



26th ANNUAL *Report* 2013-2014

Sumeet INDUSTRIES LIMITED



Chairman's Message

Dear Shareholders,

I am pleased to report that your company continues to achieve new milestones in its journey towards sustainable growth through total excellence. The year 2013-14 was one of the most challenging for both the Global and Indian economy. The year saw diminishing consumer demand and low investor sentiments impacted by decelerating GDP growth, mounting fiscal deficit and depreciation in the value of rupees. The volatility in the Indian Rupee has also resulted in forex loss due to the mark to market adjustment.

The fact that the new government has come to power with a clear majority augurs well for the country as the elected government, with minimum coalition pressure, will be in a position to undertake long pending actions to accelerate the pace of reforms and enhance investor confidence.

In India GDP growth rate, even though lower than expected, stood at 4.7% for 2013-14 as against 4.5% for 2012-13. As per IMF the GDP growth projected is 5.4% and 6.4% in 2014 and 2015 respectively being impetus in infrastructure development and increased government expenditure.

The demand for man-made fibres is showing signs of improvement and we are hopeful that the demand for polyester will see revival. Polyester demand will be driven by its growing relevance in daily life across home textiles, apparel, automotive, furnishing fabrics, technical textile and non-woven segments.

Your company is at the threshold of a new era. This has made possible being successful completion of our whole expansion project in time and expanding its horizons in diversified range of Polyester Chips and Yarns and continuing to build its reputation in both national and international market. Entrepreneurship, innovation and initiative are the driving forces of your company. Our aim is to stay ahead of competition and for that fresh ideas must keep coming.

The company achieved turnover of Rs. 1159.34 Crores. To counter the slow down in the domestic industry your company is paying special emphasis on exports. The total export of goods during the year 2013-14 was Rs. 286.75 Crores in comparison to Rs. 9.08 Crores only in the F.Y. 2011-12.

We have created process driven organization backed by state of the art facilities and unique R&D Lab helped us to provide specialized textile products with varied of deniers & filaments. We took a number of improvement initiatives to further sharpen our cost competitiveness through value engineering, technology up-gradation and enhanced value addition.

Before concluding, let me assure of our commitment to create value for our stakeholders and thanks to our Board of Directors for their constant guidance and support. We value the trust repose on us by our shareholders, bankers, employees, suppliers, associates and our loyal customers for their continued

Shankarlal Somani
Chairman cum Mg. Director

**TWENTY SIXTH
ANNUAL REPORT****BOARD OF DIRECTORS**

Shri Shankarlal Somani	Chairman cum Mg. Director
Shri Sumeet Kumar Somani	Director & CFO
Shri Bhagchand Chordia	Director
Shri Dinesh Sharan Khare	Director
Shri Devi Prasad Saboo	Director
Shri Atma Ram Sarda	Director
Smt. Ganga Devi Somani	Director

COMPANY SECRETARY

Shri Anil Kumar Jain

AUDITORS**PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants, Surat

INTERNAL AUDITOR**RRA & CO.**

Chartered Accountants, Surat

CORPORATE ADVISOR**Shri Dhiren R. Dave**

Practicing Company Secretary, Surat

BANKERS

Bank of Baroda

Bank of India

IDBI Bank Ltd.

Union Bank of India

Canara Bank

State Bank of India

REGISTERD OFFICE

504, Trividh Chamber, Opp. Fire Station,

Ring Road, Surat - 395 002. (Gujarat)

Ph. : (0261) 2328902

Fax : (0261) 2334189

E-mail : sumeetindus@yahoo.com

Web : www.sumeetindustries.com

FACTORY

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

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

Ph. : 090999 78189

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

E-2, Ansa Industrial Estate, Sakivihar Road,

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

Ph. : (022) 40430200 / 28470652

E-mail : investor@bigshareonline.com

26th ANNUAL GENERAL MEETING

DATE : Tuesday, 30th September, 2014

VENUE : Conference Hall,
Bombay Market,
Umarwada, Surat-395 010.

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

(₹ in Lacs)

PARTICULARS	2013-14	2012-13	2011-12	2010-11	2009-10
Sales & Income from operation	110799.61	115933.78	82447.64	82458.71	37604.10
Other Income	-1607.12	-1130.36	-541.96	351.96	74.13
Increase (Decrease) in Inventories	-105.28	5907.96	1476.56	-243.11	878.90
Total	109087.21	120711.38	83382.24	82567.56	38557.13
Purchase of Finished Goods	33815.62	29451.12	19735.21	21226.35	7319.51
Raw Material Consumed	55567.31	71989.19	49721.82	48769.17	25651.78
Staff Cost	1154.78	1069.54	741.52	551.09	267.18
Manufacturing Expenses	9664.16	9822.80	5184.07	4486.02	1652.25
Administrative & Selling & Dist. Exp.	714.65	1311.34	2181.71	1404.33	566.30
Interest & Depreciation	5503.75	4161.73	2282.94	2000.95	1422.04
Total	106420.27	117805.72	79847.27	78437.91	36879.06
Profit / (Loss) before Taxation	2666.94	2905.66	3534.97	4129.65	1678.07
Taxation	905.40	989.73	1122.97	685.40	572.26
Profit / (Loss) after Taxation	1761.54	1915.93	2412.00	3444.25	1105.81
Earning per Share (EPS)	3.04	3.29	4.14	8.61	2.76

FINANCIAL DATA

Share Capital	# 7803.97	* 6828.97	*6828.97	*4999.52	*4999.52
Share Application Money	0.00	870.00	870.00	870.00	250.00
Reserve & Surplus	14285.77	12574.22	10928.11	5684.60	2805.20
Deferred Tax Liability	4150.58	3277.26	2332.56	1491.59	1103.52
Loan Funds **	47535.27	40374.34	38292.42	24246.75	24667.22
Capital & Funds Employed	73775.59	63924.79	59252.06	37292.46	33825.46
Fixed Assets (Gross) ***	54675.31	48528.14	43540.57	25144.37	23824.14
Depreciation	11527.23	9145.98	7164.91	1168.81	4832.33
Fixed Assets (Net)	43148.08	39382.16	36375.66	19143.24	18991.80
Investments	1566.24	77.95	59.14	126.72	53.69
Current Assets	41501.83	38709.00	26156.96	21037.12	16874.06
Current Liabilities & Provisions	12440.56	14244.32	3349.97	3033.68	2121.94
Net Current Assets	29061.27	24464.68	22806.99	18003.44	14752.12
Misc. Exp. not written off	-	-	10.27	19.06	27.85
Capital & Funds Applied	73775.59	63924.79	59252.06	37292.46	33825.46

Includes Preference Share Capital of Rs. 20.00 Crores

* Includes Preference Share Capital of Rs. 10.00 Crores

** Includes Secured & Unsecured Loan

*** Includes Capital Work in Progress

Milestones and Achievements

✱	2014	Commissioning of Wastage Recycling Plant with annual capacity of 5400 TPA.
✱	2014	Commissioning of 66 KV Power Sub-Station.
✱	2012	Spinning Capacity of the Plant has been increased from 53000 TPA to 85400 TPA with total project cost of Rs. 170.00 Crores
✱	2012	Commissioned 8.6 MW Gas based Genset Captive Power Plant, now total capacity of captive power generation is 17.10 MW
✱	2010	This Prestigious Expansion cum Backward Integration Plan completed with total investment of Rs. 150.00 Crores and increased company's capacity from 12000 tons to 100000 tons (More than 8 times)
✱	2009	Commissioned 6 MW Gas based Genset Captive Power Plant, enhancing the capacity of captive power generation by 8.5 MW
✱	2009	The Company has commissioned fully imported C.P. PLANT (Continuous Polymerization Plant) of 100000 tones per annum as Expansion cum Backward Integration Project
✱	2007	The Company converted its coal based power plant of 2.5 MW to Gas based Gen Set Power Plant for further reducing its power cost. The Company has tie-up with Gujarat Gas Company for supplying the Gas through Pipeline for the said Power Plant
✱	2006	Installed 60 Water Jet Looms to manufacture 3.5 Million meters Woven Fabric per annum
✱	2005	Installed Polyester Spinning Plant to manufacture 12000 MT Polyester Filament Yarn (POY) per annum with capital investment of Rs. 300 Million
✱	2004	Installed coal based power plant of 2.5 MW for captive power generation with capital investment of Rs. 60 Million
✱	1999	Increased the capacity of Texturising & Twisting to 3900 MT & 2000 MT respectively per annum
✱	1997	Increased the capacity of Polypropylene Multifilament Yarn to 3900 MT per annum with capital investment of Rs. 144 Million
✱	1996	Change of Name of the Company (Sumeet Synthetics Limited to Sumeet Industries Limited)
✱	1995	Installed capacities of Texturising & Twisting of 1500 MT per annum for value addition with total project cost of Rs. 45 Million
✱	1993	Installed capacity of 1500 tons per annum of Polypropylene Multifilament yarn with total project cost of Rs. 200 Million
✱	1992	Conversion from Private Limited to Public Limited
✱	1988	Incorporation of Sumeet Synthetics Private Limited

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of SUMEET INDUSTRIES LIMITED will be held at Bombay Market Hall, Umarwada, Surat on Tuesday, 30th Day of September, 2014 at 10:00 A.M. to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Statement of Accounts for the financial year ended on 31st March, 2014 and Reports of Auditors and Board of Directors thereon.
2. To appoint a Director in place of Shri B. C. Chordia (DIN No.00165398), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/S. Pradeep Singhi & Associates, Chartered Accountants (ICAI Registration No.108029W) as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

SPECIAL BUSINESS**04. APPOINTMENT OF 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 section 149, 152 and other applicable provisions of the Companies Act, 2013, Smt. Ganga Devi Somani (DIN No.06913790) be and is hereby appointed as regular Director (Non-Executive) of the company and shall be liable to retire by rotation.”

05. RECONSTITUTION OF AUTHORISED SHARE CAPITAL

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

“**RESOLVED THAT** pursuant to section 64 and other applicable provisions of the Companies Act, 2013, Authorized Share Capital of the company be and is hereby altered and reconstituted in to Equity Shares and 6% Non-Convertible Redeemable Preference Shares of Rs. 70.00 Crores and 30.00 Crores respectively by cancellation of 8,00,00,000 (Eight Crores) Equity Shares of Rs. 10/- each and 2,00,00,000 (Two Crores) 6% Non-Convertible Redeemable Preference Shares of Rs.10/- each, simultaneously creating 7,00,00,000 (Seven Crores) Equity Shares of Rs.10/- each and 3,00,00,000 (Three Crores) 6% Non-Convertible Redeemable Preference Shares of Rs.10/- each. Accordingly, new amended Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company will be read as below.”

V. The authorized Share Capital of the Company is Rs. 100,00,00,000 (Rupees Hundred Crores) divided in to :

1. 7,00,00,000 (Seven Crores) Equity Shares of Rs. 10/- (Rs. Ten) each.
2. 3,00,00,000 (Three Crores) 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- (Rs. Ten) each.

06. 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 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 offer or invite to subscribe, issue and allot 1,00,00,000 (One Crore) Nos. of 6% Non-Convertible Redeemable Preference Shares (“NCRPS”) of the face value of Rs.10/- each, for an aggregate value not exceeding Rs. 10.00 Crores, for cash at par, on a private placement basis, to Promoters & Promoter group 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, and pay such fees and incur such expenses in relation thereto as it may deem appropriate.”

Registered Office :

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

Place : Surat

Date : 11-08-2014

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 5 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 Friday, the 26th September, 2014 to Tuesday, the 30th September, 2014 (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, 2014 is uploaded on the Company's website www.sumeetindustries.com and may be accessed by the members.
11. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
12. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(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 2013-14 is being sent in the permitted mode.
13. Non-Resident Indian (NRI) members are requested to inform the company's Registrar and Transfer Agents (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.

14. 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.
15. 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 26th Annual General Meeting (AGM) by electronic means, as an alternative to vote physically at the AGM, and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL). It may be noted that this e-voting facility is optional.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24/09/2014 (10:00 A.M. IST) and ends on 26/09/2014 (05:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22/08/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com 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"> 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 folio/client id number in the PAN field. In case the folio 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 Ganesh Kumar with folio number 1 then enter GA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will have to mandatorily change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote.
- (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 <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. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xvii) 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 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.
 - After receiving the login details they have to create 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 should be mailed to 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.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

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

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the company should have at least one woman director on the Board. Keeping in view the above legal requirements, the Board of Directors of the company have proposed that Smt. Ganga Devi Somani was appointed as an Additional Director of the company, whose office expires on the date of this Annual General Meeting of the Company.

The company has received a notice in writing from a member along with the deposit of requisite amount under the Act proposing the candidature of Smt. Ganga Devi Somani for the office of Director of the company.

Smt. Ganga Devi Somani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She holds 12,00,000 equity shares in the Company.

Smt. Ganga Devi Somani may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of her appointment as a Director. Shri Shankarlal Somani who is her relative and the Chairman & Managing Director of the Company and Shri Sumeet Kumar Somani who is her relative and Director of the company and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment of Smt. Ganga Devi Somani.

Save and except the above, none of the other 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.4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

ITEM NO. : 05

The company has un-issued Authorised Share Capital in the form of Equity Shares. Your company is in urgent needs of funds for setting up new Texturising machineries for enhancing the production capacities and enhanced working capital.

To complete the need of fund's requirement, management of the company has decided to opt for issue of Non- convertible Redeemable Preference Shares as faster route to bring required funds in the company instead of Equity Capital. Hence, it is necessary to reconstitute the Authorised Capital by increasing Non-convertible Redeemable Preference shares. Such reconstitution in the Authorised Share Capital needs approval of the shareholders. Hence necessary resolution is placed in the notice for your kind approval.

The members are requested to consider and approve the resolutions.

None of the Directors are concerned or interested in the proposed resolutions except as a member of the company.

ITEM NO. : 06

Your company is in the process of setting of 8 (Eight) new Texturising Machineries to enhance its production capacities. To complete the projects in schedule time, company is in need of urgent funds. To satisfy the immediate fund requirements of the company for expansion 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 to the Promoters & Promoter group.

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.

The approval of the Members 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, and to offer and allot the 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 shall be cumulative, non participating and non-convertible.
2. The objective of the issue is to raise funds for forward integration project of setting up new Texturising machineries in the Company.
3. The NCRPS will be 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.	ISUUE DETAILS 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 eight new Texturising Machineries
4.	The manner of issue of Shares	Through Private Placement
5.	Price at which such shares are proposed to be issued	Rs. 10/- Per Shares
6.	Basis of arriving price	At par
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. The current equity shareholding pattern of the Company is as under :

Category	Number of share held	Percentage of holding
Promoters	27230730	46.92
Directors/Relatives	4934165	8.50
Indian Public & others	11742205	20.23
Corporate Bodies	13917144	23.98
NRI's	215494	0.37
TOTAL	58039738	100.00

6. The issue of NCRPS is in accordance with the provisions of the Articles of Association of the Company. There is no subsisting default in the redemption of preference shares issued by the Company or in payment of dividend due on any preference shares issued by the Company.
7. The Directors commend the Resolution at Item No. 6 of the accompanying Notice, for the 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 : 11-08-2014

By order of the Board Directors

Sd/-

Shankarlal Somani

Chairman cum Mg. Director

DIRECTOR'S REPORT

TO, THE MEMBERS

Your Directors have pleasure in presenting the 26th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2014.

The robustness of any business is effectively measured by how the company performs in its most challenging period. The Indian economy passed through a difficult phase with business activities showing downsizing growth in most of sectors due to depreciation in the value of the rupee, rising crude prices, high inflation etc. Even during an economic slowdown, your company has continued to grow and registered net profit of ₹ 1761.54 Lacs and Turnover of ₹ 110799.62 Lacs due to efficient management of energy and overhead cost, general improvement in operational efficiency and better management of working-capital. We have further strengthen our competitive capabilities to deliver more consistent growth focusing on cost rationalization and consolidating capabilities.

FINANCIAL RESULTS

	(₹ in lacs) 31-03-14	(₹ in lacs) 31-03-13
Gross profit before interest & Depreciation	8170.69	7067.39
Less : Interest	3050.90	2171.88
Depreciation	2452.85	1989.86
Profit before Tax	2666.94	2905.65
Less : Provision for Taxation		
Current Tax	559.00	581.34
MAT Credit	(559.00)	(581.35)
Deferred Tax	873.32	944.70
Profit after Tax	1793.62	1960.96
Less : Taxation of Previous Year	32.08	45.02
Profit available for appropriation	1761.54	1915.94
Dividend on Equity & Pref. Share and Dividend Tax	-	269.82
Short Prov. For Dividend for previous year	-	-

OPERATIONS

The company has posted a satisfactory performance for the year under review. The company has produced 87460.918 Tons of Pet Chips / Polyester / Polypropylene Multifilament Yarn and dispatched 78905.632 Tons of Pet Chips / Polyester / P.P. Yarns.

Income from operation of the company has marginally decreased from ₹ 1159.34 Crores to ₹ 1108.00 Crores. EBIDTA has been increased from ₹ 70.67 Crores to ₹ 81.71 Crores and Net profit after Tax has been marginally decreased from ₹ 19.16 Crores to ₹ 17.62 Crores in comparison to last year.

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 Texturising Machineries and general corporate purposes.

EXPANSION & MODERNISATION

During the year under review your company has successfully commissioned Waste Recycling plant with 5400 TPA capacity and also efforts are being made for increasing the capacity of recycled chips. Under this plant company is producing chips from wastage yarns of polyester.

During the year the company has also successfully increased its spinning capacity of FDY production by upgrading old eight end winders by replacing them with twelve end high speed winders and thereby total capacity of the FDY production has been increased from 40600 TPA to 51450 TPA.

During the year the company has also set up 66 KV Sub-station at its plant and taking supply of power from DGVCL. The company is also sourcing power from open access purchase through grid under open access regulation.

NEW PROJECT

In the current financial year, the company is going to setup 8 (Eight) new Texturising machineries as forward integration with total capacity of 40 Tons per day to produce DTY yarns of varied deniers & filaments.

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

OVERSEAS SUBSIDIARY COMPANY

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

EXPORTS

The company has been exploring all the possibilities for exporting its products. During the year under review, your company has exported products worth of Rs. 286.75 Crores in comparison to Rs. 122.24 Crores in the last year showing an increase of 134% over previous year.

At present company is exporting to Bangladesh, Egypt, Saudi Arabia, China, Argentina, Iran, Poland, Vietnam, Philippines, Israel, Morocco, Columbia, Ethiopia, Mexico, Nepal, Brazil, U.S.A & Singapore etc. Exploring export markets has been a key area of focus for the company. Your Company expects more growth in the overall export sales in the current year also.

DEPOSITORY SYSTEM

As members are aware, the company's shares are compulsorily tradable in the electronic form. As on March 31, 2014 almost 94.62% 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.

FIXED DEPOSITS

The Company has invited deposits from public in accordance with the section 58 A of the Companies Act, 1956 (corresponding Section 73 and 74 of the Companies Act, 2013) to the tune of Rs. 396.14 Lacs. There were no deposits, which were claimed but not paid by the Company.

DIRECTORS

Mr. Bhagchand Chordia (DIN No. 00165398), Director of the company, would retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

The Board of Directors at their meeting held on 28/06/2014 has appointed Smt. Ganga Devi Somani, (DIN No.06913790) as an Additional director of the company. Smt. Ganga Devi Somani retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are "reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (iii) That 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.
- (iv) That the directors had prepared the annual accounts on a going concern basis.
- (v) The Director, in the case of a listing Company, had laid down, internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) 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.

AUDITORS

M/s. Pradeep Singhi & Associates, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting. They have confirmed that their appointment, if made, would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956. Members are requested to re-appoint them at the Annual General Meeting.

COST ACCOUNTING RECORDS

The Company has maintained cost accounting records in respect of manufacturing of Partially Oriented Yarn (POY), Fully Draw Yarn (FDY), Polypropylene Multifilament Yarn (PPMFY) & Pet Chips as required. The company has appointed Mr. Vipin M. Patel, Cost Accountant for conducting the audit of such records for the financial year 2013-14.

PERSONNEL

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the company. As required by the provisions of Section 217 (2A) of the Companies Act, 1956 (corresponding to section 134 of the Companies Act, 2013) read with Companies (Appointment & remuneration) 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.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. The Company assists schools situated at near by villages by distributing dresses, books among poor students 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. During the year under report your Company constituted CSR Committee and drawn up Company's CSR policy to plan and implement CSR activities as per provision of Companies Act, 2013

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (corresponding to section 124 & 125 of the Companies Act, 2013) an amount of Rs. 12,81,128/- which pertains to the dividend for the year 2006-07, and remained unpaid or unclaimed for a period of 7 years, has been transferred by the Company to the Investor Education & Protection Fund.

INTERNAL CONTROL SYSTEM

The Company's internal control system includes audit and verification of compliance with defined policies and procedures by Internal Audit Function. The internal auditors independently evaluate the adequacy of internal controls and audit the sample of the transactions in value terms. Independence of the audit is ensured by the direct reporting of internal audit function to the Audit Committee of the Board.

INDUSTRIAL RELATIONS

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

RISK MANAGEMENT

Risk Management is the systematic process of understanding, measuring, controlling and communicating organization's risk exposures while achieving its objectives. The company's risk management policy stems from a philosophy of pursuing sustainable growth and creating economic value while calibrating and mitigating risks. The Board of Directors regularly review risks and threats and takes suitable steps to safeguard its interest. The focus shifts from one area to another area depending upon the prevailing situation. During the year under review, highest importance was given to the management of foreign currency exchange rate fluctuation risk.

INSURANCE

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

CASH FLOW ANALYSIS

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

FOREIGN EXCHANGE TRANSACTIONS

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The company has now set up 66 Kva Sub-Station at its plant and taking supply of power from DGVCL. The company is sourcing power through open access purchase from grid under open access regulation and thereby reducing its power cost substantially in comparison to power generated from Gas. Further this is also being resulted to the company in utilizing stable power supply leading to higher production efficiency.

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 (Corresponding to section 134 of the Companies Act, 2013), read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure "A" 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. 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 to change product with minimum changeover losses and thus meet customer requirement even for small quantities.

CORPORATE GOVERNANCE

- i) The Company has complied with all the mandatory provisions of Clause 49 of the Listing Agreement relating to the Corporate Governance.
- ii) Pursuant to Clause 49 of the listing agreement with Stock-Exchanges, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance and a Management Discussion and Analysis Statement forms integral part of this Annual Report.
- iii) Your Company is listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

ACKNOWLEDGMENT

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

By order of the Board Directors

Sd/-

Shankarlal Somani

Chairman cum Mg. Director

Place : Surat

Date : 11th August 2014

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

ANNEXURE-1

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 continuously pursues the process of energy conservation through improved operational and maintenance practices.

a) Energy Conservation measures taken by the Company

- 1) Refrigerant air dryer used to improve dryer efficiency & reduction in loss.
- 2) Energy efficient motors installed in place of old motors.
- 3) Optimization of compressors for low pressure application.
- 4) Average quench air temperature in Spinning Plant is increased from resulting in less chilling requirement.
- 5) Intermingling air pressure reduction in FDY Machines.
- 6) Optimization of steam flow for the process.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

- 1) Installation of higher capacity of FDY Winders in place of old winders for more production and better operational efficiency.
- 2) Modification & improvement of process system on regular basis as per market demand.
- 3) Utilization of process heat to generate chilled water thorough vapor absorption chiller.

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

- 1) Low energy consumption thereby reduction in cost of production.
- 2) Reduction in wastage and energy / power consumption per unit of yarn.
- 3) Substantial power saving in compressed air by reducing the system and line pressure drop.

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

FORM A

	<u>2013-14</u>	<u>2012-13</u>
A. Power and Fuel Consumption :		
1. Electricity :		
(a) Purchased		
- Units	93134054	-
- Total Amount (Rs.)	281748878	-
- Rate/Unit (Rs.)	3.025	-
(b) Own generation		
(i) Through diesel generator in Units (KWH)	6160	6480
Liters of HSD Consumed	2120	1995
Unit per Ltr. of Diesel	2.905	3.24
(ii) Through steam turbine/generator		
Unit	-	-
Consumed	-	-
Unit per MT of Coal	-	-
(iii) Gas (Generated by Gas based Gen Set)		
Quantity (in units KWH)	6397650	78011216
Gas Consumed (in SM 3)	1571531	22029161
Unit per KWH / SM3	4.070	3.54
2. Gas :		
Quantity (in units)	1579900	24624322
Total amount	53446695	739173341
Average rate	33.83	30.01
3. Furnace oil :		
Quantity (in Ltrs.)	-	-
Total amount	-	-
Average rate	-	-
4. Diesel :		
Quantity (in Ltrs.)	2200	2000
Total cost	126690	106020
Cost/unit	57.58	53.01

B. Consumption per unit of production (in tons)

Product : Polyester/Polypropylene Multi Filament Yarn

	<u>Standards (if any)</u>	<u>2013-14</u>	<u>2012-13</u>
Electricity			
(a) Purchases	-	1161.67	NIL
(b) Own Generation	-	877.78	848.60
(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) New POY and FDY product introduced.
- b) Colour POY Yarn were developed
- c) Modification in spinning machines to improve quality of the products
- d) Modification in quenching system for POY plant
- e) POY Paper Tube dimensions Optimisation.
- f) FDY Machine Intermingling air pressure Optimisation.

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

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

3. Future plan of action

- a) High tenacity industrial yarn development.
- b) Enhancement of productivity of spinning machines and take-up machines.
- c) Lab-testing equipment's up-gradation.
- d) Forward integration by setting up Texturising Machines
- e) Setting up of Wind Power Plant / Solar Plant
- f) Installation of online Effluent water Quality monitoring system

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) Auto Doffer system (German Technology) in new POY & FDY Plant
- b) Up-gradation in winders of spinning machines of FDY
- c) Commissioning of Wastage Recycling Plant

2. Benefits derived as a result of above efforts

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

3. Information regarding technology imported during the last five year

Technology Imported	Year of Import	Status
Gas based Genset Power Plant	2008 & 2011	Absorbed
POY and FDY Plant	2009, 2011 & 2013	Absorbed

C. 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

(₹ in Lacs)

	<u>2013-14</u>	<u>2012-13</u>
[a] Foreign Exchange Earnings	28494.80	12192.22
[b] Foreign Exchange Outgo	44494.84	29977.71

CORPORATE GOVERNANCE REPORT

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

(A) SUMEET INDUSTRIES LTD. is having 6 Directors on its Board consisting of 3 Executive and 3 Non-Executive Independent Directors with Executive Chairman. 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 for the year 2013-14 are given below:

Sr. No.	Name of Directors	Category	Attendance of Board Meeting	Attendance Last AGM	No. of Other Directorships/ Committee Memberships/ Chairmanships		
					O.D.	C.M.	C.C.
1	Shankarlal Somani	Executive/ Non-Independent	24	Yes	2	-	-
2	Sumeet Kumar Somani	Executive/ Non-Independent	24	Yes	8	3	-
3	Dinesh Sharan Khare	Executive/ Independent	23	Yes	-	-	-
4	Bhagchand Chordia	Non-Executive/ Independent	23	Yes	-	-	3
5	Devi Prasad Saboo	Non-Executive/ Independent	20	Yes	-	3	-
6	Atmaram R Sarda	Non-Executive/ Independent	12	Yes	1	-	-
7	Vinod Kumar Ladia *	Non-Executive/ Independent	8	No	11	-	-

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

* Mr. Vinod Kumar Ladia, a Non-Executive & Independent Director has resigned from the Board w.e.f. 30-09-2013.

Note : Transaction of Non-Executive with Company is paying Rs. 4,40,000/- P.A. as consultancy fees to Mr. B. C. Chordia.

(B) NO. OF BOARD MEETINGS HELD AND DATES

During the Financial Year 2013-14, the Board meeting has been held for 24 times.

The Dates of the Board Meetings are :

01.	20.04.2013	07.	02.07.2013	13.	17.10.2013	19.	26.12.2013
02.	25.04.2013	08.	15.07.2013	14.	28.10.2013	20.	24.01.2014
03.	30.04.2013	09.	01.08.2013	15.	06.11.2013	21.	13.02.2014
04.	16.05.2013	10.	13.08.2013	16.	13.11.2013	22.	24.02.2014
05.	29.05.2013	11.	29.08.2013	17.	15.11.2013	23.	08.03.2014
06.	24.06.2013	12.	02.09.2013	18.	04.12.2013	24.	15.03.2014

3. COMMITTEES OF THE BOARD

I) AUDIT COMMITTEE

The Audit committee of the company comprises of three members, consisting of one Executive Director and two Non-Executive/Independent Directors. The Committee members have requisite experience in the fields of Finance & Accounts and Banking & Management. Mr. Anil Kumar Jain, Secretary of the company is the Secretary of the Audit Committee.

The "Audit Committee" was re-constituted by the Board on 11/08/2014. The Audit Committee now comprises of three members viz; Mr. B. C. Chordia, Mr. Sumeet Kumar Somani and Mr. Atma Ram Sarda. Mr. B. C. Chordia, Chartered Accountant is the Chairman of the Audit Committee.

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

The Composition of Audit Committee and attendance of the Directors at the Audit Committee for the year 2013-14 is shown below :-

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

During the 2013-14, Audit Committee meeting was held 4 times. The necessary quorums were present at the meeting. The date of the meetings are as follows :-

01.	27.05.2013	02.	12.08.2013	03.	11.11.2013	04.	11.02.2014
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The terms of the reference regarding role of the Audit committee are as under :-

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval. with particular reference to:

- i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (C) of subsection (3) of Section 134 of the Companies Act, 2013 (corresponding to sub-section (2AA) of Section 217 of the Companies Act, 1956);
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions;
 - vii) Qualifications in the draft audit report.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - 7) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
 - 8) Approval or any subsequent modification of transactions of the Company with related parties;
 - 9) Scrutiny of inter-corporate loans and investments, Valuation of undertakings or assets of the Company, wherever it is necessary;
 - 10) Evaluation of internal financial controls and risk management systems;
 - 11) Reviewing, with the management, performance of statutory auditors, including cost auditors and internal auditors, adequacy of the internal control systems;
 - 12) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
 - 13) Discussion with Internal Auditors of any significant findings and follow up there on.
 - 14) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - 15) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - 16) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - 17) To review the functioning of the Whistle Blower mechanism;
 - 18) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and shall have the functions/role/powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law;
 - 19) Review financial statements, in particular the investments made by the Company's unlisted subsidiaries.
 - 20) Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

II) NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of the Companies Act, 2013 and the rules made there under and the Listing Agreement, the Remuneration Committee is renamed as "Nomination and Remuneration Committee".

Composition of Nomination and Remuneration Committee and attendance of the Directors at the Nomination and Remuneration Committee for the year 2013-14 is shown below:

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

The "Nomination and Remuneration Committee" was re-constituted by the Board on 11/08/2014 consequent to the dissolution of the "Remuneration Committee" considering the requirements of the Companies Act, 2013. The Nomination and Remuneration Committee now comprises of three members viz; Mr. B. C. Chordia, Mr. Sumeet Kumar Somani and Mr. Atma Ram Sarda. Mr. B. C. Chordia, Chartered Accountant is the Chairman of this Committee.

The following are the details of the remuneration paid to the Chairman, Managing / Executive Director(s) in the financial year 2013-2014.

Sr. No.	Name of the Director	Salary (₹ in Lacs)	Perquisites (₹)
1	Shankarlal Somani	30.00	-
2	Dinesh Sharan Khare	5.90	-
3	Sumeet Kumar Somani	3.00	-

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

Remuneration Committee meeting held on 26/03/2014 during the year.

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

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

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

III) STAKEHOLDERS RELATIONSHIP COMMITTEE (PREVIOUSLY INVESTOR'S GRIEVANCES COMMITTEE)

The Investor Grievance Committee is renamed as "Stakeholders Relationship Committee". The Stakeholders Relationship Committee was re-constituted by the Board on 11/08/2014. The Stakeholders Relationship Committee now comprises of three members viz; Mr. B.C. Chordia, Mr. Sumeet Kumar Somani and Mr. Atma Ram Sarda. Mr. B.C.Chordia, Chartered Accountant is the Chairman of the Stakeholders Relationship Committee. It consists of two Non-Executive Directors and one Executive Director. The Committee is looking for redressal of Investors' complaints like Transfer of Shares, Issue of Duplicate/Replacement/Split Shares, and Non-receipt of Rights/Bonus Shares and Non-receipt of Balance Sheet/Dividends etc.

Composition of Stakeholders Relationship Committee and attendance of the Directors at the Stakeholders Relationship Committee for the year 2013-14 is shown below :

Sr. No.	Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1	B. C. Chordia	Chairman	Non-Executive	25	25
2	Devi Prasad Saboo	Member	Non-Executive	25	23
3	Sumeet Kumar Somani	Member	Executive	25	25

The dates of the Investors Grievances Committee (Presently renamed as Stakeholders Relationship Committee) meeting held during the year are :

01. 12.04.2013	06. 31.05.2013	11. 12.07.2013	16. 23.08.2013	21. 30.09.2013
02. 19.04.2013	07. 14.06.2013	12. 19.07.2013	17. 30.08.2013	22. 17.01.2014
03. 03.05.2013	08. 28.06.2013	13. 02.08.2013	18. 03.09.2013	23. 14.02.2014
04. 10.05.2013	09. 05.07.2013	14. 09.08.2013	19. 17.09.2013	24. 28.02.2014
05. 17.05.2013	10. 09.07.2013	15. 20.08.2013	20. 20.09.2013	25. 04.03.2014

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

Received during the year 2013-2014 39

Pending as on 31/03/2014 NIL

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

Number of pending Shares transfer as on 31.03.2014 : NIL

IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The "Corporate Social Responsibility Committee" (CSR Committee) was constituted by the Board on 11th day of August, 2014, considering the requirements of the Companies Act, 2013 relating to constitution of a Corporate Social Responsibility Committee. The 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:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

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

The Committee comprises of Mr. Shankarlal Somani, Mr. Devi Prasad Saboo and Mr. Atma Ram Sharda. Shri Shankarlal Somani is the Chairperson of this committee.

4. GENERAL INFORMATION TO THE SHAREHOLDERS

I) GENERAL BODY MEETING

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

Sr. No.	AGM DATE	Location	Time
1	30/09/2013	Bombay Market Hall, Umarwada, Surat	10:00 A.M.
2	28/09/2012	Bombay Market Hall, Umarwada, Surat	10:00 A.M.
3	26/09/2011	Bombay Market Hall, Umarwada, Surat	10:00 A.M.

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

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.

YEAR 2011-12

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

YEAR 2010-11

- 1) Issue of 50,00,000 Nos. of Equity Warrants to the Promoters/Promoters group for an amount not exceeding Rs. 5.00 Crores.

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

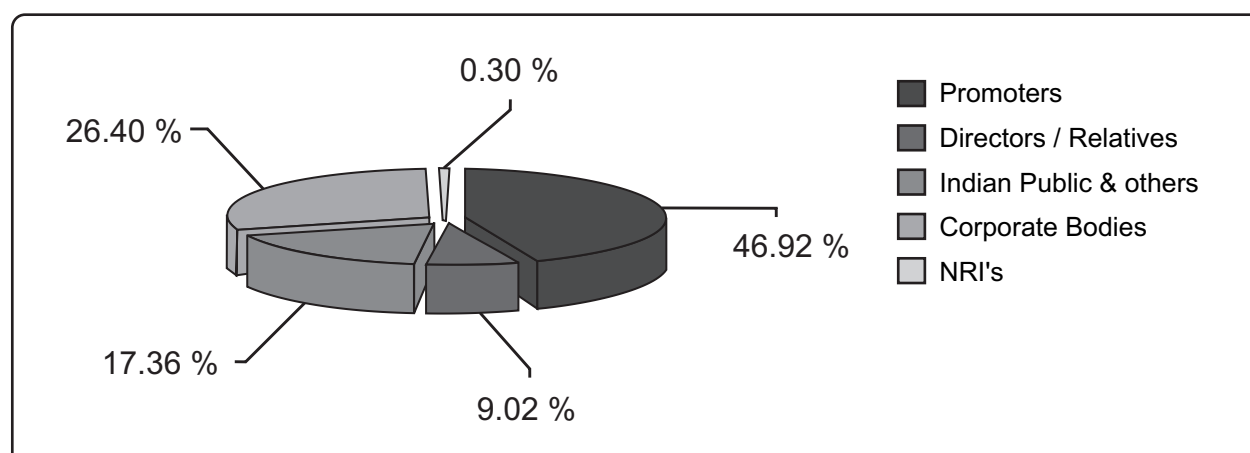
IV) DISTRIBUTION OF SHAREHOLDING (IN SHARES) AS ON 31st MARCH, 2014

NO. OF SHARES	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF CAPITAL
1 To 500	23939	90.38	3766006	6.49
501 To 1000	1426	5.38	1137530	1.96
1001 To 2000	597	2.25	895050	1.54
2001 To 3000	170	0.64	430534	0.74
3001 To 4000	80	0.30	278954	0.48
4001 To 5000	43	0.16	197840	0.34
5001 To 10000	76	0.29	543948	0.94
10001 To 999999999	157	0.59	50789876	87.51
TOTAL	26488		58039738	100.00

V) SHAREHOLDING PATTERN OF THE COMPANY AS ON 31st MARCH, 2014

Description	Number of Share holders		Number of Shares	
	Nos.	%	Nos.	%
A) Promoter and Promoter Group Indian:				
Individuals / Hindu Undivided Family	10	0.04	9530027	16.42
Bodies Corporate	6	0.02	17700703	30.50
Total (A)	16	0.06	27230730	46.92
B) Public shareholding Institutions:				
Financial Institutions / Banks	1	0.00	450	0.00
Non-institutions:				
Bodies Corporate	286	1.08	15322620	26.40
Individuals	26066	98.41	9944409	17.13
Clearing Member	42	0.16	135215	0.23
Directors / Relatives	8	0.03	5234165	9.02
NRI	69	0.26	172149	0.30
Total (B)	26472	99.94	30809008	53.08
Grand Total (A+B)	26488	100.00	58039738	100.00

Category	Number of share held	Percentage of holding
Promoters	27230730	46.92
Directors/Relatives	5234165	9.02
Indian Public & others	10080074	17.36
Corporate Bodies	15322620	26.40
NRI's	172149	0.30
TOTAL	58039738	100.00



VI) MARKET PRICE DATA

Month wise High, Low price and volume data for the F.Y. 2013-14 at BSE & NSE are as under :

Month	BSE			NSE		
	High	Low	Total Volume	High	Low	Total Volume
April, 2013	24.05	20.25	478286	24.00	20.15	545705
May, 2013	24.90	23.25	865891	25.00	23.10	867302
June, 2013	24.50	17.45	937334	24.35	17.40	959291
July, 2013	23.90	18.05	1404386	24.00	18.05	1824655
Aug, 2013	23.25	19.05	1142597	23.00	19.00	1885834
Sep, 2013	28.00	20.75	2767557	28.00	20.65	3488466
Oct, 2013	31.05	23.35	1622447	33.90	23.25	2342738
Nov, 2013	32.90	25.50	1004491	30.00	25.85	2211987
Dec, 2013	31.00	21.25	4400390	30.50	21.25	5282823
Jan, 2014	26.50	18.20	3743209	26.30	19.40	4896183
Feb, 2014	23.85	18.50	483149	23.80	17.70	2069178
Mar, 2014	24.00	17.35	1445123	23.25	17.40	2778892

VII) APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Smt. Ganga Devi Somani, offer themselves for appointment as Director of the Company. Their details are mentioned below.

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

Mr. Bhagchand Chordia, who retire by rotation and being eligible, offer themselves for re-appointment. Their details are mentioned below :-

Name of the Director	Mr. Bhagchand Chordia
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

VIII) ANNUAL GENERAL MEETING (TENTATIVE)

Date : 30/09/2014, Tuesday
Time : 10:00 A.M.
Venue : Bombay Market Hall, Umarwada, Surat.

(IX) FINANCIAL CALENDAR (TENTATIVE)

Annual General Meeting : September, 2014
Results for quarter ending June 30, 2014 : on or before 14th August, 2014
Results for quarter ending Sept 30, 2014 : on or before 14th November, 2014
Results for quarter ending Dec 31, 2014 : on or before 14th February, 2015
Results for quarter ending March 31, 2015 : on or before 30th May, 2015

(X) 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 as per SEBI guidelines offered the facility 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] which facilitate to serve better."

(XI) 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, 2014 about 94.63% 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.

(XII) 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.

(XIII) OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS : NIL**(XIV) ADDRESS FOR CORRESPONDENCE :**

Unit : Sumeet Industries Limited

Investor Correspondence : Bigshare Services Pvt. Ltd.

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

Ph. : 022- 40430200/28470652

(XV) BOOK CLOSURE :

The Register of Members and Share Transfer Books will be closed from Friday, 26th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) as annual closure for the Annual General Meeting.

(XVI) DIVIDEND DATE : NIL

(XVII) LISTING :

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

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.

XVIII) 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

(XIX) 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) DIVIDEND DECLARATION DURING THE LAST 5 YEARS

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%

(XX) UNCLAIMED DIVIDED :

In terms of the provisions of Section 205A(5) of the Companies Act, 1956, (the "Act") unpaid and unclaimed dividend for the financial year 2006-2007 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205C of the Act. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or IEPF after the said transfer in respect of such amounts.) . Shareholders who have not encashed their dividend warrants are requested to claim the amounts from the Registrar of Companies, Gujarat, ROC Bhavan, Near Ankur Bus Stand, Naranpura, Ahmedabad-380 013 in the prescribed form.

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 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 the respect of the above years are requested to claim their dividend from the Company. Such members may write to the Company's Registrar and Transfer Agents, Bigshare Services Pvt Ltd. or to the company for payment of unclaimed dividend amount.

(XXI) 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) and Polypropylene Multifilament Yarn.

(XXII) REGISTERED OFFICE :

504, 5th Floor, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat- 395 002 (Gujarat)
Phone : 0261 - 2328902. Fax : 0261 - 2334189. E-mail : sumeetindus@yahoo.com
Visit us at : www.sumeetindustries.com

(XXIII) REGISTRARS AND TRANSFER AGENTS :

M/S. Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400072
Ph. : (022) 40430200 / 28470652

5. DISCLOSURES OF NON-COMPLIANCE BY THE COMPANY

The transactions with the companies, where the Directors of the Company are interested were in the normal course of business and there were no materially significant related party transactions that have potential conflict with the interest of the Company at large. The SEBI has imposed penalty of Rs.2.00 Crores exercising power conferred under Section 15 HA 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) of PFUTP Regulations of the SEBI Act vide order dated 20.02.2014 and restrain the company from accessing the securities market for the period up to 2 years in exercise of the power conferred U/s. 19 of the SEBI Act read with section 11 and 11 B thereof and section 12 A of the SCRA Act, 1956 and regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) regulation, 2003 vide order dated 21.05.2014.

6. MEANS OF COMMUNICATION

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

7. SECRETARIAL AUDIT REPORT

The Secretarial 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.

8. CEO AND CFO CERTIFICATIONS

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

9. COMPLIANCE CERTIFICATE OF THE AUDITORS

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

10. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

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

11. DECLARATION UNDER CODE OF CONDUCT

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

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

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

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

We have examined the compliance of condition of Corporate Governance by **SUMEET INDUSTRIES LIMITED** for the year ended **31st March, 2014** as stipulated in Clause 49 of the Listing Agreement with Stock Exchange(s).

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

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

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

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

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612

FIRM NO. 108029W

Place : Surat

Date : 30th May 2014

CEO/CFO CERTIFICATION TO THE BOARD**(Under Clause 49(V) of Listing Agreement)**

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

- a) I have reviewed the financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief :
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by Sumeet Industries Limited during the year under review which are fraudulent, illegal or violative of the company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
- Significant changes in internal control over the financial reporting during the year 2013-14;
 - Significant changes in accounting policies during the year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.
- e) We further declare that all Board members and senior management have affirmed compliance with code of conduct for the year ended 31st March, 2014.

By order of the Board Directors

Sd/-

Sumeet Kumar Somani

Executive Director &

Chief Financial Officer (CFO)

Place : Surat

Date : 30th May 2014

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**WORLD ECONOMY**

The macroeconomic scenario during the year under review was characterised by world economy continuing its downward trend on growth as world economy further decelerated growth rate to 3% in 2013 compared to 3.2% in 2012. The World Bank has predicted a 3.2% global GDP growth in 2014. The growth rate is further projected to stabilise to 3.4% in 2015 and to 3.5% in 2016. The high-income economies are now showing signs of recovery. Growth in the emerging and developing economies is expected to pick up from 4.8% in 2013 to 5.3% in 2014 and then to 5.5% in 2015 and to 5.7% in 2016. The US economy is projected to grow by 2.8% in 2014 up from 1.8% in 2013. GDP in China, the second largest economy in the world, is projected to stay flat at 7.6% in 2014. Japan, world's third largest economy, is projected to grow at 1.4% in 2014, but is expected to register 1% growth in 2015 mostly due to the government's efforts curb domestic demand by imposing high consumption tax. World Bank has projected India's GDP growth to be 6% in 2014-15. Asian Development Bank (ADB) has come up with a more conservative estimate and expects India's GDP to grow at 5.5% in FY15. Emerging markets, including India, had to face multiple challenges of rising current account deficit, depreciation of the local currency and additional pressure due to capital outflows.

INDIAN ECONOMY

India's GDP growth rate moderately increased to 4.9% as compared to 4.5% in FY 2012-13. High Interest rate, a depreciated currency and uncertainty due to general elections have led to deceleration in the economic recovery. The slow growth of the economy in 2013-14 was mainly on account of industrial sector which grew -0.5% as against 3.10% in 2012-13 though agriculture sector grew 4.7%. Services sector grew at the rate of 6.8% in 2013-14 as against 6.6% in 2012-13. The slowdown in the previous two financial years 2011-12 and 2012-13 had been precipitated by domestic as well as global factors. Domestic factors, including the tightening of monetary policy resulted in slowing down of investment and growth, particularly in the industrial sector. However, the new Central government is expected to accelerate the pace of new reforms and help enhance Investor confidence. Outlook for FY. 2014 appears optimistic. In FY. 2014-15, India is likely to accelerate GDP growth rate to 5.5%-6%. The increase in growth rate is expected to be contributed by growth in industrial sector around to 4%.

TEXTILE INDUSTRY SCENARIO**GLOBAL TEXTILE INDUSTRY**

The global textile and clothing industry is estimated to register 5% growth in 2013-14. China is expected to lead the world with an estimated USD 284 billion in 2013, up 11.4% from 2012. India is estimated to achieve an estimated USD 42 billion of textiles and apparel exports in 2013-14, a 30% jump over the previous year. The Global Textile and clothing trade is estimated to grow at the rate of 5%. Asia is the largest consumer of PFY contributing about 90% of overall global demand. China and India contribute about 74% and 10% of the global demand respectively. Middle East was seen gradually moving up in the capacity building also.

INDIAN TEXTILE INDUSTRY

India is the world's second largest producer of textiles and garments, with a diverse raw material base. In India, Textile & clothing industry contributes nearly 4% of India's GDP, 14% of total industrial production and 11% of the total exports of goods. Textile industry provides direct employment to 35 million and indirect employment to 45 million.

Globally, India has the second largest textile manufacturing capacity, in terms of spindles and looms. India is the 4th largest exporter of textiles & clothing products to the world, with a share of 4.4% in the global trade. Over last 10 years, exports of textiles & clothing products from India have grown at more than 11% p.a., which increased the share in global trade from 3% to 4.4% between 2003 and 2012.

The textile sector in the country is expected to witness improvement as the export demand has begun to pick up. According to Dun & Bradstreet India, growth in textile exports have picked up since April this year compared to same period of last fiscal year. During April-September 2013, textile exports from India reached USD 16 billion, which is 8 per cent higher than the exports during the same period last year. Pick-up in demand from the US market is the prime reason for this reversal. (Source : Economic Times)

According to the Ministry of Textiles, the domestic textile and apparel industry in India is estimated to reach US\$ 141 bn by 2021 from US\$ 58 bn in 2011. Apparel exports from India is expected to increase to US\$ 82 bn by 2021 from US\$ 31 bn in 2011. Total cloth production in India is expected to grow to 112 bn square metres by FY17 from 62 bn square metres in FY11. (Textile Sector Analysis report, Source : Equity master)

INDIAN POLYESTER MARKET

In 2013, polyester demand grew at 7.5% as against 6% in 2012. In India, we can see clearly there is a paradigm shift which is rising population, surging per capita income, growing disposable income, an expanding middle class, continuing urbanisation, lower per capita consumption of man-made fibre especially, polyester which is 2.6 Kg in India against 6 Kg in the world, surging per capita income. This indicates untapped potential for the polyester manufacturers providing scope to grow positively in the coming times. All these factors will complement demand surge of polyester in India as future belongs to polyester.

Moreover, the Textile Ministry is also working towards implementing policies to boost the overall sector. Greater emphasis is being given to modernise the industry by Textile Up-gradation Fund (TUF), which is bringing industrial competitiveness.

The MMF industry has been huge capacity addition across the value chain in the last few years envisaging higher demand. Polyester capacity increase by 12% in 2013 -14 largely due to addition in POY and FDY.

RAW MATERIAL SCENARIO

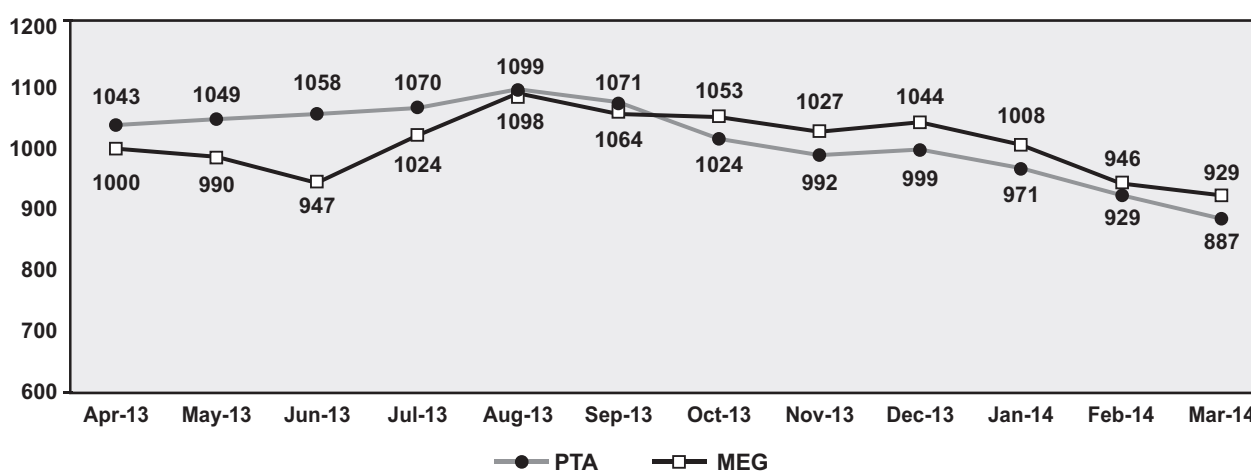
In Polyester Industry, the main raw materials are PTA (Purified Terephthalic Acid) & MEG (Mono Ethylene Glycol). These are derivatives of petrochemical which are directly proportional to fluctuation of Crude Oil prices. PX prices were USD 1472 in April, 2013 crossed to USD 1500 by August, 2013 and started gradually to down to USD 1200 by the end of the year.

PTA prices were almost steady in the 1st quarter - opening at USD 1,043 and closing at USD 1,055, and in the 2nd quarter it opened at USD 1,070 and peaked in August at USD 1,098. PTA prices in third and fourth quarters tapered to USD 900 per ton as paraxylene prices also softened during the period. This resulted in better margins of PTA in the second half of the year. PTA is expected to ease out due to the scheduled start of one of the PTA plants in India later this year. Even in China, some of the new capacities have already started so, PTA availability is likely to improve by 2014-15. Presently, the Government of India has imposed antidumping duty on import of PTA.

MEG prices fell in 1st quarter itself. It opened at USD 1,000 & closed at USD 947 at 1st quarter end, but picked up stream from July to Aug-13 when it reached the highest to the level of USD 1098, but subsequently it got affected due to over capacities and lower demand both in India as well as China. The prices of MEG in 2nd quarter went down from USD 1,064 to USD 992 and in last quarter from USD 971 to 887. No new capacities are coming up and the expected demand for MEG will increase due to higher capacities and demand.

Prices of PTA and MEG from April 2013 to March 2014

(USD per metric tonnes)



[Source : ICISLOR / PLATTS CFR CHINA]

ABOUT THE COMPANY

Sumeet Industries Limited is having an integrated manufacturing facility for manufacturing POY and FDY directly from MEG and PTA, Twisting & Texturising. Value addition and operating margin in Polyester FDY and POY is higher than Pet Chips. 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	-	30

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. In each and every operation we innovate, learn, adapt and deliver quality products with enhanced values to our customers.

RESULTS REVIEW

Turnover : Sumeet Industries Limited has achieved a turnover of Rs. 110799.62 Lacs in the year 2013-14 as against Rs. 115933.78 Lacs during the previous year. Fall in sales was noted being less dispatch of materials corresponding to last year.

Other Operating Income : Other operating income consists of Export Incentives, Vat refund etc. Other Income for the year 2013-14 amounted to Rs. 301.88 Lacs as against Rs. 265.12 Lacs during the previous year due to increase in Export Incentives received during the year.

Other Income : Other income consisting receipt of Dividend, Discounts and Interest on Fixed Deposit and Profit/(Loss) from Forex Transactions. Other income for the year 2013-14 is amounting of Rs. (1607.12 Lacs) against Rs. (1130.36 Lacs) in the previous year. Losses from foreign transactions was incurred amounting to Rs. 2472.16 Lacs due to sharp depreciation in the value of rupees against dollars.

Consumption of Raw Material : Consumption of raw material decreased from Rs. 71989.19 Lacs to Rs. 55567.31 Lacs due to decrease in production corresponding to last year.

Employee Cost : Employees cost were increased from Rs. 1069.54 Lacs to Rs. 1154.78 Lacs. This increase is mainly due to higher increments given to employees and further recruitment of employees in POY and FDY spinning division.

Interest Cost : Interest cost were increased from Rs. 2171.88 Lacs to Rs. 3050.90 Lacs due to increase in working capital.

Depreciation : Depreciation was increased by Rs. 463.00 Lacs due to addition in Fixed Assets i.e. commissioning of 66 Kv Power sub-station, Waste Recycling Plant, Installation of Electric chillers etc.

EBIDTA : The Company's EBIDTA stood at Rs. 8170.69 Lacs against Rs. 7067.39 Lacs in previous year reflecting an increase of 15.61% over previous year.

PAT : The profit after tax (PAT) were decreased from Rs. 1915.93 Lacs to Rs.1761.54 Lacs, mainly due to forex losses incurred due to sharp depreciation in the value of rupees against dollars.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :-

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

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.

OPPORTUNITIES AND STRENGTH

We believe polyester is the fibre of the future, finding varied applications across home furnishing, apparel industry, automotive industry, sportswear market, technical textiles etc. Global economic recovery is also accelerating coupled with rising per capita income, expanding middle class, continuing urbanization witnessing high growth opportunities. Rural market is also playing important role in the economy which offers a major opportunity growth in the Polyester Industries.

Our product mix spread over four important Polyester products : Pet Chips, POY, FDY and Polypropylene Multifilament yarns. We will keep opportunity of further forward integration cum expansion program to lead to the company to a new high.

Sumeet Industry's Edge

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

THREAT, RISKS AND CONCERNS

The objective of risk management frame work is to identify events that may affect the company, and manage risk in order to provide reasonable assurance regarding achieving the company's objective. The company is operating in an environment that is becoming more and more competitive. The company seeks to ensure that the risks if undertakes are commensurate with returns.

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 in the value of rupees, inflation, change in tax structure, fiscal and monetary policies, scarcity of credits 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 urbanisation, rising disposable income and growing middle-class population will drive the polyester demand in future.

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.

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

e) PRICE RISK

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

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

f) LIQUIDITY RISK

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

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

g) MARKET RISK

Market risks relate to the possibility that the fair value or future cash flows of a financial instrument could fluctuate due to variations in market prices. Market risks include currency risk and interest-rate risk. The company also converting its working capital in to fund/non-fund based facilities, borrowing under ECB/FCCB schemes and appropriate hedging strategies has undertaken to minimize interest and interest rate risk and currency risk for 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.

WASTE MANAGEMENT

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

SAFETY, HEALTH AND ENVIRONMENT CONTROLS (EHS)

In keeping with the environment-conscious tenor of the times, your company has taken effective steps in creating an aesthetic, environment-friendly industrial habitat in its factory units, mobilizing support and generating interest among staffs and labours for maintaining hygienic and green surroundings. Being providing continual efforts and attention on fire and safety, no major incident was noted in the year 2013-14.

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 within the company, as well as nearby 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.

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.

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. 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.

CORPORATE SOCIAL SERVICE

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

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**

11th August, 2014

INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS
SUMEET INDUSTRIES LIMITED,
SURAT.**

We have audited the accompanying financial statements of **SUMEET INDUSTRIES LIMITED**, which comprise the Balance Sheet as at **March 31, 2014**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, 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 as at **31st March 2014**,
- (b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date;

And

- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

- (1) As required by the Companies (Auditors Report) Order, 2004 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 4 and 5 of the said order.

- 2 Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of accounts as required by Law have been kept by the company, so far as it appears from our 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 our opinion the Balance Sheet and Profit & Loss Account complies with the requirements of the mandatory accounting standard referred to in Section 211(3C) of the Companies Act, 1956.
 - e. On the basis of written representation received from the directors of the company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March 2014** from being appointed as a director under section 274(1) (g) of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place : Surat
Date : 30th May 2014

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(i) Fixed Assets :-

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As explained to us, the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification;
- (c) The company has not disposed off the substantial part of fixed assets during the year which affect the going concern assumption.

(ii) Inventory :-

- (a) As informed to us, the stock of finished goods, Work-in- Process, stores, spare-parts and raw materials have been physically verified by the management during the year at reasonable intervals except material lying with third parties, where confirmation are obtained;
- (b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;
- (c) The company has maintained proper records of inventories. The discrepancies noticed on the verification of stocks as compare to book records were not material and these have been properly dealt with in the books of accounts.

(iii) Loans & Advances :-

- (a) The company has taken unsecured loans from companies, Firms or other parties listed in the register maintained u/s. 301 of the companies Act, 1956. There are Six Such Parties Covered u/s 301 of the companies Act, 1956. Total amount Credited is ₹ 24.41 Crore and Debited ₹ 17.80 Crore.
- (b) The company has granted unsecured loans to companies, Firms or other parties mentioned under the register maintained u/s. 301 of the companies Act, 1956. There is One such Party Covered u/s 301 of the companies Act. 1956. Total amount Debited is ₹ 7.61 Crore and Credited is ₹ 5.83 Crore.
- (c) As per information and explanations given to us, the rate of interest is 9% P.A. on the loan taken by the company. Other terms and conditions, if applicable on loan taken are not prima facie prejudicial to the interest of the company.
- (d) As per information and explanations given to us, the rate of interest is 9% P.A. on the loan granted by the company wherever applicable. Other terms and conditions, if applicable on loan given are not prima facie prejudicial to the interest of the company.
- (e) The parties to whom advances in the nature of loans have been given are repaying the principle amounts as stipulated wherever applicable.
- (f) There is no overdue amount of loans taken or granted by the company.

(iv) Internal control procedure :-

In our opinion and according to the information and explanations given to us, internal control procedures for the purchase of stores, Raw materials including components plant and machinery, equipment and other assets and for the sale of goods commensurate with the size of the company and nature of its business. During the course of our audit no major weaknesses has been noticed in the internal control.

(v) Transaction with Parties u/s 301 :-

- (a) The transaction made in pursuance to contracts or arrangements that need to be entered in to the register maintained u/s. 301 of the companies Act, 1956 have been recorded in register.
- (b) In our opinion and according to the information and explanations given to us, the transaction exceeding ₹ 5 lacs each have been made at price, which are reasonable having regards to prevailing market price at the relevant time.

(vi) Public Deposits :-

The company has accepted deposits which are not exempted/ excluded from the provisions of section 58A of the companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975. These deposits are accepted from the general public & are directly deposited in the IDBI account, for which interest has been paid to the deposit holders at a fixed rate.

(vii) Internal Audit System :-

In our opinion, the company has an internal audit system which commensurate with its size and nature of its business.

(viii) Cost Records :-

We have broadly reviewed the Books of accounts maintained by the company as prescribed by the Central Government for maintenance of cost records u/s. 209 (1) (d) of the companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have carried out a detail examination of the accounts and records.

(ix) Statutory Dues :-

- (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including P.F. & E.S.I., income-tax, wealth-tax, sales-tax, custom duty, excise duty Cess and any other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which has remained outstanding as at **31st March, 2014** for a period more than six months from the date they became payable.
- (b) According to information and explanation given to us, there is no disputed amounts payable in respect of such statutory dues.

(x) Accumulated / Cash Losses :-

The company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) Default in Repayment of Dues to Banks / Financial Institution etc. :-

The company has not defaulted in repayment of dues to the financial institution or Bank.

(xii) Granting of Loan & Advances :-

The company has not granted Loan & Advances on the basis of securities by way of pledge of shares, debenture and other securities.

(xiii) Chit Fund / Nidhi / Mutual Fund :-

The provisions of any Special Statute applicable to Chit Fund, Nidhi, Mutual Benefit Fund/ Societies are not applicable to the company.

(xiv) Dealing or Trading in Shares etc. :-

As explained to us by the management, the company has purchased securities / shares of the Govt. and other companies for the short-term trading purpose. Dealing in shares is not a main activity of the company. The Shares / Securities held by the company are in its own name.

(xv) Guarantee Given by Company :-

As explained to us by the management, the company has given guarantee for loan taken by Sumeet Poly Power Ltd from bank.

(xvi) Utilization of Term Loans :-

The Term Loans taken by the company were applied for the purpose for which it had been obtained.

(xvii) Application of Short Term Fund for Long Term Investment and vice versa :-

On the basis of our examination of the cash flow statement, the funds raised on short term basis have not been used for long term investment and Vice Versa.

(xviii) Allotment of Bonus Shares :-

The Company has not issued any Bonus Shares during the year.

(xix) Increase in Authorized Share-Capital :-

The company has not raised its authorized share-capital during the financial year.

(xx) Creation of Securities for Debenture Issued :-

The Company has not issued any Debenture during the year.

(xxi) Preferential Allotment of Shares :-

The company has made preferential allotment of shares.

(xxii) Fraud noticed or Reported :-

As per information & explanation given to us, no fraud on or by the company has been notice or reported during the year.

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612

FIRM NO. 108029W

Place : Surat

Date : 30th May 2014

Note : 1

Corporate information :-

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

Note : 2

Significant Accounting Policies :

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

- (a) **Basis of Accounting (AS 1) :** The financial statements are prepared under historical cost convention on an accrual basis. The company follows mercantile system of Accounting and recognizes income & expenditure on accrual basis.
- (b) **Fixed Assets (AS 10) :** Fixed Assets are stated at cost of acquisition (net of cenvat) or construction less accumulated depreciation. Cost comprises of purchase price and all other cost attributable to bringing the asset to its working condition for its intended use. An effect of Notification No. G.S.R. 225(E) to AS 11 of Companies (Accounting Standard) Amendment Rules, 2009 has been given to the carrying amount of Fixed Asset with corresponding effect to General Reserve and balance of Profit & Loss account.
- (c) **Depreciation (AS 6) :** Depreciation is provided on fixed assets (except land) on written down value method at the rates specified in schedule XIV to the Companies Act, 1956 except on trucks, addition in the vehicle from 01.04.2003, cater pillar D.G. Sets one Himson Texturising machine and all additions in plant & machinery from 01.04.2002, where depreciation has been provided on straight line methods as per schedule XIV to the Companies Act, 1956.
- (d) **Investments (AS 13) :** Investments are stated at cost. Investment in shares and securities are considered as long term and valued at cost. No provision for shortfall in value at the end of the year is provided for.
- (e) **Inventories (AS 2) :**
 - (a) Stores & Spares and fuel Oil : At Cost
 - (b) Raw Material : At Cost
 - (c) Goods in Transit (Raw Mat.) : At Cost
 - (d) Work-in-Progress : At Cost + Procurement charges
 - (e) Finished Goods : At Cost or Net Realizable values whichever is Lower
 - (f) Wastage : At Net Realizable Value

Cost of inventories is ascertained on the "First-in-First-Out" basis.
- (f) **Retirement Benefits (AS 15) :** Provision for gratuity has been made in the accounts, only in case of those employees who have become eligible for the retirement benefits. Leave encashment, LTA, Medical Assistance are accounted as and when paid. The Company is a member of recognized Provident Fund scheme established by the regional Government of Gujarat. The Company is contributing 12% of Salary & Wages of eligible employees under the scheme every month. The amount of contribution is being deposited each and every month well within the time under the rules of EPF Scheme.
- (g) **Foreign Currency Transactions (AS 11) :** In the case of liabilities in respect of foreign currency loans obtained for acquisition of fixed assets, the variation in the liabilities arising out of exchange rates at the 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.

Sales in foreign currencies are accounted at the rate prevailing on the date of purchase of bills by the collecting bank. Current assets in foreign currencies as at the balance sheet date (not covered above) are reconverted at the rate prevailing at the year end and the resultant net gains and losses are adjusted in the profit and loss account. Losses on foreign currency derivatives transactions are included in determining the net profit for the year.

(h) **Excise duty** : The liability of excise duty amounting to ₹ 6,63,26,344/- has been provided for the goods manufactured but not cleared as on 31.3.2014, the effect of which on profit and loss account of the year is Nil.

(i) **Revenue Recognition (AS 9)** : Expenses and incomes, not specifically referred to otherwise consider payable and receivable respectively are accounted for on accrual basis.

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

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

(j) **Cenvat on Inputs** : The purchase cost of raw materials is shown net of excise duty and utilized amount of CENVAT on raw material consumed has been debited to CENVAT Account.

(k) **Borrowing cost (AS 16)** : Borrowing costs that are directly attributable to the acquisition or construction of fixed assets are capitalized as a part of the cost of asset. Other borrowing costs are recognized as an expense in the period in which they are accrued / incurred.

(l) **Income Tax (AS 22)** : Tax expenses for the year, comprising current tax and deferred tax is included in determining the net profit for the year. Deferred tax asset and liabilities are recognized for the future tax consequences of temporary difference between the carrying value of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary difference are expected to be reviewed or settled.

(m) **Segment Accounting (AS 17)** : The requirement of segment reporting is not applicable to the company both in respect of geographical segment and product wise segment.

(n) Quantity discount, Rate difference, Rebate and interest are accounted as and when settled. It is general practice prevailing in this type of industry.

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612

FIRM NO. 108029W

Place : Surat

Date : 30th May 2014

AUDITED BALANCE SHEET AS AT 31st MARCH, 2014

	Note No.	As At 31.03.14	As At 31.03.13
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	780,397,380	682,897,380
(b) Reserves and Surplus	4	1,428,576,761	1,257,422,571
(c) Money received against Share Warrants		-	-
(2) Share Application Money pending allotment		-	87,000,000
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	2,536,407,429	2,366,995,354
(b) Deferred Tax Liabilities (Net)		415,058,091	327,726,121
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	6	2,217,120,217	1,668,762,348
(b) Trade Payables	7	963,016,136	1,241,244,922
(c) Other Current Liabilities	8	215,032,079	116,639,288
(d) Short-Term Provisions	9	66,007,711	68,225,107
TOTAL		8,621,615,805	7,816,913,091
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		4,008,795,234	3,836,604,988
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		306,013,872	101,611,209
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	11	156,623,782	7,795,571
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	12	7,779,659	39,531,495
(e) Other Non-Current Assets		-	-
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	13	1,935,356,978	1,819,886,462
(c) Trade Receivables	14	1,210,750,602	1,159,448,025
(d) Cash and Cash Equivalents	15	227,269,961	239,443,235
(e) Short-Term Loans and Advances	16	341,887,549	266,117,949
(f) Other Current Assets	17	427,138,167	346,474,157
TOTAL		8,621,615,805	7,816,913,091

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

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

Place : Surat
Date : 30-05-2014

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 : 30-05-2014

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	Note No.	As At 31.03.14	As At 31.03.13
I Revenue from Operations	18	11,079,961,822	11,593,378,438
II Other Incomes	19	(160,711,722)	(113,035,550)
III Total Revenue (I + II)		10,919,250,100	11,480,342,888
IV Expenses :			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	20	6,523,147,036	8,181,199,294
Purchases of Stock-in-Trade		3,381,562,394	2,945,112,507
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	10,527,958	(590,795,858)
<u>Administrative & Selling Expenses</u>			
Employee Benefit Expenses	22	115,478,491	106,953,953
Other Expenses	23	71,464,784	131,133,627
Finance Costs	24	305,090,535	217,188,043
Depreciation and Amortization Expense	10	245,284,845	198,985,555
Total Expenses		10,652,556,043	11,189,777,121
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		266,694,058	290,565,767
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V - VI)		266,694,058	290,565,767
VIII Extra Ordinary Items		-	-
IX Profit before Tax (VII - VIII)		266,694,058	290,565,767
X Tax Expense :			
(1) Current tax		55,900,125	58,134,846
(2) Deferred Tax		87,331,970	94,470,155
(3) MAT credit		(55,900,125)	(58,134,846)
Profit After Tax		179,362,087	196,095,612
Less: Taxation for previous year		3,207,897	4,502,286
XI Profit/ (Loss) for the period from Continuing Operations		176,154,190	191,593,326
Appropriation :			
Prov. for Dividend & Dividend Dist. Tax (F.Y. 2011-12)		-	26,981,770
Short Prov. for Dividend & Dividend Dist. Tax for (F.Y. 2010-11)		-	-
Profit/(loss) from the period from continuing operations		176,154,190	164,611,556
XII Profit/Loss from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV Profit/ (Loss) from Discontinuing Operations (after Tax)		-	-
Profit/ (Loss) for the Period		176,154,190	164,611,556
Earnings Per Equity Share			
(1) Basic		3.04	3.29
(2) Diluted		3.04	3.29

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

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

Place : Surat
Date : 30-05-2014

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 : 30-05-2014

ANNEXURE "A"
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	2013-2014		2012-2013	
	₹	₹	₹	₹
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Extraordinary Items		266,694,058		290,565,767
Adjustment For :				
Depreciation	244,701,322		198,106,708	
Interest Income	(17,311,180)		(25,763,585)	
Dividend Income	(1,352)		(4,128)	
Miscellaneous expenditure written off	-		-	
Profit / Loss on Sale of Fixed Assets	(1,824,297)		(400,000)	
Profit / Loss on Sale of Investments	119,514		(338,913)	
Dividend Declared	-		-	
Interest Paid	262,963,636	488,647,643	175,131,020	346,731,102
Operating Profit before Working Capital Changes		755,341,700		637,296,869
Adjustment For :				
Trade & Other Receivables	(175,984,352)		(512,020,457)	
Inventories	(115,470,516)		(561,214,135)	
Trade Payables and Other Liabilities	(182,053,390)	(473,508,258)	1,089,365,465	16,130,873
Cash Generated From Operations		281,833,443		653,427,742
Interest Paid	(262,963,636)		(175,131,020)	
Provision for Dividend and Div. Dist.Tax	-		(26,981,770)	
Provision for Taxation	-		-	
Previous Year Taxation	(3,207,897)	(266,171,533)	(4,502,286)	(206,615,076)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		15,661,910		446,812,666
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Income Form sale of investments:				
Loss from Forex Transaction	-		-	
Interest Income	17,311,180		25,763,585	
Dividend Income	1,352		4,128	
Purchases of Fixed Assets	(625,506,116)		(498,756,513)	
Sale of Fixed Asset	6,036,182		400,000	
Purchases of Investment	(150,584,526)		(57,878,269)	
Sale of Investment	1,636,799		56,335,505	
Adjustment For Exchange Difference	-		-	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(751,105,129)		(474,131,564)
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
Increase/Decrease in borrowings	64,821,009		109,711,467	
Increase/Decrease in Term Loan	652,948,935		98,480,590	
Increase/Decrease in Equity share capital	(2,500,000)		-	
Increase/Decrease in Preference share capital	100,000,000		-	
Increase/Decrease in Share Premium	(5,000,000)		-	
Increase/Decrease in Share Application Money	(87,000,000)		-	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		723,269,944		208,192,057

	2013-2014	2012-2013
	₹	₹
Net Increase in Cash & Cash equivalents (A+B+C)	-12,173,274	180,873,159
Cash and Cash equivalents as on 1st April, 2013	239,443,235	58,570,077
Cash and Cash equivalents as on 31st March, 2014	227,269,961	239,443,236

Note : Figures in negative (-) indicate cash outflows.

As per our report of even date

For PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

PRADEEP KUMAR SINGHI

PROPRIETOR

M. No.200/24612

FIRM NO. 108029W

Place : Surat

Date : 30-05-2014

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 : 30-05-2014

AUDITORS' REPORT

We have examined the above cash flow statement of the SUMEET INDUSTRIES LIMITED for the year ended **31st March 2014**. The Statement has been prepared by the company in accordance with the requirements of Listing Agreement as per Clause 32 with Bombay Stock Exchange Ltd. and is based on and is in agreement with the corresponding Profit and Loss Account and Balance sheet of the company covered by our report dated **30th May, 2014** to the members of the company.

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612

FIRM NO. 108029W

Place : Surat

Date : 30th May 2014

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

NOTE # 3	As At 31.03.14	As At 31.03.13
SHARE CAPITAL :		
Authorised Capital:		
800,00,000 Equity Shares of Rs.10/- each &	800,000,000	900,000,000
200,00,000 6% Non-convertible Redeemable Preference Shares of Rs.10/- each	200,000,000	100,000,000
	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up		
5,80,39,738 Equity Shares of Rs.10/- each fully paid up (out of which 76,05,930 shares are issued for consideration other than cash)	580,397,380	582,897,380
2,00,00,000 6% Non-convertible Redeemable Preference shares of Rs.10/- each	200,000,000	100,000,000
	780,397,380	682,897,380

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

Authorised Share Capital

Previous Year	100,000,000	90,000,000
Increased by	-	10,000,000
Current Year	100,000,000	100,000,000
Number of shares at the beginning of the year	68,289,738	68,289,738
Add : Addition during the year	10,000,000	-
Less: Reduction during the year	250,000	-
Number of shares at the end of the year	78,039,738	68,289,738

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

Name	No. of Shares (31-3-14)	% of Holding	No. of Shares (31-3-13)	% of Holding
Somani Overseas Private Limited	8,641,928	14.89	7,455,084	12.79
Sitaram Prints Private Limited	3,584,775	6.18	3,338,075	5.73
Shankarlal Sitaram Somani	3,706,183	6.39	3,706,183	6.36
Raghuvir Texturisers Pvt. Ltd.	-	-	5,580,362	9.57
IFIN Securities Finance Ltd.	4,962,000	8.55	-	-

NOTE # 4

Reserves and Surplus :

(a) Capital Reserve As per last Balance Sheet	2,500,000	2,500,000
(b) Securities Premium As per last Balance Sheet	488,166,355	488,166,355
Less: Reduction during the year	5,000,000	-
Addition during the year	-	-
	483,166,355	488,166,355
(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	760,548,164	595,936,608
Profit during the year	176,154,190	164,611,556
	936,702,354	760,548,164
Total (a + b + c + d)	1,428,576,761	1,257,422,571

NOTE # 5

Long-Term Borrowings

Term Loans

	As At 31.03.14	As At 31.03.13
- From Banks	2,030,044,654	2,158,373,076
- From Others	11,613,403	14,281,269
Buyers Credit on Capital Goods	235,587,354	-
Loans and advances from Corporates	259,162,018	193,239,384
Loans From Directors- Unsecured in nature	-	1,101,625
	<u>2,536,407,429</u>	<u>2,366,995,354</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 passu charge on all current assets of the company.

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

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 : 46 Crores & US\$ 22.5 Millions

Working Capital : 143 Crores

Non Fund Based 241 Crores

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 9216029.72 for loan taken from KBC Bank Deutschland AG.

NOTE # 6

Short-Term Borrowings

Cash Credit facilities	899,565,848	699,922,463
Buyer's Credit	818,436,075	860,210,817
Inland LC(Union Bank)	39,882,688	27,058,260
Term Loan (GBPP)	-	1,856,040
Loan from others (Vehicle Loan (Mercedes))	855,800	-
Term Loans (Due within 12 months)	446,135,466	-
Inland LC(IDBI)	12,244,340	79,714,768
	<u>2,217,120,217</u>	<u>1,668,762,348</u>

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

Classification of secured borrowings and Nature of security :

Cash Credit facility is secured by 1st pari-passu charge on all current assets of the company and 2nd pari-passu charge on fixed assets of the company. Buyers credit secured by letter of comfort issued by Bank of Baroda, Union Bank & IDBI Bank Ltd. by earmarking working capital Limit /FDR.

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.

Term Loan : 46 Crores & US\$ 22.5 Millions

Working Capital : 143 Crores

Non Fund Based 241 Crores

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 9216029.72 for loan taken from KBC Bank Deutschland AG.

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, 2014 (Rs.)		Balance as on 31st March, 2013 (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	08.02.2014	112500000	28125000	145466168	0	13
ECB Loan (BOB & BOI)	20 MN USD	5	Quarterly	07.04.2014	450750000	180300000	787132500	0	L+500
ECB Loan -2 (BOB LONDON)	10 MN USD	7	Quarterly	24.04.2014	515142856	64392858	542850000	0	L+400
KBC Bank Deutschland A/G	10444450 Euro	8.5	Half Yearly	08.02.2014	660459809	101567608	682924408	0	EL+170
Term Loan (BOB Corporate Loan)	Rs. 30 Cr.	5	Quarterly	02.04.2014	243750000	56250000	0	0	13.6
Term Loan (BOB FDY Winder Loan)	Rs. 31 Cr.	4	Quarterly	No install. due till date	47441989	15500000	0	0	13

NOTE # 7

Trade Payables

Sundry Creditors for Goods

**As At
31.03.14**

**As At
31.03.13**

963,016,136

963,016,136

1,241,244,922

1,241,244,922

NOTE # 8

Other Current Liabilities

	As At 31.03.14	As At 31.03.13
Trade Payables for expenses	27,172,944	27,772,372
Advance from Customers	8,465,548	3,661,661
Vat & Additional Vat Account	39,867,537	2,928,203
Agency Deposits	1,994,396	1,994,396
CST Payable A/c	1,814,614	1,779,873
Outstanding Interest Payable	27,187,690	14,578,345
TCS Payable	-	30,952
TDS Payable	688,136	844,552
TDS Payable (salary)	938,160	145,690
Unpaid Dividend	1,281,128	1,291,978
Other Liabilities	105,621,926	61,611,266
	215,032,079	116,639,288

NOTE # 9

Short-Term Provisions

Provision For Employees Benefit

Gratuity Payable	2,860,363	2,843,038
	2,860,363	2,843,038

Others

Provision for Taxation A.Y 2014-15	55,900,125	58,134,846
Provision for Dividend & Dividend Distribution Tax	7,247,223	7,247,223
	63,147,348	65,382,069
	66,007,711	68,225,107

NOTE # 10

Depreciation	244,701,322	198,106,708
Preliminary Expenses W/O	583,523	878,847
	245,284,845	198,985,555

FIXED ASSETS

Schedules To And Forming Part of Accounts

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	Particulars	As At 01.04.2013	Addition	Deletion	As At 31.03.2014	As At 01.04.2013	For the Year	Adjust- ment	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
1	Land	2,356,255	-	-	2,356,255	-	-	-	-	2,356,255	2,356,255
2	Building	259,887,653	5,055,065	-	264,942,718	89907243	17,363,248	-	107,270,491	157,672,227	169,980,410
3	Plant & Machinery	4,424,101,176	412,421,709	3,528,182	4,832,994,703	784166751	220,688,359	30,623	1,004,824,487	3,828,170,216	3,639,934,425
4	Furniture, Fixture & Equipments	20,076,619	2,692,339	-	22,768,958	11987430	2,138,036	-	14,125,466	8,643,492	8,089,189
5	Vehicle	44,780,932	934,340	7,260,041	38,455,231	28536223	4,511,680	6,545,716	26,502,187	11,953,044	16,244,709
TOTAL		4,751,202,635	421,103,453	10,788,223	5,161,517,865	914,597,647	244,701,322	6,576,338	1,152,722,631	4,008,795,234	3,836,604,988
PREVIOUS YEAR		2,622,167,937	2,129,034,698	-	4,751,202,635	716,490,939	198,106,708	-	914,597,647	3,836,604,988	1,905,676,998

NOTE # 11

Non-Current Investments

Investments in Equity Instruments	156,123,782	7,295,571
Investments in Mutual Funds	500,000	500,000
	156,623,782	7,795,571

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 31.03.14	As At 31.03.13
Investment in Equity shares : At Cost		
Other Than Trade - Quoted Investments :		
10000, Fully Paid-up Equity Shares of Rs. 10/- Each of IFCI Ltd.	545,005	545,005
500, Fully Paid-up Equity Shares of Rs. 10/- Each of Rajasthan Petro Synthetics Ltd.	16,250	16,250
169, Fully Paid-up Equity Shares of Rs. 10/- Each of Tata Steel Ltd.	33,705	33,705
1000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petrofils Ltd.	1,000	1,000
700, Fully Paid-up Equity Shares of Rs. 10/- Each of Chandra Synthetics Ltd.	5,075	5,075
400, Fully Paid-up Equity Shares of Rs. 10/- Each of Haryana Petrochemicals Ltd.	6,200	6,200
5000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petro Chemicals Ltd.	17,000	17,000
100, Fully Paid-up Equity Shares of Rs. 10/- Each of 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	1,381,677
17,30,000, Fully Paid-up Equity Shares of Rs. 10/- Each of Sumeet Poly Power Ltd. (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/-)	52,620,000	-
16,00,001 Fully Paid-up Equity Shares of \$ 1/- Each of Sumeet Global Pte. Ltd. (Wholly owned subsidiary company) (Value of 1\$ is Rs. 60.10/-)	96,160,060	-
	156,123,782	7,295,571
Investment in Mutual funds(Relaince Vision)	500,000	500,000
Total	156,623,782	7,795,571

	As At 31.03.14	As At 31.03.13
Aggregate Book Value of Investments		
Unquoted Cost	151,395,031	2,566,820
Quoted Cost	5,228,751	5,228,751
Market Value *	6,126,561	4,704,530

NOTE # 12

Long-Term Loans and Advances

Security Deposits

- a) Secured, Considered good
Other Deposit

7,779,659	39,531,495
7,779,659	39,531,495

(A. Long Term Loans and Advances be further classified as : Secured, considered good.)

NOTE # 13

Inventories

Raw Materials	579,096,353	509,209,130
Work-in-Progress	471,920,164	458,544,158
Finished Goods	542,472,830	566,376,794
Stores and Spares	341,867,631	285,756,380
	1,935,356,978	1,819,886,462

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

1,210,750,602	1,159,448,025
1,210,750,602	1,159,448,025

NOTE # 15

Cash and Cash Equivalents

Cash-in-Hand	179,041	269,762
Balance with Banks	2,040,920	2,535,334
Fixed deposits / Margin Money / Security against borrowings	225,050,000	236,638,139
	227,269,961	239,443,235

	As At 31.03.14	As At 31.03.13
NOTE # 16		
Short-Term Loans and Advances		
Advance to Suppliers	46,233,893	83,383,607
Capital WIP including advances and net of creditors	119,442,585	16,100,285
Others	176,211,071	166,634,057
	<u>341,887,549</u>	<u>266,117,949</u>

(A. Short-Term Loans & Advances shall be further classified as : Unsecured, considered good.)

NOTE # 17

Other Current Assets (Residual Head)

Advance Tax (A.Y. 2014-15)	15,000,000	-
Advance Tax (A.Y. 2013-14)	-	15,000,000
Advance for Exp. (Godown-Delhi)	20,000	20,000
Cenvat Receivable	34,788,315	18,906,557
Claim Receivable	99,580,240	82,948,349
Custom duty refund receivable	24,630,920	4,334,930
DEPB Purchase	-	37,738,255
Excise duty refund	-	2,453,348
Export Incentive receivable	29,494,895	44,346,181
Mat credit	177,945,522	122,045,397
Balance with Excise dept. PLA a/c.	-	8,763
Preliminary Expenses	1,741,386	148,176
Prepaid Expenses	1,274,855	947,214
Service tax receivable	767,743	671,014
TCS Receivable	107,918	170,846
TDS Receivable	6,192,414	15,196,247
Status holder Incentive scheme (license on hand)	34,088,278	-
Insurance Claim receivable	1,505,681	1,538,880
	<u>427,138,167</u>	<u>346,474,157</u>

NOTE # 18

Revenue From Operations

Domestic sales	9,201,217,340	11,450,452,451
Export sales	2,867,482,738	1,222,372,061
Total sales	12,068,700,078	12,672,824,512
Less:Excise duty	1,018,926,216	1,105,958,947
	11,049,773,862	11,566,865,565
Export Incentives	30,187,960	26,512,873
	<u>11,079,961,822</u>	<u>11,593,378,438</u>

	As At 31.03.14	As At 31.03.13
NOTE # 19		
Other Incomes		
Dividend received	1,352	4,128
Commission received	17,342,185	31,432,394
Profit/(loss) on sale of fixed assets	1,824,297	400,000
Discount received	50,145,028	239,076
Int. on FDR'S (Net of Int. on Buyers credit & LOU Commission)	5,586,816	10,320,857
Profit/(loss) from forex transaction	(247,216,250)	(172,713,646)
Others - Interest	11,724,364	15,442,728
Profit/(loss) on trading of shares & commodity	(119,514)	338,913
Survey fees received	-	1,500,000
	<u>(160,711,722)</u>	<u>(113,035,550)</u>

NOTE # 20

Cost of Materials Consumed

a) Purchases of Raw Materials and Stores

Opening stock	509,209,130	570,777,151
Add : Purchase (net)	5,626,618,268	7,137,351,479
	<u>6,135,827,398</u>	<u>7,708,128,630</u>
Less : Closing Stock	579,096,353	509,209,130
Sub Total (a)	<u>5,556,731,045</u>	<u>7,198,919,500</u>

b) Direct/Production expenses

Labour & Security	631,041	556,198
Power & Fuel	599,557,107	705,584,526
Freight & Octroi	78,261,727	20,086,051
Ocean freight charges	39,526,195	-
Stores & Spares	50,961,491	49,227,500
Factory Expenses	1,031,232	694,404
Job Charges	-	1,828,280
Job Charges (Packing)	23,437	76,684
Repair & Maintenance : Factory Building	140,341	387,867
Repair & Maintenance : Plant & Machinery	6,550,612	9,005,986
Packing	189,732,808	194,832,298
Sub Total (b)	<u>966,415,991</u>	<u>982,279,794</u>

Total (a + b)	<u><u>6,523,147,036</u></u>	<u><u>8,181,199,294</u></u>
------------------------	-----------------------------	-----------------------------

NOTE # 21

Change in inventories

Opening Stock	1,024,920,952	434,125,094
Less : Closing Stock	1,014,392,994	1,024,920,952
	<u>10,527,958</u>	<u>(590,795,858)</u>

NOTE # 22

Employment Benefit Expenses

	As At 31.03.14	As At 31.03.13
Salary	100,439,391	94,552,665
Bonus	7,575,630	6,323,708
P.F.	460,804	536,322
Leave Encashment	3,052,334	1,821,567
Directors Remuneration	3,300,000	3,000,000
Staff Welfare/ESI	650,332	719,691
	<u>115,478,491</u>	<u>106,953,953</u>

NOTE # 23

Other Expenses

Electricity Expenses	381,667	363,645
Vehicle Expense	11,934,062	12,498,919
Travelling & Conveyance	3,071,459	2,767,245
Repairs Office Building	227,000	153,834
Repairs Other	595,889	848,698
Brokerage & Overseas Agency Commission	16,680,695	13,557,121
Office & General Expenses	1,561,388	1,448,162
Insurance Expenses	3,873,042	4,256,523
Books & Periodicals	7,840	9,945
Legal & Professional	5,432,804	8,448,504
Postage, Telegram & Telephone	2,096,842	1,602,029
Membership & Subscriptions	323,710	381,540
Printing & Stationery Expenses	1,359,525	1,110,692
Auditors Remuneration	1,086,966	1,085,000
Rates & Taxes	8,477,807	34,165,648
Rate difference & Discounts	3,211,851	11,678,068
Advertisement & Publicity	3,830,502	2,833,614
Carriage outward	6,703,736	33,315,044
Donation	607,100	608,511
Demat Charges	899	885
	<u>71,464,784</u>	<u>131,133,627</u>

NOTE # 24

Financial Cost

Interest paid to Banks	250,870,458	165,700,222
Interest paid to others	12,093,177	9,430,797
Bank Charges & Guarantee commission	41,562,204	41,510,727
Overseas Bank Charges	564,695	546,296
	<u>305,090,535</u>	<u>217,188,043</u>

Other Notes to Accounts :

(1) Advances include 761 Lacs to companies in which directors are interested.

(2) Contingent Liabilities (AS 29) :

- (a) Letter of credit outstanding is (48.30 Lacs US\$) as on 31.03.2014.
- (b) Excise duty of Rs. 3,52,429/-, was demanded by the department, which has been paid; but for which appeal has been filed and no conclusion for it is availed till date.
- (c) 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 inquiry and imposing penalties by adjudicating officer) Rules 1995 vide Adjudication Order No. IVD/SIL/AO/DRK-CS/EAD-3/473-486/16-29-14. The Company has filed petition before SAT against the said order.

	Current year ₹	Previous year ₹
(3) Payment to Auditors:		
(i) As Auditors :	7,25,000	7,25,000
(ii) As Advisor or in any other capacity in respect of :		
Company Law matter	Nil	Nil
Taxation matter	25,000	25,000
Others	Nil	Nil
(4) Managerial Remuneration :		
Salary	33,00,000	30,00,000
Perquisite	Nil	Nil
(5) Earnings Per share (AS 20) :		
Net profit attributable to share holder	17,61,54,190	19,15,93,326
Number of equity shares	5,80,39,738	5,82,89,738
Earning per share of Rs. 10 each	3.04	3.29

(6) Related Party Transaction (AS 18) :

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

(₹ in '000)

Name of the related parties Key management Personnel	Nature of Relationship	Nature of Transactions	Amounts
Shankarlal Somani	Chairman	Remuneration	3000
Sumeet Somani	Relative of Key Management Personal (Director)	Salary	300
Dinesh Khare	Director	Salary	590
Vibha Khare	Relative of Director	Salary	506
Somani Overseas (P) Ltd.	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	146000 NIL
National Poly Yarn (P) Limited	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	3230 268

(₹ in '000)

Name of the related parties Key management Personnel	Nature of Relationship	Nature of Transactions	Amounts
Sitaram Prints Pvt. Ltd.	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	2368 286
Priyanshi Creations Pvt. Ltd.	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	1038 644
Dhanvirdhi Financial Consultants Pvt. Ltd.	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	14801 519

(7) Deferred Tax (AS 22) :

The movement of deferred tax account is as follows :

(₹ in '000)

Opening Balance	327727
Provision for current year deferred tax liability (Net)	87331
Total	415058

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

The following amounts are shown in the balance sheets

(₹ in '000)

Deferred Tax Liabilities	512956
Deferred Tax Assets	97898
Balance of DTL	415058

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

Deferred tax liabilities :

(₹ in '000)

Particulars	Opening	Charged/ Credited to P & L	Closing
Tax impact of difference between carrying amount of fixed asset in the financial statements and the income tax return (A)	444070	68887	512957

Tax impact of expenses charged in the financial statements but allowable as deduction in future years under income tax;

(₹ in '000)

Provision for gratuity	922	0	922
Provision for Bonus	1298	532	1830
C/f. Speculation Loss	468	-973	-505
Unabsorbed Depreciation	113655	-17638	96017
Long Term Capital Loss	0	-363	-363
Total (B)	116343	-18442	97901
Net Deferred Tax liability (A-B)	327727	87329	415056

Pursuant to Accounting Standards (AS) 22 – Accounting for taxes on income, the impact of deferred tax liability of ₹ 87329/- for the year-ended 31.3.2014 have been debited to Profit and Loss account.

(8) Additional Information's :

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

A. Capacity :	Units	2013-2014	2012-2013
a) Polypropylene/Polyester POY/FDY/PET Chips			
i) Licensed Capacity	* TPA		
ii) Installed Capacity	** TPA	82800	82800
b) Twisted			
i) Installed Capacity	** TPA	2500	2500
c) Texturised	** TPA	3300	3300
d) Draw twisted	** TPA	700	700

* 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. Production :	Unit	2013-14	2012-13
C.P.Plant & Spinning Unit	Ton	87460.918	91936.934

- Production here excludes wastage

(₹ in '000)

C. Turnover :	Unit	2013-14		2012-13	
		Quantity	Value	Quantity	Value
C.P.Plant & Spinning Unit	Ton	78905.632	8543356	86875.80	9915620
Sales on High-Seas/Merchantile goods (PTA)	Ton	-	2495695	-	1499864
Wastage	Kgs.	408.311	10722	1576.05	151381
	Total		11049773		11566865

(₹ in '000)

D. Raw Materials Consumed	Unit	2013-14		2012-13	
		Quantity	Value	Quantity	Value
C.P.Plant & Spinning Unit	Ton	92279.176	5556731	110559.09	7179817
	Total		5556731		7179817

(₹ in '000)

E. Purchase :	Unit	2013-14		2012-13	
		Quantity	Value	Quantity	Value
Purchase on High Seas (Coal/PTA)		1023	105704	-	659499
	Total		105704		659499

(₹ in '000)

F. Finished Stock	Unit	2013-14		2012-13	
		Quantity	Value	Quantity	Value
a. Opening Stock : *PPMFY/ Polyester / FDY	Kgs.	4363.443	566377	805.133	79359
b. Closing Stock : *PPMFY/ Polyester / FDY	Kgs.	3889.683	542473	4363.443	566377

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

(₹ in '000)

G. Value of Raw Materials Consumed :	2013-14		2012-13	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	1733462	31.20	2770137	38.58
Indigenous	3823269	68.80	4409680	61.42
Total	5556731	100.00	7179817	100.00

(₹ in '000)

H. Value of Stores & Spares Purchased :	2013-14		2012-13	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	3984	5.52	3329	3.92
Indigenous	68136	94.48	81544	96.08
Total	72120	100.00	84873	100.00

(₹ in '000)

I. Expenditure in Foreign Currencies on account of (on Accrual Basis) :	2013-14	2012-13
Interest	86078	67183
Commission to selling Agent	2747	0
Foreign Traveling	1941	2092
Overseas Banking Charges	564	546

(₹ in '000)

J. C.I.F. Value of import	2013-14	2012-13
i) Raw Material / Merchantile Goods (PTA)	4190999	2862880
ii) Stores and Spares	4517	3418
iii) Capital Goods	215945	39268
iv) Coal	38023	92205

(₹ in '000)

K. Earnings in Foreign Currency (FOB Value of Exports)	2013-14	2012-13
PET Chips / POY / FDY / PP / PTA	2849480	1219222

- (9) Figures of previous year have been regrouped and / or recast wherever necessary.
- (10) There are no sundry creditors due to small-scale industrial undertakings to whom the company owe a sum exceeding ₹ 1.00 lacs, which is outstanding for more than 30 days for the year ended **31st March 2014**. This disclosure is on the basis of information available with the company regarding the status of suppliers.
- (11) Cash Flow statement is as per Annexure "A"
- (12) Signature to notes "1" to "24"

As per our report of even date

For PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

PRADEEP KUMAR SINGHI

PROPRIETOR

M. No.200/24612

FIRM NO. 108029W

Place : Surat

Date : 30-05-2014

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 : 30-05-2014

Independent Auditors Report on Consolidated Financial Statements

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

We have examined the attached consolidated balance sheet of **Sumeet Industries Limited** and its wholly owned subsidiary as at **31st March 2014**, the consolidated profit and loss account and the consolidated cash flow statement for the year then ended.

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

We did not audit the financial statements of the wholly owned subsidiary whose financial statements reflect total assets of US\$ 10672197 in Foreign currency as at 31st march 2014 and total profit of US\$ 272853 in Foreign currency for the year then ended. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.

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

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

- a) The consolidated balance sheet gives as true and fair view of the consolidated state of affairs of **Sumeet Industries Ltd.** and its subsidiary as at **31st March, 2014** and,
- b) The consolidated profit & loss account gives a true and fair view of the consolidated results of operation of **Sumeet Industries Ltd.** and its subsidiary for the year then ended.
- c) The consolidated cash flow statement gives a true and fair view of consolidated cash flow of the company and its subsidiary for the year then ended.

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

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

Place : Surat
Date : 30th May 2014

Note : 1**Corporate information :-**

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

The company has a wholly owned subsidiary company named "Sumeet Global Pte Ltd." based at Singapore and engaged in the business of trading activities.

Note : 2**Significant Accounting Policies :-**

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

- (a) **Basis of Accounting** : The financial statements are prepared under historical cost convention on an accrual basis. Financial statements of foreign company are prepared as per the accounting standard of that country has in recast for the purpose of consolidation with Indian parents.
- (b) **Fixed Assets** : Fixed Assets are stated at cost of acquisition (net of Modvat) or construction less accumulated depreciation. Cost comprises of purchase and all other attributable cost for bringing the asset to its working condition for its intended use.
- (c) **Depreciation** : Depreciation is provided on fixed assets (except land) on written down value method at the rate specified in schedule XIV to the companies act, 1956 except on trucks, addition in the vehicle from 1.04.2003, cater pillar, D.G. sets, one Himson Texturising machine and all additions Plant & Machinery from 1.04.2002, where depreciation is provided on straight line methods as per schedule XIV to the Companies Act, 1956.
- (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 16,00,001 shares at \$1 per share there is no Goodwill or Capital reserve.

(f) Inventories :

- (a) Stores & Spares and fuel Oil : At Cost
- (b) Raw Material : At Cost
- (c) Goods in Transit (Raw Mat.) : At Cost
- (d) Work-in-Progress : At Cost + Procurement charges
- (e) Finished Goods : At Cost or Net Realizable values whichever is Lower
- (f) Wastage : At Net Realizable Value

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 deterring the net profit for the year. Deferred Tax asset and liabilities are recognized for the future tax consequences of temporary difference between the carrying value of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. Deferred Tax asset and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary difference are expected to be reviewed or settled. This Accounting Standard 22 Accounting for Taxes on income is not applicable to Subsidiary company.
- (h) **Segment Accounting** : The Accounting Standard 17 Segment Accounting is not applicable to Subsidiary company
- (i) **Minority Interest** : Since the company holds 100% share in subsidiary company there is no Minority Interest.
- (j) **Earnings Per Share** :
- | | |
|---|------------------|
| Net profit attributable to share holder | 192552641 |
| Number of equity shares | 58039738 |
| Earnings per share | 3.32 |
- (k) Consolidated Cash Flow statement is as per Annexure "A".

As per our report of even date

For PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

PRADEEP KUMAR SINGHI

PROPRIETOR

M. No.200/24612

FIRM NO. 108029W

Place : Surat

Date : 30-05-2014

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 : 30-05-2014

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

	Note No.	As At 31.03.14	As At 31.03.13
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	780,397,380	682,897,380
(b) Reserves and Surplus	4	1,444,975,211	1,257,422,571
(c) Money received against Share Warrants		-	-
(2) Share Application Money pending allotment		-	87,000,000
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	2,536,407,429	2,366,995,354
(b) Deferred Tax Liabilities (Net)		415,058,091	327,726,121
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	6	2,285,165,437	1,668,762,348
(b) Trade Payables	7	1,257,195,839	1,241,244,922
(c) Other Current Liabilities	8	215,547,857	116,639,288
(d) Short-Term Provisions	9	66,934,153	68,225,107
TOTAL		9,001,681,398	7,816,913,091
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		4,008,795,234	3,836,604,988
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		306,013,872	101,611,209
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	11	60,463,724	7,795,571
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	12	7,779,659	39,531,495
(e) Other Non-Current Assets		-	-
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	13	1,935,356,978	1,819,886,462
(c) Trade Receivables	14	1,595,197,500	1,159,448,025
(d) Cash and Cash Equivalents	15	318,011,990	239,443,235
(e) Short-Term Loans and Advances	16	341,887,549	266,117,949
(f) Other Current Assets	17	428,174,892	346,474,157
TOTAL		9,001,681,398	7,816,913,091

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

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

Place : Surat
Date : 30-05-2014

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 : 30-05-2014

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	Note No.	As At 31.03.14	As At 31.03.13
I Revenue from Operations	18	12,281,151,959	11,593,378,438
II Other Incomes	19	(159,674,997)	(113,035,550)
III Total Revenue (I+II+III)		12,121,476,962	11,480,342,888
IV Expenses:			
Manufacturing Expenses			
Cost of Materials Consumed	20	6,523,147,036	8,181,199,294
Purchases of Stock-in-Trade		4,557,143,275	2,945,112,507
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	10,527,958	(590,795,858)
Administrative & Selling Expenses			
Employee Benefit Expenses	22	115,478,491	106,953,953
Other Expenses	23	72,559,219	131,133,627
Finance Costs	24	313,317,189	217,188,043
Depreciation and Amortization Expense	10	245,284,845	198,985,555
V Total Expenses		11,837,458,013	11,189,777,121
VI Profit before Exceptional and Extraordinary Items and Tax (III - V)		284,018,949	290,565,767
VII Exceptional Items		-	-
VIII Profit before Extraordinary Items and Tax (VI - VII)		284,018,949	290,565,767
IX Extra Ordinary Items		-	-
X Profit before Tax (VIII - IX)		284,018,949	290,565,767
XI Tax Expense:			
(1) Current tax		56,826,567	58,134,846
(2) Deferred Tax		87,331,970	94,470,155
(3) MAT credit		(55,900,125)	(58,134,846)
Profit After Tax		195,760,538	196,095,612
Less: Taxation for previous year		3,207,897	4,502,286
XII Profit/ (Loss) for the period from Continuing Operations		192,552,641	191,593,326
Appropriation:			
Prov. for Dividend & Dividend Dist. Tax (F.Y. 2011-12)		-	26,981,770
Short Prov. for Dividend & Dividend Dist. Tax for (F.Y. 2010-11)		-	-
Profit/(loss) from the period from continuing operations		192,552,641	164,611,556
XIII Profit/Loss from Discontinuing Operations		-	-
XIV Tax Expense of Discontinuing Operations		-	-
XV Profit/ (Loss) from Discontinuing Operations (after Tax)		-	-
Profit/ (Loss) for the Period		192,552,641	164,611,556
Earnings Per Equity Share			
(1) Basic		3.32	3.29
(2) Diluted		3.32	3.29

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

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

Place : Surat
Date : 30-05-2014

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 : 30-05-2014

ANNEXURE "A"
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	2013-2014		2012-2013	
	₹	₹	₹	₹
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before tax and Extraordinary Items		284,018,949		290,565,767
Adjustment For :				
Depreciation	244,701,322		198,106,708	
Interest Income	(17,311,180)		(25,763,585)	
Dividend Income	1,352		(4,128)	
Profit / Loss on Sale of Fixed Assets	(1,824,297)		(400,000)	
Profit / Loss on Sale of Investments	119,514		(338,913)	
Dividend Declared	-		-	
Interest Paid	262,963,636	488,650,347	175,131,020	346,731,102
Operating Profit before Working Capital Changes		772,669,296		637,296,869
Adjustment For :				
Trade & Other Receivables	(561,467,975)		(512,020,457)	
Inventories	(115,470,516)		(561,214,135)	
Trade Payables and Other Liabilities	113,568,532	(563,369,958)	1,089,365,465	16,130,873
Cash Generated From Operations		209,299,338		653,427,742
Interest Paid	(262,963,636)		(175,131,020)	
Provision for Dividend and Div. Dist.Tax	-		(26,981,770)	
Provision for Taxation	(926,442)		-	
Previous Year Taxation	(3,207,897)	(267,097,975)	(4,502,286)	(206,615,076)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		(57,798,637)		446,812,666
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Income Form sale of investments :				
Loss from Forex Transaction	-		-	
Interest Income	17,311,180		25,763,585	
Dividend Income	-1,352		4,128	
Purchases of Fixed Assets	(625,506,116)		(498,756,513)	
Sale of Fixed Asset	6,036,182		400,000	
Purchases of Investment	(54,424,466)		(57,878,269)	
Sale of Investment	1,636,799		56,335,505	
Adjustment For Exchange Difference	-		-	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(654,947,773)		(474,131,564)
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
Increase/Decrease in borrowings	64,821,009		109,711,467	
Increase/Decrease in Term Loan	720,994,155		98,480,590	
Increase/Decrease in Equity share capital	(2,500,000)		-	
Increase/Decrease in Preference share capital	100,000,000		-	
Increase/Decrease in Share Premium	(5,000,000)		-	
Increase/Decrease in Share Application Money	(87,000,000)		-	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		791,315,164		208,192,057

	2013-2014		2012-2013	
	₹	₹	₹	₹
Net Increase in Cash & Cash equivalents (A+B+C)		78,568,755		180,873,159
Cash and Cash equivalents as on 1st April, 2013		239,443,235		58,570,077
Cash and Cash equivalents as on 31st March, 2014		318,011,990		239,443,236

Note : Figures in negative (-) indicate cash outflows.

As per our report of even date

For PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

PRADEEP KUMAR SINGHI

PROPRIETOR

M. No.200/24612

FIRM NO. 108029W

Place : Surat

Date : 30-05-2014

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 : 30-05-2014

CONSOLIDATED ANNEXURES TO THE BALANCE SHEET

NOTE # 3	As At 31.03.14	As At 31.03.13
SHARE CAPITAL :		
Authorised Capital:		
800,00,000 Equity Shares of Rs.10/- each &	800,000,000	900,000,000
200,00,000 6% Non-convertible Redeemable Preference Shares of Rs.10/- each	200,000,000	100,000,000
	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up		
5,80,39,738 Equity Shares of Rs.10/- each fully paid up (out of which 76,05,930 shares are issued for consideration other than cash)	580,397,380	582,897,380
2,00,00,000 6% Non-convertible Redeemable Preference Shares of Rs.10/- each	200,000,000	100,000,000
	780,397,380	682,897,380

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

Authorised Share Capital

Previous Year	100,000,000	90,000,000
Increased by	-	10,000,000
Current Year	100,000,000	100,000,000
Number of shares at the beginning of the year	68,289,738	68,289,738
Add : Addition during the year	10,000,000	-
Less: Reduction during the year	250,000	-
Number of shares at the end of the year	78,039,738	68,289,738

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

Name	No. of Shares (31-3-14)	% of Holding	No. of Shares (31-3-13)	% of Holding
Somani Overseas Private Limited	8,641,928	14.89	7,455,084	12.79
Sitaram Prints Private Limited	3,584,775	6.18	3,338,075	5.73
Shankarlal Sitaram Somani	3,706,183	6.39	3,706,183	6.36
Raghuvir Texturisers Pvt. Ltd.	-	-	5,580,362	9.57
IFIN Securities Finance Ltd.	4,962,000	8.55	-	-

NOTE # 4

Reserves and Surplus :

(a) Capital Reserve As per last Balance Sheet	2,500,000	2,500,000
(b) Securities Premium As per last Balance Sheet	488,166,355	488,166,355
Less : Reduction during the year	5,000,000	-
Addition during the year	-	-
	483,166,355	488,166,355
(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	760,548,164	595,936,608
Profit during the year	192,552,641	164,611,556
	953,100,805	760,548,164
Total (a + b + c + d)	1,444,975,211	1,257,422,571

NOTE # 5

Long-Term Borrowings

Term Loans

	As At 31.03.14	As At 31.03.13
- From Banks	2,030,044,654	2,158,373,076
- From Others	11,613,403	14,281,269
Buyers Credit on Capital Goods	235,587,354	-
Loans and advances from Corporates	259,162,018	193,239,384
Loans From Directors- Unsecured in nature	-	1,101,625
	<u>2,536,407,429</u>	<u>2,366,995,354</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 passu charge on all current assets of the company.

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

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 : 46 Crores & US\$ 22.5 Millions

Working Capital : 143 Crores

Non Fund Based 241 Crores

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 9216029.72 for loan taken from KBC Bank Deutschland AG.

NOTE # 6

Short-Term Borrowings

Cash Credit facilities	899,565,848	699,922,463
Buyer's Credit	818,436,075	860,210,817
Inland LC (Union Bank)	39,882,688	27,058,260
Term Loan (GBPP)	-	1,856,040
Trust Finance BOB (Subsidiary)	68,045,220	-
Inland LC (IDBI)	12,244,340	79,714,768
Vehicle Loan	855,800	-
Term loans (Due within next 12 months)	446,135,466	-
	<u>2,285,165,437</u>	<u>1,668,762,348</u>

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

Classification of secured borrowings and Nature of security :

Cash Credit facility is secured by 1st pari-passu charge on all current assets of the company and 2nd pari-passu charge on fixed assets of the company. Buyers credit secured by letter of comfort issued by Bank of Baroda, Union Bank & IDBI Bank Ltd. by earmarking working capital Limit /FDR.

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.

Term Loan : 46 Crores & US\$ 22.5 Millions

Working Capital : 143 Crores

Non Fund Based 241 Crores

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 9216029.72 for loan taken from KBC Bank Deutschland AG.

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, 2014 (Rs.)		Balance as on 31st March, 2013 (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	08.02.2014	112500000	28125000	145466168	0	13
ECB Loan (BOB & BOI)	20 MN USD	5	Quarterly	07.04.2014	450750000	180300000	787132500	0	L+500
ECB Loan -2 (BOB LONDON)	10 MN USD	7	Quarterly	24.04.2014	515142856	64392858	542850000	0	L+400
KBC Bank Deutschland A/G	10444450 Euro	8.5	Half Yearly	08.02.2014	660459809	101567608	682924408	0	EL+170
Term Loan (BOB Corporate Loan)	Rs. 30 Cr.	5	Quarterly	02.04.2014	243750000	56250000	0	0	13.6
Term Loan (BOB FDY Winder Loan)	Rs. 31 Cr.	4	Quarterly	No install. due till date	47441989	15500000	0	0	13
Trust Finance BOB (Subsidiary)	Rs. 6.80 Cr.	2/12	60 Days	16/05/2014	0	68045220	0	0	L+250

NOTE # 7

Trade Payables

Sundry Creditors for Goods

	As At 31.03.14	As At 31.03.13
	<u>1,257,195,839</u>	<u>1,241,244,922</u>
	<u>1,257,195,839</u>	<u>1,241,244,922</u>

NOTE # 8

Other Current Liabilities

	As At 31.03.14	As At 31.03.13
Trade Payables for expenses	27,688,722	27,772,372
Advance from Customers	8,465,548	3,661,661
Vat & Additional Vat Account	39,867,537	2,928,203
Agency Deposits	1,994,396	1,994,396
CST Payable A/c	1,814,614	1,779,873
Outstanding Interest Payable	27,187,690	14,578,345
TCS Payable	-	30,952
TDS Payable	688,136	844,552
TDS Payable (salary)	938,160	145,690
Unpaid Dividend	1,281,128	1,291,978
Other Liabilities	105,621,926	61,611,266
	215,547,857	116,639,288

NOTE # 9

Short-Term Provisions

Provision For Employees Benefit

Gratuity Payable	2,860,363	2,843,038
	2,860,363	2,843,038

Others

Provision for Taxation A.Y 2014-15	56,826,567	58,134,846
Provision for Dividend & Dividend Distribution Tax	7,247,223	7,247,223
	64,073,790	65,382,069
	66,934,153	68,225,107

NOTE # 10

Depreciation	244,701,322	198,106,708
Preliminary Expenses W/O	583,523	878,847
	245,284,845	198,985,555

FIXED ASSETS

Schedules To And Forming Part of Accounts

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	Particulars	As At 01.04.2013	Addition	Deletion	As At 31.03.2014	As At 01.04.2013	For the Year	Adjust- ment	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
1	Land	2,356,255	-	-	2,356,255	-	-	-	-	2,356,255	2,356,255
2	Building	259,887,653	5,055,065	-	264,942,718	89907243	17,363,248	-	107,270,491	157,672,227	169,980,410
3	Plant & Machinery	4,424,101,176	412,421,709	3,528,182	4,832,994,703	784166751	220,688,359	30,623	1,004,824,487	3,828,170,216	3,639,934,425
4	Furniture, Fixture & Equipments	20,076,619	2,692,339	-	22,768,958	11987430	2,138,036	-	14,125,466	8,643,492	8,089,189
5	Vehicle	44,780,932	934,340	7,260,041	38,455,231	28536223	4,511,680	6,545,716	26,502,187	11,953,044	16,244,709
TOTAL		4,751,202,635	421,103,453	10,788,223	5,161,517,865	914,597,647	244,701,322	6,576,338	1,152,722,631	4,008,795,234	3,836,604,988
PREVIOUS YEAR		2,622,167,937	2,129,034,698	-	4,751,202,635	716,490,939	198,106,708	-	914,597,647	3,836,604,988	1,905,676,998

NOTE # 11

Non-Current Investments

Investments in Equity Instruments	59,963,724	7,295,571
Investments in Mutual Funds	500,000	500,000
	60,463,724	7,795,571

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 31.03.14	As At 31.03.13
Investment in Equity shares : At Cost		
Other Than Trade - Quoted Investments :		
10000, Fully Paid-up Equity Shares of Rs. 10/- Each of IFCI Ltd.	545,005	545,005
500, Fully Paid-up Equity Shares of Rs. 10/- Each of Rajasthan Petro Synthetics Ltd.	16,250	16,250
169, Fully Paid-up Equity Shares of Rs. 10/- Each of Tata Steel Ltd.	33,705	33,705
1000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petrofils Ltd.	1,000	1,000
700, Fully Paid-up Equity Shares of Rs. 10/- Each of Chandra Synthetics Ltd.	5,075	5,075
400, Fully Paid-up Equity Shares of Rs. 10/- Each of Haryana Petrochemicals Ltd.	6,200	6,200
5000, Fully Paid-up Equity Shares of Rs. 1/- Each of Paras Petro Chemicals Ltd.	17,000	17,000
100, Fully Paid-up Equity Shares of Rs. 10/- Each of 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	1,381,677
17,30,000, Fully Paid-up Equity Shares of Rs. 10/- Each of Sumeet Poly Power Ltd. (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/-)	52,620,000	-
	59,963,724	7,295,571
Investment in Mutual funds(Relaince Vision)	500,000	500,000
Total	60,463,724	7,795,571

	As At 31.03.14	As At 31.03.13
Aggregate Book Value Of Investments		
Unquoted Cost	54,734,973	2,066,820
Quoted Cost	5,228,751	5,228,751
Market Value *	6,126,561	4,704,530

NOTE # 12

Long-Term Loans and Advances

Security Deposits

- a) Secured, Considered good
Other Deposit

7,779,659	39,531,495
<u>7,779,659</u>	<u>39,531,495</u>

A. Long Term Loans and Advances be further classified as : Secured, considered good.

NOTE # 13

Inventories

Raw Materials	579,096,353	509,209,130
Work-in-Progress	471,920,164	458,544,158
Finished Goods	542,472,830	566,376,794
Stores and Spares	341,867,631	285,756,380
	<u>1,935,356,978</u>	<u>1,819,886,462</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

- Outstanding for a period exceeding six months
- Others

Less: Allowance for Bad & Doubtful Debts

-	-
1,595,197,500	1,159,448,025
-	-
<u>1,595,197,500</u>	<u>1,159,448,025</u>

NOTE # 15

Cash and Cash Equivalents

Cash-in-Hand	179,042	269,762
Balance with Banks	2,632,948	2,535,334
Fixed deposits / Margin Money / Security against borrowings	315,200,000	236,638,139
	<u>318,011,990</u>	<u>239,443,235</u>

	As At 31.03.14	As At 31.03.13
NOTE # 16		
Short-Term Loans and Advances		
Advance to Suppliers	46,233,893	83,383,607
Capital WIP including advances and net of creditors	119,442,585	16,100,285
Others	176,211,071	166,634,057
	<u>341,887,549</u>	<u>266,117,949</u>

A. Short-Term Loans & Advances shall be further classified as : Unsecured, considered good.

NOTE # 17

Other Current Assets (Residual Head)

Accrued Interest (Subsidiary Interest on FDR)	1,036,725	-
Advance Tax (A.Y. 2014-15)	15,000,000	-
Advance Tax (A.Y. 2013-14)	-	15,000,000
Advance for Exp (Godown-Delhi)	20,000	20,000
Cenvat Receivable	34,788,315	18,906,557
Claim Receivable	99,580,240	82,948,349
Custom duty refund receivable	24,630,920	4,334,930
DEPB Purchase	-	37,738,255
Excise duty refund	-	2,453,348
Export Incentive receivable	29,494,895	44,346,181
Mat credit	177,945,522	122,045,397
Balance with Excise dept. PLA a/c.	-	8,763
Preliminary Expenses	1,741,386	148,176
Prepaid Expenses	1,274,855	947,214
Service tax receivable	767,743	671,014
TCS Receivable	107,918	170,846
TDS Receivable	6,192,414	15,196,247
Status holder Incentive scheme (license on hand)	34,088,278	-
Insurance Claim receivable	1,505,681	1,538,880
	<u>428,174,892</u>	<u>346,474,157</u>

NOTE # 18

Revenue From Operations

Domestic sales	10,402,407,477	11,450,452,451
Export sales	2,867,482,738	1,222,372,061
Total sales	13,269,890,215	12,672,824,512
Less:Excise duty	1,018,926,216	1,105,958,947
	<u>12,250,963,999</u>	<u>11,566,865,565</u>
Export Incentives	30,187,960	26,512,873
	<u>12,281,151,959</u>	<u>11,593,378,438</u>

NOTE # 19

Other Incomes

	As At 31.03.14	As At 31.03.13
Dividend received	1,352	4,128
Commission received	17,342,185	31,432,394
Profit/(loss) on sale of fixed assets	1,824,297	400,000
Discount received	50,145,028	239,076
Int. on FDR'S (Net of Int. on Buyers credit & LOU Commission)	5,586,816	10,320,857
Profit/(loss) from forex transaction	(247,216,250)	(172,713,646)
Others - Interest	11,724,364	15,442,728
Profit/(loss) on trading of shares & commodity	(119,514)	338,913
Int. on FDR'S	1,036,725	-
Survey fees received	-	1,500,000
	<u>(159,674,997)</u>	<u>(113,035,550)</u>

NOTE # 20

Cost of Materials Consumed

a) Purchases of Raw Materials and Stores

Opening stock	509,209,130	570,777,151
Add:Purchase (net)	5,626,618,268	7,137,351,479
	<u>6,135,827,398</u>	<u>7,708,128,630</u>
Less:Closing Stock	579,096,353	509,209,130
Sub Total (a)	<u>5,556,731,045</u>	<u>7,198,919,500</u>

b) Direct/Production expenses

Labour & Security	631,041	556,198
Power & Fuel	599,557,107	705,584,526
Freight & Octroi	78,261,727	20,086,051
Ocean freight charges	39,526,195	-
Stores & Spares	50,961,491	49,227,500
Factory Expenses	1,031,232	694,404
Job Charges	-	1,828,280
Job Charges (Packing)	23,437	76,684
Repair & Maintenance : Factory Building	140,341	387,867
Repair & Maintenance : Plant & Machinery	6,550,612	9,005,986
Packing	189,732,808	194,832,298
Sub Total (b)	<u>966,415,991</u>	<u>982,279,794</u>

Total (a + b)

<u>6,523,147,036</u>	<u>8,181,199,294</u>
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NOTE # 21

Change in inventories

Opening Stock	1,024,920,952	434,125,094
Less:Closing Stock	1,014,392,994	1,024,920,952
	<u>10,527,958</u>	<u>(590,795,858)</u>

NOTE # 22

Employment Benefit Expenses

	As At 31.03.14	As At 31.03.13
Salary	100,439,391	94,552,665
Bonus	7,575,630	6,323,708
P.F.	460,804	536,322
Leave Encashment	3,052,334	1,821,567
Directors Remuneration	3,300,000	3,000,000
Staff Welfare/ESI	650,332	719,691
	115,478,491	106,953,953

NOTE # 23

Other Expenses

Electricity Expenses	381,667	363,645
Vehicle Expense	11,934,062	12,498,919
Travelling & Conveyance	3,071,459	2,767,245
Repairs Office Building	227,000	153,834
Repairs Other	595,889	848,698
Brokerage & Overseas Agency Commission	16,680,695	13,557,121
Office & General Expenses	1,561,386	1,448,162
Insurance Expenses	3,873,042	4,256,523
Books & Periodicals	7,840	9,945
Legal & Professional	6,076,491	8,448,504
Postage, Telegram & Telephone	2,096,842	1,602,029
Membership & Subscriptions	323,710	381,540
Printing & Stationery Expenses	1,359,525	1,110,692
Auditors Remuneration	1,537,716	1,085,000
Rates & Taxes	8,477,807	34,165,648
Rate difference & Discounts	3,211,851	11,678,068
Advertisement & Publicity	3,830,502	2,833,614
Carriage outward	6,703,736	33,315,044
Donation	607,100	608,511
Demat Charges	899	885
	72,559,219	131,133,627

NOTE # 24

Financial Cost

Interest paid to Banks	250,870,458	165,700,222
Interest paid to others	12,093,177	9,430,797
Bank Charges & Guarantee commission	41,562,204	41,510,727
Overseas Bank Charges	8,791,349	546,296
	313,317,189	217,188,043

SUMEET INDUSTRIES LIMITED

(CIN : L45200GJ1988PLC011049)

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

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

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

ATTENDANCE SLIP

ANNUAL GENERAL MEETING - 30.09.2014

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 26th ANNUAL GENERAL MEETING of the Company at Conference Hall, Bombay Market, Umarwada, Surat-395010 on Tuesday, 30th September, 2014 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)

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PROXY FORM

ANNUAL GENERAL MEETING - 30.09.2014

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 26th Annual General Meeting of the Company to be held on Tuesday, 30th September, 2014 at 10:00 A.M. or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	Vote (*Optional)	
	For	Against
Ordinary Business :		
1. Consider and Adopt Audited Statement of Accounts for the financial year ended on 31st March, 2014 and Reports of Auditors and Board of Directors.		
2. Re-appointment of Shri B.C. CHORDIA, Director of the Company who retires by rotation		
3. Appointment of Auditor and fix their remuneration		
Special Business :		
4. Appointment of Smt. Ganga Devi Somani as a regular Director		
5. Reconstitution of Authorised Share Capital		
6. Issue of 6% Non-convertible Redeemable Preference Shares on Private Placement basis to Promoters & Promoter Group		

Signed this _____ day of _____ 2014.

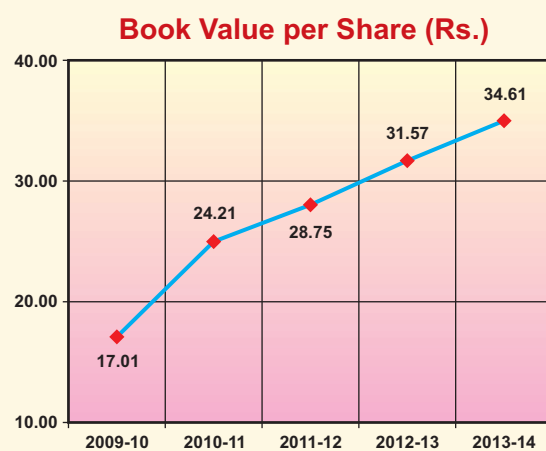
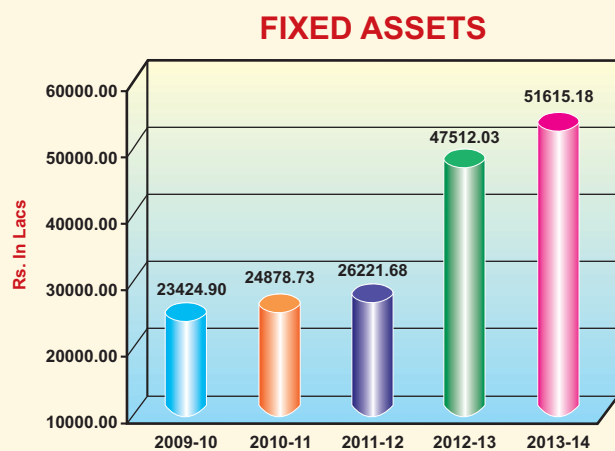
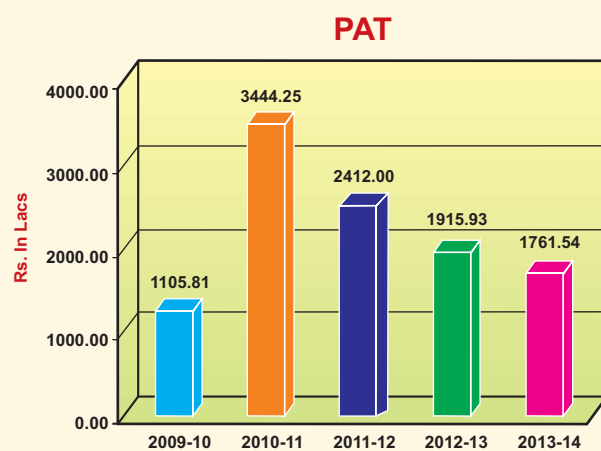
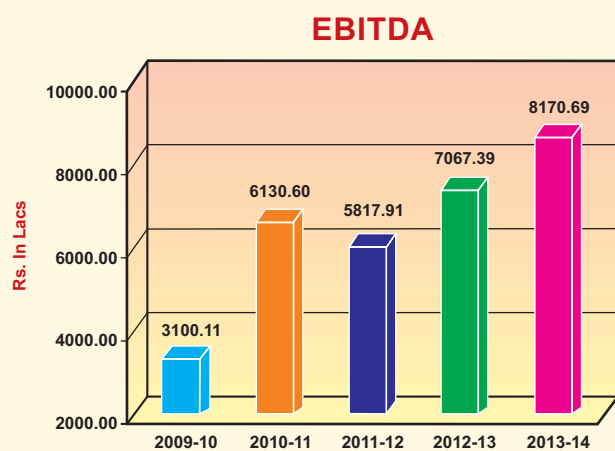
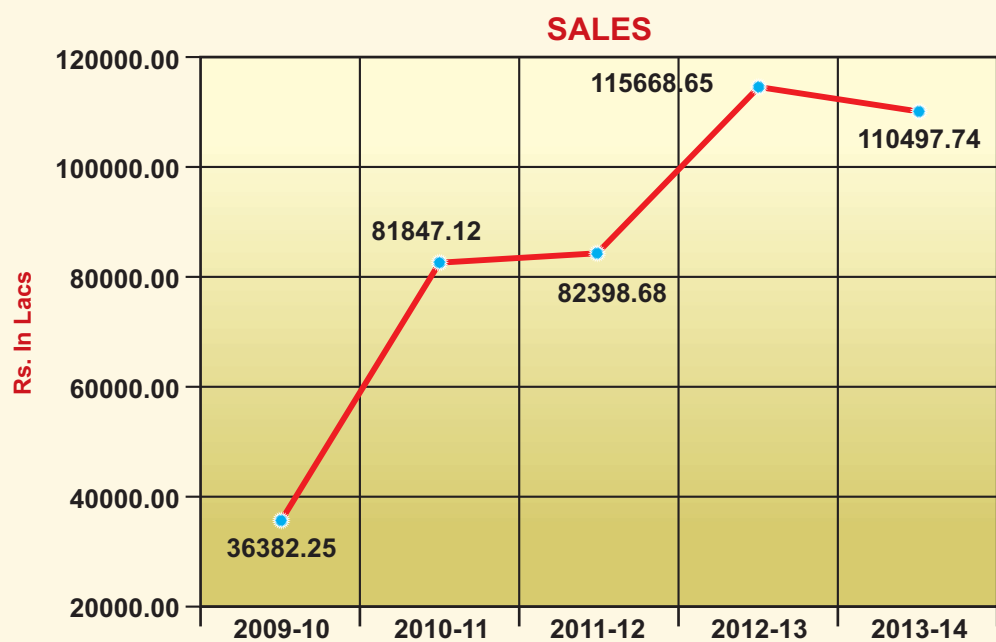
Signature of the Shareholder _____

Signature of Proxy Holder(s) _____

Affix
Rs.1
Revenue
Stamp

Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the Commencement of the meeting.
2. In the case of a body corporate, the proxy form should be signed by the authorised person duly enclosing thereto, a certified copy of the resolution of the Board under Section 187 of the Companies Act, 1956.
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.



Book-Post

To,



If undelivered please return to :

SUMEET INDUSTRIES LIMITED

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

Tel. : +91-261-2328902