>	189,823,971
Less: Taxation for previous year		<b>8,040,607</b>	5,250,217
<b>XI Profit/ (Loss) for the period from Continuing Operations</b>		<b>168,445,976</b>	184,573,754
<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>		<b>168,445,976</b>	184,573,754
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>		<b>168,445,976</b>	184,573,754
Earnings Per Equity Share			
(1) Basic		<b>2.90</b>	3.18
(2) Diluted		<b>2.90</b>	3.18

**Notes Forming Part of Accounts**

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

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

Place : Surat  
Date : 30-05-2016

For and on behalf of Board of Directors  
**Shankarlal Somani** Chairman cum Mg. Director  
**Sumeet Kumar Somani** Director & CFO  
**Anil Kumar Jain** Company Secretary

Place : Surat  
Date : 30-05-2016

**ANNEXURE "A"**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

*(Amount in Rs.)*

Particulars	2015-2016		2014-2015	
	₹	₹	₹	₹
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax and Extraordinary Items		283,802,650		250,204,051
<b>Adjustment For :</b>				
Depreciation	200,625,030		196,588,427	
Interest Income	(33,502,882)		(28,499,904)	
Dividend Income	(1,352)		(1,690)	
Profit / Loss on Sale of Fixed Assets	-		9,353,848	
Dividend written off	250,000		-	
Interest Paid	285,543,361	452,914,156	275,027,802	452,468,482
Operating Profit before Working Capital Changes		736,716,806		702,672,532
<b>Adjustment For :</b>				
Trade & Other Receivables	(334,171,816)		(115,388,215)	
Inventories	(126,192,081)		49,792,638	
Trade Payables and Other Liabilities	(100,805,300)		326,766,139	
Short Term Provisions	(4,314,250)	(565,483,446)	-	261,170,562
Cash Generated From Operations		171,233,360		963,843,094
Tax paid	(58,100,470)		-	
Interest Paid	-		(275,027,802)	
Previous Year Taxation	-	(58,100,470)	(61,150,342)	(336,178,144)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		113,132,890		627,664,951
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
<b>Fixed Assets :</b>				
Purchases of Fixed Assets	(155,160,947)		(283,338,732)	
Sale of Fixed Asset	97,784,532		134,203,222	
Loss on sale of Fixed Assets	9,857,270		-	
<b>Work in Progress :</b>				
Increase in Capital Work in Progress	(39,936,015)		-	
<b>Investments :</b>				
Purchases of Investment	(11,265,000)		(91,339,942)	
Dividend received	1,352		1,690	
<b>Other :</b>				
Interest received	33,502,882		28,499,904	
Long Term Loans & Advances given	(14,293,159)		-	
Short Term Loans & Advances received back	(86,290,513)		-	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		(165,799,598)		(211,973,858)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Increase/Decrease in Short Term Borrowings	130,300,188		(46,011,082)	
Increase/Decrease in Long Term Borrowings	66,017,309		(290,019,018)	
Interest Paid	(285,543,361)		-	
Proceeds from issue of Preference Shares	100,000,000		-	
Security premium received	50,000,000		-	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		60,774,136		(336,030,100)

Particulars	2015-2016		2014-2015	
	₹	₹	₹	₹
Net Increase in Cash & Cash equivalents (A+B+C)		8,107,428		79,660,993
(D) Cash and Cash equivalents as on 1st April, 2015		306,930,954		227,269,961
(E) Cash and Cash equivalents as on 31st March, 2016		315,038,382		306,930,954

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 : 30-05-2016

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman cum Mg. Director

**Sumeet Kumar Somani** Director & CFO

**Anil Kumar Jain** Company Secretary

Place : Surat

Date : 30-05-2016

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31st MARCH, 2016**

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

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 3</b>		<i>(Amount in Rs.)</i>
<b>SHARE CAPITAL :</b>		
<b>Authorised Capital:</b>		
700,00,000 Equity Shares of Rs.10/- each &	<b>700,000,000</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>1,000,000,000</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 2,00,00,000 6% Non-convertible Redeemable Preference Shares of Rs.10/- each)	<b>300,000,000</b>	200,000,000
	<b>880,397,380</b>	780,397,380

**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	-	-
Current Year	<b>100,000,000</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>20,000,000</b>	20,000,000
Add : Addition during the year	<b>10,000,000</b>	-
Number of shares at the end	<b>30,000,000</b>	20,000,000

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

Name	No. of Shares (31-3-16)	% of Holding	No. of Shares (31-3-15)	% 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>3,584,775</b>	<b>6.18</b>	3,584,775	6.18
Shankarlal Sitaram Somani	<b>3,706,183</b>	<b>6.39</b>	3,706,183	6.39

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 4</b>		
<b>Reserves and Surplus :</b>		
(a) Capital Reserve As per last Balance Sheet	2,500,000	2,500,000
(b) Securities Premium As per last Balance Sheet	483,166,355	483,166,355
Add : Addition during the year	50,000,000	-
	<b>533,166,355</b>	<b>483,166,355</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	1,121,276,107	936,702,353
Dividend Written off	250,000	-
Profit during the year	168,445,976	184,573,754
	<b>1,289,972,083</b>	<b>1,121,276,107</b>
<b>Total (a + b + c + d)</b>	<b>1,831,846,490</b>	<b>1,613,150,514</b>

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

## Secured :

Term Loan (GETCO)	37,500,000	75,000,000
ECB Loan (BOB & BOI)	-	93,750,000
ECB Loan -2 (BOB LONDON)	354,937,498	424,107,141
BKB Bremer Kredit Bank AG	444,542,076	454,156,719
Term Loan (BOB FDY Winder Loan)	-	31,941,989
Term Loan (Canara Bank Carpet Yarn)	1,611,261	-
Term Loan (Canara Bank Texturising M/C)	24,460,831	31,309,555
Term Loan (IDBI Corporate Loan)	238,520,304	-
Term Loan (BOB Corporate Loan)	75,000,000	150,000,000

## Unsecured

-

From Others

## Secured :

Life Insurance Corporation of India	8,631,250	8,631,250
Vehicle Loan		
HDFC Bank Ltd. (CIAZ Car)	678,447	819,618
HDFC Bank Ltd. (ERTIGA VDI)	209,325	416,602
HDFC Bank Ltd. (TERRANO Car)	749,475	901,258
ICICI Bank Ltd. (SWIFT Car)	593,410	-

## Unsecured

-

Buyers Credit on Capital Goods

## Secured

-

## Unsecured

268,979,341

Loans and advances from Corporates

## Secured

-

## Unsecured

338,672,870

**1,795,086,088**
**1,729,068,779**

**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. Ganga devi Somani.

**Term Loan From Others :**

Vehicle Loans are secured by hypothecation of vehicles itself.

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

**Loans & Advances from Corporates :**

Loans taken here are unsecured in nature.

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

Mr. Shankarlal Sitaram Somani

Mr. Rajkumar Sitaram Somani

Mr. Sumeetkumar Shankarlal Somani

Smt. Gangadevi Shankarlal Somani

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

" Term Loan: Rs. 50 Crores

&

US\$ 82.85 Lakh "

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, 2016	As at 31st March, 2015
<b>NOTE # 6</b>		
<b>Short-Term Borrowings</b>		
Cash Credit facilities	933,979,767	1,010,605,470
Buyer's Credit	828,117,044	714,052,971
Inland LC (Union Bank)	167,612,664	42,775,429
Current Maturities of Long Term Debts	495,094,845	618,986,546
Inland LC (Canara Bank)	125,261,407	33,213,520
Inland LC (Dena Bank)	53,745,537	57,255,680
Inland LC (Central Bank)	101,857,107	69,243,861
Inland LC (IDBI Bank)	113,060,584	142,295,291
	<b>2,818,728,955</b>	<b>2,688,428,768</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 : Rs. 143 Crores**  
**Non Fund Based Rs. 278 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, 2016 (Rs.)		Balance as on 31st March, 2015 (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.15 Cr.	3.75	Quarterly	30/04/2016	37500000	37500000	75000000	37500000	12.40%
ECB Loan (BOB & BOI)	Rs.100 Cr. 20 MN USD	5	Quarterly	07/04/2016	-	99382500	93750000	312500000	5.84%
ECB Loan -2 (BOB LONDON)	Rs.50 Cr. 10 MN USD	7	Quarterly	23/04/2016	354937498	94650000	424107140	89285715	4.86%
Bremer Kredit Bank AG	10441142 Euro	8.5	Half Yearly	08/08/2016	444542076	111135518	454156720	82534158	2.25%
Term Loan (BOB Corporate Loan)	Rs. 30 Cr.	5	Quarterly	30/04/2016	75000000	75000000	150000000	75000000	13%
Term Loan (BOB FDY Winder Loan)	Rs. 31 Cr.	4	Quarterly	03/06/2016	-	968	31941989	15500000	13%
Term Loan (Canara Bank Text)	Rs. 4.12 Cr.	6	Monthly	27/03/2016	24460831	6866664	31309555	6666672	13.90%
IDBI Loan (Corporate)	Rs. 25 Cr.	4.5	Monthly	31/12/2016	238520304	13888887	-	-	12.50%
Canara Bank	Rs. 3.85 Cr.	6.5	Monthly	30/04/2016	1611261	6670308	-	-	13.90%
IDBI Loan	Rs. 5 Cr.	-	Quarterly	-	-	50000000	-	-	11.50%
Total					1176571970	495094845	1260265404	618986545	

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 7</b>		
<b>Trade Payables</b>		
Sundry Creditors for Goods	1,142,430,373	1,247,141,756
	<u>1,142,430,373</u>	<u>1,247,141,756</u>

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 8</b>		
<b>Other Current Liabilities</b>		
Trade Payables for expenses	97,446,815	33,355,738
Advance from Customers	17,069,884	20,662,376
Vat and Additional Vat Account	37,008,996	28,841,210
Agency Deposits	909,396	1,869,396
CST Payable A/c	3,970,209	2,681,366
Interest Accrue and due but not paid	23,093,848	21,179,924
Service tax payable (RCM)	-	2,750,895
TCS Payable	11,616	23,147
TDS Payable	2,534,723	2,063,129
TDS Payable (salary)	900,410	782,575
Cenvat Payable	7,792,636	-
Other Liabilities	67,492,683	140,115,375
	<b>258,231,215</b>	<b>254,325,132</b>

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

Gratuity Payable	8,143,580	6,207,830
	<b>8,143,580</b>	<b>6,207,830</b>

**Others**

Provision for Taxation	56,782,795	50,059,863
Provision for Dividend & Dividend Distribution Tax	997,223	7,247,223
	<b>57,780,018</b>	<b>57,307,086</b>
	<b>65,923,598</b>	<b>63,514,916</b>

**NOTE # 10**

Depreciation	200,625,030	196,588,427
Preliminary Expenses W/O	732,317	732,317
	<b>201,357,347</b>	<b>197,320,744</b>

**FIXED ASSETS**

**Schedules To And Forming Part of Accounts**

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As At 01.04.2015	Addition	Deletion	As At 31.03.2016	As At 01.04.2015	For the Year	Adjust- ment	As At 31.03.2016	As At 31.03.2016	As At 31.03.2015
1	Land	2,356,255	-	-	2,356,255	-	-	-	-	2,356,255	2,356,255
2	Building	267,558,492	138,784	-	267,697,276	122,219,815	13,679,220	-	135,899,035	131,798,241	145,338,677
3	Plant & Machinery	5,261,755,169	153,599,049	130,732,152	5,284,622,065	1,169,204,692	183,236,252	23,300,261	1,329,140,683	3,955,481,382	4,092,550,476
4	Furniture, Fixture & Equipments	20,031,527	700,297	3,560,783	17,171,041	13,484,710	1,265,724	3,350,872	11,399,562	5,771,479	6,546,817
5	Vehicle	39,449,031	722,817	-	40,171,848	28,238,915	2,443,834	-	30,682,749	9,489,099	11,210,116
	<b>TOTAL</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>
	<b>PREVIOUS YEAR</b>	<b>5,161,517,865</b>	<b>589,352,604</b>	<b>159,719,995</b>	<b>5,591,150,474</b>	<b>1,152,722,631</b>	<b>196,588,427</b>	<b>16,162,925</b>	<b>1,333,148,132</b>	<b>4,258,002,341</b>	<b>4,008,795,234</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 11</b>		
<b>Non-Current Investments</b>		
Investments in Equity Instruments	258,728,724	247,463,724
Investments in Mutual Funds	500,000	500,000
	<b>259,228,724</b>	<b>247,963,724</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>		
Other Than Trade - Quoted Investments :		
10000, Fully Paid-up Equity Shares of Rs. 10/- Each of IFCI Ltd.	545,005	545,005
500, Fully Paid-up Equity Shares of Rs. 10/- Each of Rajasthan Petro Synthetics Ltd.	16,250	16,250
169, Fully Paid-up Equity Shares of Rs. 10/- Each of Tata Steel Ltd.	33,705	33,705
1000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petrofils Ltd.	1,000	1,000
700, Fully Paid-up Equity Shares of Rs. 10/- Each of Chandra Synthetics Ltd.	5,075	5,075
400, Fully Paid-up Equity Shares of Rs. 10/- Each of Haryana Petrochemicals Ltd.	6,200	6,200
5000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petro Chemicals Ltd.	17,000	17,000
100, Fully Paid-up Equity Shares of Rs. 10/- Each of Parasrampur Ind. Ltd.	1,050	1,050
100, Fully Paid-up Equity Shares of Rs. 10/- Each of Shree Rajasthan Syntex Ltd.	2,025	2,025
20000, Fully Paid-Up Equity Shares of Rs. 10/- Each of Questfin Ltd.	137,543	137,543
30000, Fully Paid-up Equity Shares of Rs. 2/- Each of UPL Limited (Formerly known as United Phos Ltd.)	4,649,041	4,649,041
Union KBC Capital Protection Oriental Fund	500,000	500,000
25000, Fully Paid-up Equity Shares of Rs. 5/- Each of Zylog Systems Ltd.	1,429,830	1,429,830
17,30,000, Fully Paid-up Equity Shares of Rs. 10/- Each of 4,80,000, Fully paid -up Equity Shares at Premium of Rs. 44/- Each of 12,00,000 , Fully paid -up Equity Shares at Premium of Rs. 10/- Each of 50,000 , Fully paid -up Equity Shares at Premium of Rs. 44/- Each of Sumeet Poly Power Ltd.	52,620,000	52,620,000
30,00,000 Fully Paid-up Equity Shares of \$ 1/- Each of Sumeet Global Pte. Ltd. (Wholly owned subsidiary company ) Value of 1\$ is Rs. 62.255/-.	198,765,000	187,500,000
	<b>258,728,724</b>	<b>247,463,724</b>
Investment in Mutual funds(Reliance Vision)	500,000	500,000
<b>Total</b>	<b>259,228,724</b>	<b>247,963,724</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Aggregate Book Value of Investments</b>		
Unquoted Cost	253,999,973	242,734,973
Quoted Cost	5,228,751	5,228,751
Market Value *	14,735,159	13,758,548
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	21,960,948	7,667,789
	<u>21,960,948</u>	<u>7,667,789</u>

These Long Term Loans and Advances be further classified as :

- Secured, Considered Good

#### NOTE # 13

##### Inventories

Raw Materials	419,249,719	394,907,236
Work-in-Progress	460,270,805	515,688,320
Finished Goods	666,137,701	570,154,344
Stores and Spares	466,098,196	404,814,440
	<u>2,011,756,421</u>	<u>1,885,564,340</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	1,760,151,722	1,425,979,906
	<u>1,760,151,722</u>	<u>1,425,979,906</u>

#### NOTE # 15

##### Cash and Cash Equivalents

Cash-in-Hand	90,655	718,742
Balance with Banks	1,278,032	11,162,212
Fixed deposits / Margin Money / Security against borrowings	313,669,695	295,050,000
	<u>315,038,382</u>	<u>306,930,954</u>

#### NOTE # 16

##### Short-Term Loans and Advances

Advance to Suppliers	285,627,355	116,736,483
Others	224,072,295	154,343,881
	<u>509,699,650</u>	<u>271,080,364</u>

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

- Unsecured, Considered Good

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 17</b>		
<b>Other Current Assets (Residual Head)</b>		
Advance Tax (A.Y. 2015-16)	-	17,500,000
Advance for Exp (Godown-Delhi)	20,000	20,000
Cenvat Receivable	-	29,793,124
Claim Receivable	50,821,960	94,448,665
Custom duty refund receivable	-	41,967,594
Excise duty refund receivable	-	18,435,873
Export Incentive receivable	3,161,091	-
Mat credit	276,736,699	224,232,959
Preliminary Expenses	2,196,952	2,929,269
Prepaid Expenses	662,519	2,126,032
Service tax receivable	1,768,768	1,942,538
TCS Receivable	61,774	34,105
TDS Receivable	6,393,093	8,217,730
Income Tax Seized Cash	1,350,000	1,350,000
Insurance Claim receivable	1,505,681	1,505,681
	<b>344,678,537</b>	<b>444,503,570</b>

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

Domestic sales	10,072,862,864	9,177,596,603
Export sales	1,176,548,329	1,143,342,900
Deemed Export sales	141,930,864	6,933,684
Total sales	11,391,342,057	10,327,873,187
Less : Excise duty	866,493,769	1,044,218,411
	<b>10,524,848,288</b>	<b>9,283,654,776</b>
Export Incentives	-	26,677,415
	<b>10,524,848,288</b>	<b>9,310,332,191</b>

**NOTE # 19**
**Other Incomes**

Dividend received	1,352	1,690
Commission received	12,937,117	33,905,515
Discount received	7,332,591	4,515,230
Int. on FDR'S (Net of Int. on Buyers credit)	6,769,156	5,082,370
Others - Interest	26,733,726	23,417,534
Job Charges	525,050	-
	<b>54,298,992</b>	<b>66,922,339</b>

**NOTE # 20**
**Cost of Materials Consumed**
**a) Purchases of Raw Materials and Stores**

Opening stock	394,907,236	579,096,353
Add : Purchase(net)	5,302,026,648	5,820,874,759
	<b>5,696,933,884</b>	<b>6,399,971,112</b>
Less : Closing Stock	419,249,719	394,907,236
Sub Total (a)	<b>5,277,684,165</b>	<b>6,005,063,876</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>b) Direct/Production expenses</b>		
Labour & Security	818,320	780,185
Power & Fuel	794,928,622	848,674,161
Freight & Octroi	121,095,619	112,091,433
Stores & Spares	61,480,171	51,595,062
Factory Expense	1,084,265	915,010
Repair & Maintenance:Factory Building	409,296	144,949
Repair & Maintenance:Plant&Machinery	7,376,222	10,412,289
Packing	178,679,107	210,407,879
Sub Total (b)	1,165,871,622	1,235,020,968
<b>Total (a + b)</b>	<b>6,443,555,787</b>	<b>7,240,084,844</b>
<b>NOTE # 21</b>		
<b>Change in inventories</b>		
Opening Stock	1,085,842,664	1,014,392,994
Less : Closing Stock	1,126,408,506	1,085,842,664
	<b>(40,565,842)</b>	<b>(71,449,670)</b>
<b>NOTE # 22</b>		
<b>Employment Benefit Expenses</b>		
Salary	116,074,013	109,655,037
Bonus	6,924,298	6,191,999
P.F.	3,205,586	1,797,727
Leave Encashment	1,644,201	1,835,113
Directors Remuneration	3,300,000	3,300,000
Staff Welfare/ESI	13,170	1,070,936
	<b>131,161,268</b>	<b>123,850,812</b>
<b>NOTE # 23</b>		
<b>Other Expenses</b>		
Electricity Expenses	507,401	448,874
Vehicle Expense	3,055,680	8,956,707
Travelling & Conveyance	2,519,545	1,832,029
Repairs Office Building	185,096	306,708
Repairs Other	444,185	533,285
Brokerage & Overseas Agency Commission	35,676,350	17,203,741
Office & General Expenses	2,548,538	2,130,129
Insurance Expenses	3,286,021	3,102,700
Books & Periodicals	7,850	8,540
Diwali Expenses	3,595,470	-
Legal & Professional	22,509,278	26,941,032
Postage & Telegram & Telephone	1,535,682	1,415,871
Membership & Subscriptions	300,109	60,573
Printing & Stationery Expenses	1,405,185	1,384,236
Auditors Remuneration	1,251,281	1,190,000
Director Sitting Fees	2,010,000	-
Rates & Taxes	4,582,417	4,979,702
Advertisement & Publicity	9,935,583	3,677,671
Carraige outward	63,891,256	7,376,209
Sales Promotion Expenses	-	78,711
Donation	3,938,100	3,794,000
Demat Charges	-	899
Loss on sale of Fixed Assets	9,857,270	9,353,848
Loss from forex transaction	87,230,634	48,130,031
Withholding Tax	537,923	-
	<b>260,810,853</b>	<b>142,905,496</b>



Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 24</b>		
<b>Financial Cost</b>		
Interest paid to Banks	252,997,062	248,499,340
Interest paid to others	32,546,298	26,528,462
"Bank Charges & Guarantee commission(Others & Buyers credit)"	129,430,663	78,021,874
Overseas Bank Charges	1,133,684	550,076
	<b>416,107,708</b>	<b>353,599,752</b>

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

- (1) Advances include Rs.1020 Lakh (Pre.Year Rs.1471 Lakh) to companies in which directors are interested.
- (2) Contingent Liabilities (AS 29) :
- (a) Letter of credit outstanding is 133477.68 US\$ and JPY:14327760 and UAE/AED:2645000 as on 31.03.2016 (Pre. Year 20.313 Lakh US\$).
- (b) SEBI has imposed penalty of Rs.2 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 wide 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.
- (3) The liability of excise duty amounting to Rs. 5,90,96,290 (Prev. year Rs. 7,12,69,293) has been provided for the goods manufactured but not cleared as on 31.3.2016, the effect of which on profit and loss account of the year is Nil.

Particulars	Current year r	Previous year r
<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	36,77,075	37,86,369
(ii) Perquisite	Nil	Nil
<b>(6) Earnings Per share (AS 20) :</b>		
(i) Net profit attributable to share holder	16,84,45,976	18,45,73,754
(ii) Number of equity shares	5,80,39,738	5,80,39,738
(iii) Earning per share of Rs. 10 each	2.90	3.18

**(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.)
Shankarlal Somani	Chairman and MD	Remuneration	30,00,000
Sumeet Somani	Relative of key Management Personal (Director)	Salary	3,00,000
Bhagchand Choradia	Non-Exe. Independent Director	Director Sitting Fees	5,10,000
Atmaram Sharda	Non-Exe. Independent Director	Director Sitting Fees	4,80,000
Smt. Anita Sharda	Relative of Director	Salary	3,52,338
Dinesh Khare	Non-Exe. Independent Director	Salary Director Sitting Fees Commission	3,77,075 3,60,000 65,894
Smt Vibha Khare	Relative of Director	Salary	8,15,580

Name of the related parties Key management Personnel	Nature of Relationship	Nature of Transactions	Amounts (in Rs.)
<b>Somani Overseas Pvt. Ltd.</b>	Relative of key Management Personal (Director)	Loan accepted during the year Loan re-paid during the year Interest Paid Preference Share Allotment Purchase	2,61,17,000 6,72,00,000 89,46,389 6,00,00,000 15,18,51,793
<b>Sumeet Menthol Pvt. Ltd.</b>	Relative of key Management Personal (Director)	Preference Share Allotment Loan accepted during the year Loan re-paid during the year Interest Paid	1,50,00,000 1,00,00,000 1,01,62,330 6,42,371
<b>Betex India Ltd.</b>	Relative of key Management Personal (Director)	Loan given during the year Interest received	10,20,00,000 63,57,384
<b>Sitaram Prints Pvt. Ltd.</b>	Relative of key Management Personal (Director)	Loan re-paid during the year	17,02,884
<b>Sumeet Global PTE LTD.</b>	100% owned subsidiary Co.	Sales (Net of returns) Purchase	11,85,46,536 19,82,45,488
<b>Sumeet Poly Power Ltd.</b>	Relative of key Management Personal (Director)	Interest Received Purchases	1,15,97,539 5,60,79,684
<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 Preference Share Allotment Sales	1,76,77,000 53,20,000 7,67,826 6,00,00,000 50,34,57,628
<b>National Poly Yarn Pvt. Ltd.</b>	Relative of key Management Personal (Director)	Preference Share Allotment	1,50,00,000
<b>Anil Kumar Jain</b>	Company Secretary	Salary	6,58,789
<b>Raghuvir Texturisers Pvt. Ltd.</b>	Relative of key Management Personal (Director)	Loan accepted during the year Interest	10,00,00,000 1,94,262
<b>Gangadevi Somani</b>	Non-Exe. Independent Director	Director Sitting Fees	4,20,000
<b>Deviprasad Saboo</b>	Non-Exe. Independent Director	Director Sitting Fees	2,40,000

**(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	4,10,25,40,202	
	W.D.V. as per Income Tax Act	2,06,04,10,808	
	Deferred Tax Assets/(Liability) at 33.06 % on Rs.	2,04,21,29,394	(67,51,89,242)
2.	Unabsorbed Depreciation Available as on 31-03-2016	28,91,53,113	9,56,02,694
3.	Speculation Loss carried forward	1,20,413	39,812
4.	Short term capital loss	91,604	30,287
5.	Dis-Allowance u/s. 43B	1,45,59,155	48,13,693
			(57,47,02,756)

Sr. No.	Particulars	Amount (in Rs.)
1.	Opening Balance of DTA / (DTL)	(47,16,65,744)
2.	Deferred Tax liabilities/(Assets) of the year	(10,30,37,012)
3.	Closing Balance of DTA / (DTL)	(57,47,02,756)

Pursuant to Accounting Standards (AS) 22 – Accounting for taxes on income, the impact of deferred tax liability of Rs. 10,30,37,012 for the year ended on 31.03.2016 have been debited to Profit and Loss account.

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

<b>A. Capacity :</b>	<b>Units</b>	<b>2015-2016</b>	<b>2014-2015</b>
a) Polypropylene/Polyester POY/FDY/PET Chips			
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.

<b>B. Production :</b>	<b>Unit</b>	<b>2015-16</b>	<b>2014-15</b>
C.P.Plant & Spinning Unit	<b>Ton</b>	<b>90,891.72</b>	86068.41

? Production excludes here Wastages.

(` in '000)

<b>C. Turnover :</b>	<b>Unit</b>	<b>2015-16</b>		<b>2014-15</b>	
		<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
C.P.Plant & Spinning Unit	<b>Ton</b>	<b>90493.18</b>	<b>10506123</b>	83034.86	9259499
Sales on High-Seas	<b>Ton</b>	-	-	650.00	7658
Wastage	<b>Kgs.</b>	<b>1155.06</b>	<b>18725</b>	1071.52	17892
	<b>Total</b>		<b>10524848</b>		9285049

(` in '000)

<b>D. Raw Materials Consumed :</b>	<b>Unit</b>	<b>2015-16</b>		<b>2014-15</b>	
		<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
C.P.Plant & Spinning Unit	<b>Ton</b>	<b>108966.24</b>	<b>5277684</b>	103185.40	6005063
	<b>Total</b>	<b>108966.24</b>	<b>5277684</b>	103185.40	6005063

(` in '000)

<b>E. Purchase :</b>	<b>Unit</b>	<b>2015-16</b>		<b>2014-15</b>	
		<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
Purchase on High Seas (Coal/FDY (Winder))	<b>Ton</b>	<b>14.5</b>	<b>50210.50</b>	11	40667
	<b>Total</b>	<b>14.5</b>	<b>50210.50</b>	11	40667

(` in '000)

<b>F. Finished Stock :</b>	<b>Unit</b>	<b>2015-16</b>		<b>2014-15</b>	
		<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
a. Opening Stock : *PPMFY/ Polyester / FDY	<b>Kgs.</b>	<b>5089.264</b>	<b>570154</b>	3889.683	542473
b. Closing Stock : *PPMFY/ Polyester / FDY	<b>Kgs.</b>	<b>10914.349</b>	<b>666137</b>	5089.264	570154

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

(` in '000)

G. Raw Material Purchased :	2015-16		2014-15	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	2681256	50.80	3248385	54.10
Indigenous	2596428	49.20	2756678	45.90
<b>Total</b>	<b>5277684</b>	<b>100.00</b>	<b>6005063</b>	<b>100.00</b>

(` in '000)

H. Stores and Spares Purchased :	2015-16		2014-15	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	7774	11.65	6555	13.99
Indigenous	58955	88.35	40315	86.01
<b>Total</b>	<b>66729</b>	<b>100.00</b>	<b>46870</b>	<b>100.00</b>

(` in '000)

I. Expenditure in Foreign Currencies on account of (on Accrual Basis) :	2015-16	2014-15
Interest	42344	65837
Commission to selling Agent	12132	4941
Foreign Traveling	1015	1014
Overseas Banking Charges	1134	550

(` in '000)

J. C.I.F. Value of import :	2015-16	2014-15
i) Raw Material	2681256	3248385
ii) Stores and Spares	7189	6390
iii) Capital Goods	2758	134519
iv) Coal	50211	39219

(` in '000)

K. Earnings in Foreign Currency (FOB Value of Exports) :	2015-16	2014-15
PET Chips / POY / FDY / DTY / Carpet Yarn	1168834	1123102

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 : 30-05-2016

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman cum Mg. Director

**Sumeet Kumar Somani** Director & CFO

**Anil Kumar Jain** Company Secretary

Place : Surat  
Date : 30-05-2016

## 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 subsidiaries referred to as "the group"), which comprise the consolidated Balance Sheet as at 31 March 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, 2016;
- b) in the case of the consolidated Profit and Loss Account, of the profit/ loss for the year ended on 31st March, 2016;

and

- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the period from 1st April, 2015 to 31st March, 2016 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. 10349.36 Lakh as at 31st March, 2016, total revenue of Rs. 21511.35 Lakh, net profit (before tax) of Rs. 207.41 Lakh for the period ended on that date, as considered in the consolidated financial statements.

The financial statement of subsidiary company and other financial information have been audited by other auditor 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 my report in terms of sub-section (3)n and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

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

**PRADEEP KUMAR SINGHI**  
Proprietor

Place : Surat  
Date : 30th May 2016

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



**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, which have been prepared in accordance with the requirements of accounting standard (AS 21) and the consolidation of accounts of the subsidiary company have been done on the basis of financial statements prepared in accordance with Indian GAAP.

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

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

**(f) Inventories :**

- (a) Stores & Spares and fuel Oil : At Cost
- (b) Raw material : At Cost
- (c) Goods in Transit (Raw Mat.) : At Cost
- (d) Work-In-Progress : At Cost (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. 18,91,87,053**
- No. of Equity Share : **Rs. 5,80,39,738**
- Earning per share : **Rs. 3.26**
- (j) Consolidated Cash Flow statement is as per Annexure "A".

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As per our report of even date

**For PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

**PRADEEP KUMAR SINGHI**

PROPRIETOR

M. No.200/24612

FRN NO. 108029W

Place : Surat

Date : 30-05-2016

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman cum Mg. Director

**Sumeet Kumar Somani** Director & CFO

**Anil Kumar Jain** Company Secretary

Place : Surat

Date : 30-05-2016

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016**

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
			(Amount in Rs.)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	880,397,380	780,397,380
(b) Reserves and Surplus	4	1,904,526,823	1,662,146,063
(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	1,795,086,088	1,729,068,779
(b) Deferred Tax Liabilities (Net)		574,702,756	471,665,744
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	2,827,495,485	2,743,883,768
(b) Trade Payables	7	1,818,525,732	2,025,668,949
(c) Other Current Liabilities	8	258,231,215	254,325,132
(d) Short-Term Provisions	9	71,800,012	67,610,416
<b>TOTAL</b>		<b>10,130,765,491</b>	<b>9,734,766,230</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		4,104,896,457	4,258,002,341
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		39,936,015	-
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	11	60,463,724	60,463,724
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	12	21,960,948	7,667,789
(e) Other Non-Current Assets		-	-
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	13	2,011,756,421	1,885,564,340
(c) Trade Receivables	14	2,615,026,062	2,254,510,328
(d) Cash and Cash Equivalents	15	420,997,792	406,821,253
(e) Short-Term Loans and Advances	16	509,699,650	416,154,760
(f) Other Current Assets	17	346,028,422	445,581,695
<b>TOTAL</b>		<b>10,130,765,492</b>	<b>9,734,766,230</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 : 30-05-2016

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman cum Mg. Director  
**Sumeet Kumar Somani** Director & CFO  
**Anil Kumar Jain** Company Secretary

Place : Surat  
Date : 30-05-2016

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**
*(Amount in Rs.)*

Particulars	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
I Revenue from Operations	18	12,354,078,947	11,653,332,529
II Other Incomes	19	57,298,737	9,185,148
III Total Revenue (I + II)		<u>12,411,377,685</u>	<u>11,662,517,677</u>
IV Expenses :			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	20	6,443,555,787	9,528,140,406
Purchases of Stock-in-Trade		4,669,789,101	1,140,738,503
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(40,565,842)	(71,449,670)
<u>Administrative &amp; Selling Expenses</u>			
Employee Benefit Expenses	22	131,161,268	123,850,812
Other Expenses	23	264,250,230	86,495,829
Finance Costs	24	435,751,204	370,859,939
Depreciation and Amortization Expense	10	201,357,347	197,320,744
Total Expenses		<u>12,105,299,095</u>	<u>11,375,956,563</u>
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		306,078,589	286,561,113
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V - VI)		<u>306,078,589</u>	<u>286,561,113</u>
VIII Extra Ordinary Items		-	-
IX Profit before Tax (VII - VIII)		<u>306,078,589</u>	<u>286,561,113</u>
X Tax Expense :			
(1) Current tax		58,317,658	54,474,676
(2) Deferred Tax		103,037,012	56,607,653
(3) MAT credit		(52,503,740)	(46,287,437)
Profit After Tax		<u>197,227,660</u>	<u>221,766,222</u>
Less: Taxation for previous year		8,040,607	5,250,217
XI Profit/ (Loss) for the period from Continuing Operations		<u>189,187,053</u>	<u>216,516,005</u>
<u>Appropriation :</u>			
Prov. for Dividend & Dividend Dist. Tax		-	-
Profit/(loss) from the period from continuing operations		<u>189,187,053</u>	<u>216,516,005</u>
Profit/Loss from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
Profit/ (Loss) from Discontinuing Operations (after Tax)		-	-
XII Profit/ (Loss) for the Period		<u>189,187,053</u>	<u>216,516,005</u>
XIII Earnings Per Equity Share			
XIV (1) Basic		3.26	3.73
(2) Diluted		3.26	3.73

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 : 30-05-2016

For and on behalf of Board of Directors  
**Shankarlal Somani** Chairman cum Mg. Director  
**Sumeet Kumar Somani** Director & CFO  
**Anil Kumar Jain** Company Secretary

Place : Surat  
Date : 30-05-2016

**ANNEXURE "A"**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

(Amount in Rs.)

Particulars	2015-2016		2014-2015	
	₹	₹	₹	₹
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax and Extraordinary Items		306,078,589		286,561,114
<b>Adjustment For :</b>				
Depreciation	200,625,030		196,588,427	
Interest Income	(33,502,882)		(29,578,029)	
Dividend Income	(1,352)		(1,690)	
Profit / Loss on Sale of Fixed Assets	-		9,353,848	
Reserve created on Foreign exchange rate diff.	3,189,765		-	
Dividend Declared	-		3,623,642	
Dividend written off	250,000		-	
Interest Paid	286,745,360	457,305,921	277,673,927	457,660,125
Operating Profit before Working Capital Changes		763,384,510		744,221,239
<b>Adjustment For :</b>				
Trade & Other Receivables	(360,515,740)		(542,060,527)	
Inventories	(126,192,081)		49,792,638	
Trade Payables and Other Liabilities	(203,237,133)		652,774,451	
Short Term Provisions	(4,314,250)	(694,259,204)	-	160,506,562
Cash Generated From Operations		69,125,306		904,727,801
Tax paid	(58,100,470)		-	
Interest Paid	-		(277,673,927)	
Provision for Taxation	-		(1,282,750)	
Previous Year Taxation	-	(58,100,470)	(61,150,342)	(340,107,019)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		11,024,836		564,620,782
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
<b>Fixed Assets :</b>				
Purchases of Fixed Assets	(155,160,946)		(283,338,732)	
Sale of Fixed Asset	97,784,532		134,203,222	
Loss on sale of Fixed Assets	9,857,270		-	
<b>Work in Progress :</b>				
Increase in Capital Work in Progress	(39,936,015)		-	
<b>Investments :</b>				
Purchases of Investment	-		(91,339,942)	
Dividend received	1,352		1,690	
<b>Other :</b>				
Interest received	33,502,882		28,499,904	
Long Term Loans & Advances given	(14,293,159)		-	
Short Term Loans & Advances given	58,512,122		-	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		(9,731,962)		(211,973,858)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Increase/Decrease in Short Term Borrowings	83,611,717		(61,318,583)	
Increase/Decrease in Long Term Borrowings	66,017,309		(290,019,018)	
Interest Paid	(286,745,360)		-	
Increase/Decrease in investments with Subsidiary	-		87,499,938	
Proceeds from issue of Preference Shares	100,000,000			
Security premium received	50,000,000			
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		12,883,666		(263,837,663)

Particulars	2015-2016		2014-2015	
	₹	₹	₹	₹
Net Increase in Cash & Cash equivalents (A+B+C)		14,176,540		88,809,261
(D) Cash and Cash equivalents as on 1st April, 2015		406,821,251		318,011,990
(E) Cash and Cash equivalents as on 31st March, 2016		420,997,791		406,821,251

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 : 30-05-2016

For and on behalf of Board of Directors

**Shankarlal Somani** Chairman cum Mg. Director

**Sumeet Kumar Somani** Director & CFO

**Anil Kumar Jain** Company Secretary

Place : Surat

Date : 30-05-2016



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

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

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 3</b>		(Amount in Rs.)
<b>SHARE CAPITAL :</b>		
<b>Authorised Capital:</b>		
700,00,000 Equity Shares of Rs.10/- each &	700,000,000	700,000,000
300,00,000 6% Non-convertible Redeemable Preference Shares of Rs.10/- each	300,000,000	300,000,000
	<u>1,000,000,000</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) (Pre.Year 5,80,39,738 Equity Shares of Rs.10/- each fully paid up)	580,397,380	580,397,380
3,00,00,000 6% Non-convertible Redeemable Preference Shares of Rs.10/- each (Pre.Year 2,00,00,000 6% Non-convertible Redeemable Preference Shares of Rs.10/- each)	300,000,000	200,000,000
	<u>880,397,380</u>	<u>780,397,380</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	-	-
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	20,000,000	20,000,000
Add : Addition during the year	10,000,000	-
Number of shares at the end	<u>30,000,000</u>	<u>20,000,000</u>

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

Name	No. of Shares (31-3-16)	% of Holding	No. of Shares (31-3-15)	% of Holding
Somani Overseas Private Limited	8,641,928	14.89	8,641,928	14.89
Sitaram Prints Private Limited	3,584,775	6.18	3,584,775	6.18
Shankarlal Sitaram Somani	3,706,183	6.39	3,706,183	6.39

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 4</b>		
<b>Reserves and Surplus :</b>		
(a) Capital Reserve As per last Balance Sheet	2,500,000	2,500,000
Addition during the year		
(b) Securities Premium As per last Balance Sheet	483,166,355	483,166,355
Less : Reduction during the year	-	-
Add : Addition during the year	50,000,000	-
	<u>533,166,355</u>	<u>483,166,355</u>
(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	1,170,271,656	953,100,804
Dividend Written off	250,000	-
Profit during the year	189,187,053	216,516,005
Reserves created on foreign exchange rate diff.	2,943,707	654,847
	<u>1,362,652,416</u>	<u>1,170,271,656</u>
<b>Total (a + b + c + d)</b>	<u><b>1,904,526,823</b></u>	<u><b>1,662,146,063</b></u>

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

## Secured :

Term Loan (GETCO)	37,500,000	75,000,000
ECB Loan (BOB & BOI)	-	93,750,000
ECB Loan -2 (BOB LONDON)	354,937,498	424,107,141
BKB Bremer Kredit Bank AG	444,542,076	454,156,719
IDBI Bank (Demand Loan)	-	-
Term Loan (BOB FDY Winder Loan)	-	31,941,989
Term Loan (Canara Bank Carpet Yarn)	1,611,261	-
Term Loan (Canara Bank Texturising M/C)	24,460,831	31,309,555
Term Loan (IDBI Corporate Loan)	238,520,304	-
Term Loan (BOB Corporate Loan)	75,000,000	150,000,000

## Unsecured

-

From Others

## Secured :

Life Insurance Corporation of India	8,631,250	8,631,250
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Vehicle Loan

HDFC Bank Ltd. (CIAZ Car)	678,447	819,618
HDFC Bank Ltd. (ERTIGA VDI)	209,325	416,602
HDFC Bank Ltd. (TERRANO Car)	749,475	901,258
ICICI Bank Ltd. (SWIFT Car)	593,410	-

## Unsecured

-

Particulars	As at 31st March, 2016	As at 31st March, 2015
<u>Buyers Credit on Capital Goods</u>		
Secured	-	-
Unsecured	268,979,341	244,883,710
<u>Loans and advances from Corporates</u>		
Secured	-	-
Unsecured	338,672,870	213,150,936
	<u>1,795,086,088</u>	<u>1,729,068,779</u>

**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.

**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. 50 Crores

Mr. Rajkumar Sitaram Somani

&

Mr. Sumeetkumar Shankarlal Somani

US\$ 82.85 Lakh"

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.

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 6</b>		
<b>Short-Term Borrowings</b>		
Cash Credit facilities	933,979,767	1,010,605,470
Buyer's Credit	828,117,044	714,052,971
Inland LC (Union Bank)	167,612,664	42,775,429
Current Maturities of Long Term Debts	495,094,845	618,986,546
Inland LC (Canara Bank)	125,261,407	33,213,520
Inland LC (Dena Bank)	53,745,537	57,255,680
Inland LC (Central Bank)	101,857,107	69,243,861
Inland LC (IDBI)	113,060,584	142,295,291
Bills Payable	8,766,530	55,455,000
	<b>2,827,495,485</b>	<b>2,743,883,768</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 : Rs. 143 Crores**
**Non Fund Based Rs. 278 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, 2016 (Rs.)		Balance as on 31st March, 2015 (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.15 Cr.	3.75	Quarterly	30/04/2016	37500000	37500000	75000000	37500000	12.40%
ECB Loan (BOB & BOI)	Rs.100 Cr. 20 MN USD	5	Quarterly	07/04/2016	-	99382500	93750000	312500000	5.84%
ECB Loan -2 (BOB LONDON)	Rs.50 Cr. 10 MN USD	7	Quarterly	23/04/2016	354937498	94650000	424107140	89285715	4.86%
Bremer Kredit Bank AG	10441142 Euro	8.5	Half Yearly	08/08/2016	444542076	111135518	454156720	82534158	2.25%
Term Loan (BOB Corporate Loan)	Rs. 30 Cr.	5	Quarterly	30/04/2016	75000000	75000000	150000000	75000000	13%
Term Loan (BOB FDY Winder Loan)	Rs. 31 Cr.	4	Quarterly	03/06/2016	-	968	31941989	15500000	13%
Term Loan (Canara Bank Text)	Rs. 4.12 Cr.	6	Monthly	27/03/2016	24460831	6866664	31309555	6666672	13.90%
IDBI Loan (Corporate)	Rs. 25 Cr.	4.5	Monthly	31/12/2016	238520304	13888887	-	-	12.50%
Canara Bank	Rs. 3.85 Cr.	6.5	Monthly	30/04/2016	1611261	6670308	-	-	13.90%
IDBI Loan	Rs. 5 Cr.	-	Quarterly	-	-	50000000	-	-	11.50%
<b>Total</b>					<b>1176571970</b>	<b>495094845</b>	<b>1260265404</b>	<b>618986545</b>	

Particulars	(Amount in Rs.)	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 7</b>		
<b>Trade Payables</b>		
Sundry Creditors for Goods	1,818,525,732	2,025,668,949
	<b>1,818,525,732</b>	<b>2,025,668,949</b>
<b>NOTE # 8</b>		
<b>Other Current Liabilities</b>		
Trade Payables for expenses	97,446,815	33,355,738
Advance from Customers	17,069,884	20,662,376
Vat and Additional Vat Account	37,008,996	28,841,210
Agency Deposits	909,396	1,869,396
CST Payable A/c	3,970,209	2,681,366
Interest Accrued and due but not paid	23,093,848	21,179,924
Service tax payable (RCM)	-	2,750,895
TCS Payable	11,616	23,147
TDS Payable	2,534,723	2,063,129
TDS Payable (salary)	900,410	782,575
Cenvat Payable	7,792,636	-
Other Liabilities	67,492,683	140,115,375
	<b>258,231,215</b>	<b>254,325,132</b>
<b>NOTE # 9</b>		
<b>Short-Term Provisions</b>		
<b>Provision For Employees Benefit</b>		
EPF payable	-	-
Gratuity Payable	8,143,580	6,207,830
	<b>8,143,580</b>	<b>6,207,830</b>
<b>Others</b>		
Provision for Taxation	62,659,209	54,155,363
Provision for Dividend & Dividend Distribution Tax	997,223	7,247,223
	<b>63,656,432</b>	<b>61,402,586</b>
	<b>71,800,012</b>	<b>67,610,416</b>
<b>NOTE # 10</b>		
Depreciation	200,625,030	196,588,427
Preliminary Expenses W/O	732,317	732,317
	<b>201,357,347</b>	<b>197,320,744</b>

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

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As At 01.04.2015	Addition	Deletion	As At 31.03.2016	As At 01.04.2015	For the Year	Adjust- ment	As At 31.03.2016	As At 31.03.2016	As At 31.03.2015
1	Land	2,356,255	-	-	2,356,255	-	-	-	-	2,356,255	2,356,255
2	Building	267,558,492	138,784	-	267,697,276	122,219,815	13,679,220	-	135,899,035	131,798,241	145,338,677
3	Plant & Machinery	5,261,755,169	153,599,049	130,732,152	5,284,622,065	1,169,204,692	183,236,252	23,300,261	1,329,140,683	3,955,481,382	4,092,550,476
4	Furniture, Fixture & Equipments	20,031,527	700,297	3,560,783	17,171,041	13,484,710	1,265,724	3,350,872	11,399,562	5,771,479	6,546,817
5	Vehicle	39,449,031	722,817	-	40,171,848	28,238,915	2,443,834	-	30,682,749	9,489,099	11,210,116
TOTAL		5,591,150,474	155,160,947	134,292,935	5,612,018,485	1,333,148,132	200,625,030	26,651,134	1,507,122,028	4,104,896,457	4,258,002,341
PREVIOUS YEAR		5,161,517,865	589,352,604	159,719,995	5,591,150,474	1,152,722,631	196,588,427	16,162,925	1,333,148,132	4,258,002,341	4,008,795,234

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 11</b>		
<b>Non-Current Investments</b>		
Investments in Equity Instruments	59,963,724	59,963,724
Investments in Mutual Funds	500,000	500,000
	<b>60,463,724</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, 2016	As at 31st March, 2015
<b>Investment in Equity shares : At Cost</b>		
Other Than Trade - Quoted Investments :		
10000, Fully Paid-up Equity Shares of Rs. 10/- Each of IFCI Ltd.	545,005	545,005
500, Fully Paid-up Equity Shares of Rs. 10/- Each of Rajasthan Petro Synthetics Ltd.	16,250	16,250
169, Fully Paid-up Equity Shares of Rs. 10/- Each of Tata Steel Ltd.	33,705	33,705
1000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petrofils Ltd.	1,000	1,000
700, Fully Paid-up Equity Shares of Rs. 10/- Each of Chandra Synthetics Ltd.	5,075	5,075
400, Fully Paid-up Equity Shares of Rs. 10/- Each of Haryana Petrochemicals Ltd.	6,200	6,200
5000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petro Chemicals Ltd.	17,000	17,000
100, Fully Paid-up Equity Shares of Rs. 10/- Each of Parasrampur Ind. Ltd.	1,050	1,050
100, Fully Paid-up Equity Shares of Rs. 10/- Each of Shree Rajasthan Syntex Ltd.	2,025	2,025
20000, Fully Paid-Up Equity Shares of Rs. 10/- Each of Questfin Ltd.	137,543	137,543
30000, Fully Paid-up Equity Shares of Rs. 2/- Each of UPL Limited (Formerly known as United Phos Ltd.)	4,649,041	4,649,041
Union KBC Capital Protection Oriental Fund	500,000	500,000
25000, Fully Paid-up Equity Shares of Rs. 5/- Each of Zylog Systems Ltd.	1,429,830	1,429,830
17,30,000, Fully Paid-up Equity Shares of Rs. 10/- Each of 4,80,000, Fully paid -up Equity Shares at Premium of Rs. 44/- Each of 12,00,000 , Fully paid -up Equity Shares at Premium of Rs. 10/- Each of 50,000 , Fully paid -up Equity Shares at Premium of Rs. 44/- Each of Sumeet Poly Power Ltd.	52,620,000	52,620,000
	<b>59,963,724</b>	<b>59,963,724</b>
Investment in Mutual funds (Reliance Vision)	500,000	500,000
<b>Total</b>	<b>60,463,724</b>	<b>60,463,724</b>



Particulars	As at 31st March, 2016	As at 31st March, 2015
Aggregate Book Value of Investments		
Unquoted Cost	253,999,973	242,734,973
Quoted Cost	5,228,751	5,228,751
Market Value *	14,735,159	13,758,548

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

21,960,948	7,667,789
<b>21,960,948</b>	<b>7,667,789</b>

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

#### NOTE # 13

##### Inventories

Raw Materials	419,249,719	394,907,236
Work-in-Progress	460,270,805	515,688,320
Finished Goods	666,137,701	570,154,344
Stores and Spares	466,098,196	404,814,440
	<b>2,011,756,421</b>	<b>1,885,564,340</b>

##### 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

- Outstanding for a period exceeding six months

- Others

Less : Allowance for Bad & Doubtful Debts

-	-
2,615,026,062	2,254,510,328
-	-
<b>2,615,026,062</b>	<b>2,254,510,328</b>

#### NOTE # 15

##### Cash and Cash Equivalents

Cash-in-Hand	6,667,565	718,728
Balance with Banks	1,278,032	17,302,525
Fixed deposits / Margin Money / Security against borrowings	413,052,195	388,800,000
	<b>420,997,792</b>	<b>406,821,253</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 16</b>		
<b>Short-Term Loans and Advances</b>		
Advance to Suppliers	285,627,355	116,736,483
Others	224,072,295	299,418,277
	<b>509,699,650</b>	<b>416,154,760</b>

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

Advance Tax (A.Y. 2015-16)	-	17,500,000
Advance for Exp. (Godown-Delhi)	20,000	20,000
Cenvat Receivable	-	29,793,124
Claim Receivable	50,821,960	94,448,665
Custom duty refund receivable	-	41,967,594
Excise duty refund receivable	-	18,435,873
Export Incentive receivable	3,161,091	-
Interest Receivable	1,349,885	1,078,125
Mat credit	276,736,699	224,232,959
Preliminary Expenses	2,196,952	2,929,269
Prepaid Expenses	662,519	2,126,032
Service tax receivable	1,768,768	1,942,538
TCS Receivable	61,774	34,105
TDS Receivable	6,393,093	8,217,730
Income Tax Seized Cash	1,350,000	1,350,000
Insurance Claim receivable	1,505,681	1,505,681
	<b>346,028,422</b>	<b>445,581,695</b>

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

Domestic sales	12,220,998,417	11,561,954,438
Export		
Export sales	1,176,548,329	1,108,919,088
Deemed Export sales	141,930,864	-
Total sales	13,539,477,610	12,670,873,525
Less : Excise duty	866,493,769	1,044,218,411
Less : Inter Unit Sales	318,904,894	-
	12,354,078,947	11,626,655,114
Export Incentives	-	26,677,415
	<b>12,354,078,947</b>	<b>11,653,332,529</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 19</b>		
<b>Other Incomes</b>		
Dividend received	1,352	1,690
Commission received	13,124,286	33,652,203
Profit/(loss) on sale of fixed assets	-	(9,353,848)
Discount received	10,145,167	4,515,230
Int. on FDR'S (Net of Int. on Buyers credit)	6,769,156	5,082,370
Add : Profit from forex transaction (-222470735)	-	(48,130,031)
Others - Interest	26,733,726	23,417,534
Job Charges	525,050	-
	<b>57,298,737</b>	<b>9,185,148</b>

**NOTE # 20**
**Cost of Materials Consumed**
**a) Purchases of Raw Materials and Stores**

Opening stock	394,907,236	579,096,353
Add : Purchase(net)	5,302,026,648	8,108,930,322
	<b>5,696,933,884</b>	<b>8,688,026,675</b>
Less : Closing Stock	419,249,719	394,907,236
Sub Total (a)	<b>5,277,684,165</b>	<b>8,293,119,439</b>

**b) Direct/Production expenses**

Labour & Security	818,320	780,185
Power & Fuel	794,928,622	848,674,161
Freight & Octroi	121,095,619	112,091,433
Stores & Spares	61,480,171	51,595,062
Factory Expense	1,084,265	915,010
Repair & Maintenance : Factory Building	409,296	144,949
Repair & Maintenance : Plant & Machinery	7,376,222	10,412,289
Packing	178,679,107	210,407,879
Sub Total (b)	<b>1,165,871,622</b>	<b>1,235,020,968</b>

**Total (a + b)**
**6,443,555,787**
**9,528,140,406**
**NOTE # 21**
**Change in inventories**

Opening Stock	1,085,842,664	1,014,392,994
Less : Closing Stock	1,126,408,506	1,085,842,664
	<b>(40,565,842)</b>	<b>(71,449,670)</b>

**NOTE # 22**
**Employment Benefit Expenses**

Salary	116,074,013	109,655,037
Bonus	6,924,298	6,191,999
P.F.	3,205,586	1,797,727
Leave Encashment	1,644,201	1,835,113
Directors Remuneration	3,300,000	3,300,000
Staff Welfare/ESI	13,170	1,070,936
	<b>131,161,268</b>	<b>123,850,812</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE # 23</b>		
<b>Other Expenses</b>		
Electricity Expenses	507,401	448,874
Vehicle Expense	3,055,680	8,956,707
Travelling & Conveyance	2,519,545	1,832,029
Repairs Office Building	185,096	306,708
Repairs Other	444,185	533,285
Brokerage & Overseas Agency Commission	35,963,180	12,949,179
Office & General Expenses	2,548,538	2,130,129
Insurance Expenses	3,777,037	3,892,825
Books & Periodicals	7,850	8,540
Diwali Expenses	3,595,470	-
Legal & Professional	24,225,368	29,334,470
Postage & Telegram & Telephone	1,535,682	1,415,871
Membership & Subscriptions	300,109	60,573
Printing & Stationery Expenses	1,405,185	1,384,236
Auditors Remuneration	2,046,341	1,940,000
Director Sitting Fees	2,010,000	-
Rates & Taxes	4,582,417	4,979,702
Advertisement & Publicity	9,935,583	3,677,671
Carraige outward	63,891,256	7,376,209
Donation	3,938,100	3,794,000
Demat Charges	-	899
Loss on sale of Fixed Assets	9,857,270	-
Loss from forex transaction	87,230,634	-
Withholding Tax	537,923	-
Rent Expenses	102,743	-
Exchange Rate Difference	29,872	-
Other Expenses	17,767	-
Rate Diff	-	1,473,923
	<b>264,250,230</b>	<b>86,495,829</b>

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

Interest paid to Banks	252,997,062	248,499,340
Interest paid to others	33,748,297	29,174,587
Bank commission	18,441,497	-
Bank Charges & Guarantee commission (Others & Buyers credit)	129,430,663	92,635,937
Overseas Bank Charges	1,133,684	550,076
	<b>435,751,204</b>	<b>370,859,939</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 - 30.09.2016**

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

Folio No.	
DP ID	
CLIENT ID	
No. of Shares	

I/We hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company at Shree Maheshwari Bhavan, First Floor Hall, Near Science Centre, City Light, Surat on Friday, 30th September, 2016 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

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

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

### PROXY FORM

**ANNUAL GENERAL MEETING - 30.09.2016**

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 28th Annual General Meeting of the Company to be held on Friday, 30th September, 2016 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, 2016 and Reports of Auditors and Board of Directors.		
2. Re-appointment of Shri Shankarlal Somani (DIN No.00165238), Director of the Company who retires by rotation		
3. Appointment of Auditors		
<b>Special Business :</b>		
4. Appointment of Mr. Bhagchand Chordia (DIN No.00165398) as an Independent Director		
5. Appointment of Mr. Atma Ram Sarda (DIN No.06713264) as an Independent Director		
6. Ratification of appointment of Cost Auditor		
7. Ratification of Issue of 6% Non-Convertible Redeemable Preference Shares on Private Placement basis to Promoters & Promoter Group		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

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

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

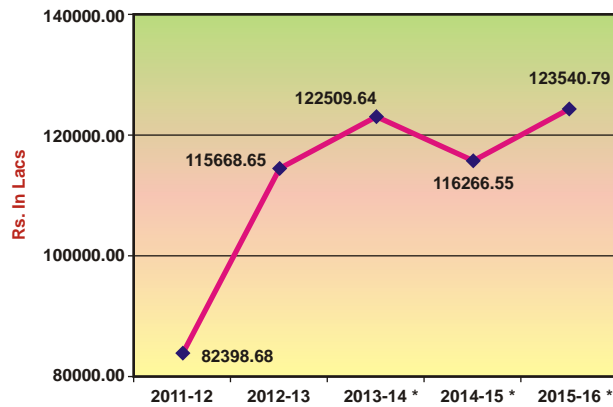
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**Notes :**

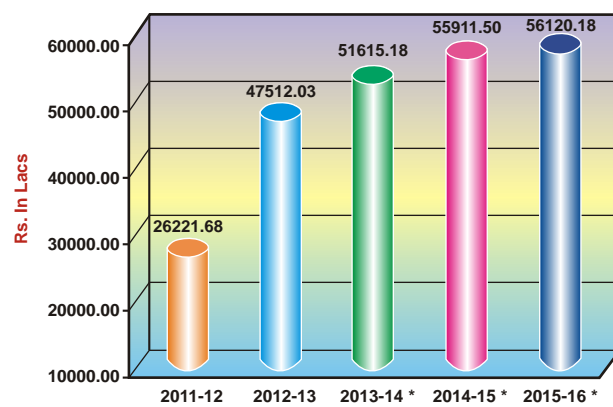
1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the Commencement of the meeting.
2. In the case of a body corporate, the proxy form should be signed by the authorised person duly enclosing thereto, 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.



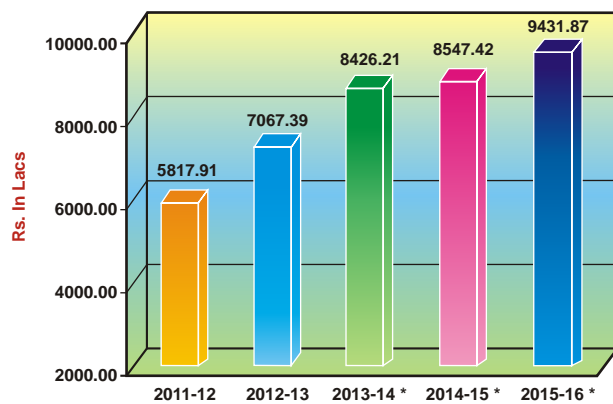
### SALES



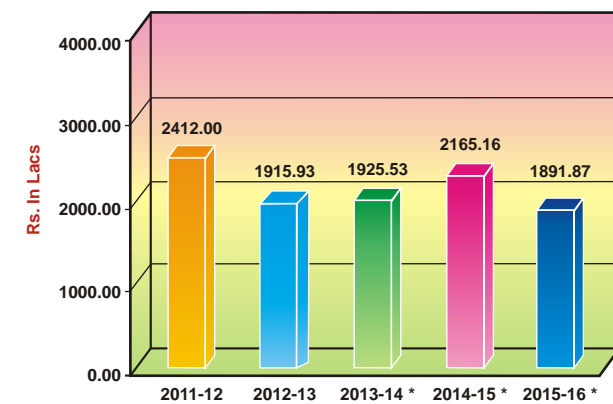
### FIXED ASSETS



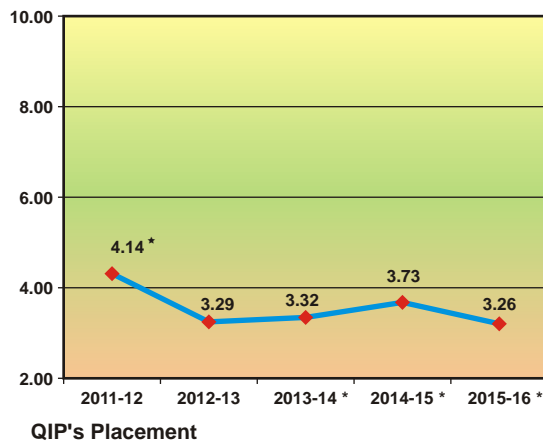
### EBITDA



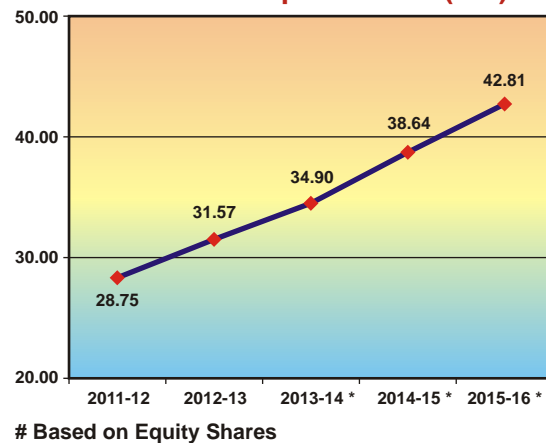
### PAT



### EPS



### Book Value per Share # (Rs.)



[ \* 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

Tel. : 0261-2328902 Fax : 0261-2334189

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