Sumeet
INDUSTRIES LIMITED
CIN : L45200GJ1988PLC011049
REGD. OFF. : 504, TRIVIDH CHAMBER, 5TH FLOOR, OPP. FIRE BRIGADE STATION, RING ROAD, SURAT - 395 002, INDIA.
Phone : (91-261) 2328902 Fax : (91 261) 2334189
E-mail : info@sumeetindustries.com Visit us at : www.sumeetindustries.com

Date : 04/10/2018

To,
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, FORT,
Mumbai - 400 001
Scrip Code - 514211

To,
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai : 400 051
Symbol - SUMEETINDS

SUB. : SUBMISSION OF ANNUAL REPORT FY 2017-18

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith annual report of the company for the financial year 2017-18.

You are requested to kindly take the same on record.

Thanking You.

For SUMEET INDUSTRIES LIMITED

ANIL KUMAR JAIN
COMPANY SECRETARY

SUMEET INDUSTRIES LTD. SURAT

Sumeet
INDUSTRIES LIMITED



30TH ANNUAL REPORT
2017-2018



Chairman's Message. . . .

Dear Shareholders,

Every Journey creates milestones reminiscent of the fact that there is steady progression towards attaining the vision for the future. We ensure excellence in efficiency through continuous improvement in all areas of operations, such as process control, asset management and value addition. Our initiatives are aimed at achieving superior product quality and delivery performance and optimising product mix, thereby improving efficiency at each stage of operations.

A broad-based cyclical upturn was visible across the global economy during the year under review and according to IMF estimate annual global GDP growth is expected to have expanded by 3.9% in 2018 and 2019. But more importantly, the growing uncertainty in global geopolitics and the recent surge in crude oil prices are two factors that will have a bearing on the pace of global economic recovery.

"One nation, One market, One tax" will provide a big boost towards economic inclusion of a largely unorganised textile sector. Today, India is one of the largest growing economies in the world, poised to record a healthy growth rate of 7% on the back of consumption and increased public spending.

The Indian man-made fibre manufacturing industry is not only one of the rapidly growing sectors in the economy, but also a critical enabler of the largest export earner amongst the textiles industry. India's textile Industry is currently estimated at around USD 150 Billion and is likely to reach 250 Billion by 2022. Its overall textile exports during FY 2017-18 stood at USD 37.74 Billion (Source : IBEF). It is further expected to grow at a CAGR of 13.58% between 2009 and 2019. Government initiatives like allowing 100% FDI under the automatic route is likely to boost the segment.

Producer of Synthetic fibre in India have urged the government to remove bias and anomalies in GST structure against the man-made fibre industry as it has been affecting the growth and impeding from achieving a larger share of the global market. At present India's share in global exports of value-added textiles of MMFs is just about 3 percent. We want the government to bring down the rate of GST on par with cotton fibre and yarn for growth of the Indian textile sector and also input and output GST Tax slab should be the same.

In the year 2017-18, the company has achieved consolidated revenue from its operation ₹122883.11 Lacs and EBIDTA stood of ₹ 9787.81 Lakhs. The company's net result is showing loss of ₹ 261.96 Lakhs due to change in depreciation method from SLM to WDV which impacted excess provision of depreciation around an amount of ₹ 3454.3.3 Lakh We will continue to maintain industry leading growth rates, even in challenging times in future.

The modern world warrants a firm commitment towards enhancing business transparency and credibility. The Company endeavours to develop and sustain long-term value creating partnerships with our dealers , distributors and customers through a wide range of product offerings, innovative services and unique solutions. Customer is truly at the centre of our strategy.

Sumeet has always been driven by determined corporate governance, which has enabled us to accomplish our goals and create value for our stakeholders. I take this opportunity to thank for continued trust and confidence in the Company by our Stakeholders, Bankers and thanks to our esteemed Board of Directors for their constant guidance and support. I am also grateful to our customers for reposing faith in our capability to serve them and employees for their relentless efforts and our community for its support and understanding.

Shankarlal Somani
Chairman

THIRTIETH ANNUAL REPORT

BOARD OF DIRECTORS

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

COMAPANY SECRETARY

Shri Anil Kumar Jain

CHIEF FINANCIAL OFFICER (CFO)

Shri Abhishek Prasad

STATUTORY AUDITORS

PAMITA DOSHI & CO.
Chartered Accountans, Surat

INTERNAL AUDITOR

RRA & CO.
Chartered Accountans, Surat

SECRETARIAL AUDITORS

Shri Dhren R. Dave
Practicing Company Secretary, Surat

BANKERS

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

REGISTERD OFFICE

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

FACTORY

Block No. 289, 291, Village : Karanj (Kim),
Tal. : Mandvi, Dist, :Surat-39411. (Gujarat)
Ph. : 09978925038

REGISTRAR & SHARE TRANSFER AGENT

M/S. BIGSHARE SERVICES PVT.LTD.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East Mumbai 400059.
Ph. : (022) 62638200 Fax : (022) 62638299
E-mail : investor@bigshareonline.com

30th ANNUAL GENERAL MEETING

Date	:	29/09/2018, Saturday
Time	:	10:00 A.M.
Venue	:	Shree Maheshwari Bhavan, First Floor Hall, Nr. Science Centre, City Light, Surat

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

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

FIVE YEARS OPERATING & FINANCIAL DATA (STANDALONE)

OPERATING DATA					(Rs. in Lakh)
PARTICULARS	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**
Sales & Income from operation	107081.71	130180.80	105248.48	93117.27	110799.61
Other Income	952.60	729.50	542.99	94.38	-1607.12
Increase (Decrease) in Inventories	311.83	429.85	405.66	714.50	-105.28
Total	**108346.14**	**131340.15**	**106197.13**	**93926.15**	**109087.21**
Purchase of Finished Goods	21089.63	43087.46	28829.18	11407.38	33815.62
Raw Material Consumed	59262.86	51339.48	52776.84	60050.64	55567.31
Staff Cost	2236.87	1667.55	1311.61	1238.50	1154.78
Manufacturing Expenses	12102.01	10922.92	11658.72	12350.21	9664.16
Administrative & Selling & Dist. Exp.	4174.97	11969.06	2608.10	868.17	714.65
Interest & Depreciation	10177.36	6868.8	6174.65	5509.21	5503.75
Total	**109043.70**	**125855.27**	**103359.10**	**91424.11**	**106420.27**
Profit/(Loss) before Taxation	**-697.56**	**5484.88**	**2838.03**	**2502.04**	**2666.94**
Taxation	-372.70	1812.14	1153.57	656.31	905.40
Profit & Loss after Taxation	**-324.86**	**3672.74**	**1684.46**	**1845.73**	**1761.54**
Other Compehensive Income	138.68	63.53	-	-	-
Total Comprehensive Income for the Period	**-186.18**	**3736.27**	**1684.46**	**1845.73**	**1761.54**
Earning per Share (EPS)	**-0.22**	**6.44**	**2.90**	**3.18**	**3.04**
FINANCIAL DATA					
Share Capital *	11291.39	8803.97	8803.97	7803.97	7803.97
Share Application Money	0.00	0.00	0.00	0.00	0.00
Reserve & Surplus	25657.81	22361.60	18318.46	16131.5	14285.77
Deferred Tax Liability	6231.42	7403.30	5747.03	4716.66	4150.58
Loan Funds **	35589.96	38945.89	46138.15	44174.98	47535.27
Capital & Funds Employed	**78770.58**	**77514.76**	**79007.61**	**72827.11**	**73775.59**
Fixed Assets (Net)#	36026.37	40200.88	41448.32	42580.02	43148.08
Investments	3247.86	3042.53	2592.29	2479.64	1566.24
Current Assets	55804.6	49460.29	49632.85	43417.27	41501.83
Current Liabilites & Provisions	16308.25	15188.92	14665.85	15649.82	12440.56
Net Current Assets	39496.35	34271.35	34967.00	27767.45	29061.27
Capital & Funds Applied	**78770.58**	**77514.76**	**79007.61**	**72827.11**	**73775.59**

* Includes Equity and Preference Share Capital

** Includes Secured & Unsecured Loan

Includes Capital Work in Progress and the company has changed method of depreciation from SLM to WDV in the year 2017-18

MILESTONES AND ACHIEVEMENTS

2016	:	Modified POY line to enhance production of company by 8750 Ton per annum
2016	:	Install 2 Nos. F.O. Base Gen Set to reduce power cost.
2015	:	Modified FDY line for manufacturing of Bright FDY and Color FDY yarns.
2015	:	Commissioned 25 nos. of TFO machines for plying & twisting for manufacturing Carpet Yarns.
2014	:	Commissioned 4 (Four) Texturising Machines with total capacity of 7200 TPA.
2014	:	Commissioned Waste Recycling Plant with 5400 TPA.
2012	:	Enhanced Spinning Capacity of the Plant from 53000 TPA to 100000 TPA with total project cost of Rs. 150.00 Crores.
2012	:	Commissioned 8.6 MW Gas based Genset Captive Power Plant, thereby total capacity of the captive power generation increased to 17.10 MW.
2010	:	Commissioned successfully Expansion cum Backward Integration Project with total investment of Rs. 150.00 Crores and increased company's capacity from 12000 tons to 100000 tons (More than 8 times).
2009	:	Commissioned 6 MW Gas based Genset Captive Power Plant, enhancing the capacity of captive power generation by 8.5 MW.
2009	:	Commissioned fully imported C.P. PLANT (Continuous Polymerization Plant) of 288 tones per day capacity or 100000 tones per annum as Expansion cum Backward Integration Project.
2007	:	Converted its coal based power plant of 2.5 MW to Gas based Gen Set Power Plant for further reducing its power cost. The Company has tie-up with Gujarat Gas Company for supplying the Gas through Pipeline for the said Power Plant.
2006	:	Installed 60 Water Jet Looms to manufacture 3.5 Million meters Woven Fabric per annum.
2005	:	Installed Polyester Spinning Plant to manufacture 12000 MT Polyester Filament Yarn (POY) per annum with capital investment of Rs. 300 Million.
2004	:	Increased the capacity of Texturising & Twisting to 3900 MT & 2000 MT respectively per annum.
1999	:	Installed coal based power plant of 2.5 MW for captive power generation with capital investment of Rs. 60 Million.
1997	:	Increased the capacity of Polypropylene Multifilament Yarn to 3900 MT per annum with capital investment of Rs. 144 Million.
1996	:	Changed 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 30th Annual General Meeting of SUMEET INDUSTRIES LIMITED will be held at Maheshwari Bhavan, First Floor, City Light, Surat on Saturday, 29th Day of September, 2018 at 10:00 A.M. to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt ;

   i) the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the reports of Board of Directors and the Auditors thereon.

   ii) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 together with the report of the Auditors thereon.

2. To appoint a Director in place of Mr. Sumeet Kumar Somani (DIN No.00318156), who retires by rotation and being eligible, offer himself for re-appointment.

3. **APPOINTMENT OF AUDITORS**

   To pass the following resolution as an **Ordinary Resolution**:-

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**"Act"**) and the Rules framed there under, as amended from time to time, the Company do hereby approve the appointment of M/s. Pamita Doshi & Co. Chartered Accountants (ICAI Registration No.141976W), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (**"AGM"**) till the conclusion of the 31st AGM of the Company to be held in the year 2019 to examine and audit the accounts of the Company for the Financial Year 2018-19 at such remuneration plus tax, out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors and the Auditors."

SPECIAL BUSINESS :

4. RATIFICATION OF APPOINTMENT OF COST AUDITOR

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 40,000/- (Rupees Forty Thousand only) be paid to M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 101519), the Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019, be and is hereby ratified."

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

5. RAISING OF FUNDS

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder including any amendments thereto, statutory modification(s) and/or re-enactment thereof, for the time being in force (collectively, the "Companies Act"), in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to the extent applicable, and the listing agreements entered into with the stock exchange(s) where the equity shares of the Company of face value Rs. 10/- ("Equity Shares") are listed, and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations"), the provisions of the Foreign Exchange Management Act, 1999, ("FEMA") and rules and regulations framed there under as amended from time to time and subject to other applicable rules, regulations and guidelines issued by the Securities and Exchange Board of India ("SEBI"), the Reserve

Bank of India ("RBI"), the Government of India ("GoI"), the BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and / or any other competent governmental or regulatory authorities from time to time to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, Stock Exchanges, RBI, GoI and any other governmental or regulatory authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/ or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), consent of the members be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), such number of Equity Shares, or other permissible securities convertible into, or exchangeable for, Equity Shares or non-convertible debentures simultaneously with warrants, with a right exercisable by the warrant holder to exchange the said warrants for Equity Shares at a later date (as permitted under the SEBI ICDR Regulations) (all of which are hereinafter collectively referred to as "Securities") or any combination of such Securities by way of a qualified institutions placement ("QIP"), in one or more tranches, to any eligible qualified institutional buyers ("QIBs"), as defined under the SEBI ICDR Regulations, whether they be holders of Equity Shares or not, as may be decided by the Board (including a committee thereof) in its discretion and permitted under applicable laws and regulations, for an aggregate amount not exceeding Rs. 80.00 Crores (Rupees Eighty Crores) or equivalent thereof, inclusive of such premium as may be fixed on such Securities by offering the Securities at such price or prices, at a discount or premium to market price or prices permitted under applicable laws, as may be deemed appropriate, in the sole discretion of the Board in such manner and on terms and conditions, and at a price not less than the price calculated as per the applicable pricing formula and as may be permitted by the relevant regulatory/ statutory authority, together with any amendments and modifications thereto in consultation with any merchant banker(s) or other advisor(s) appointed and / or to be appointed by the Company but without requiring any further approval or consent from the shareholders."

"RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

(a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and applicable law; and

(b) the Equity Shares that may be issued by the Company, whether upon conversion or otherwise, shall rank pari passu with the existing Equity Shares of the Company in all respects".

"RESOLVED FURTHER THAT the allotment of the Securities to be made by way of the QIP, in terms of the SEBI ICDR Regulations, shall be completed within twelve months from the date of this shareholders' resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time."

"RESOLVED FURTHER THAT any issue of Securities by way of a QIP shall be at a price which is not less than the price determined in accordance with the pricing formula provided under the SEBI ICDR Regulations (the "QIP Floor Price"). The Company may, however, in accordance with applicable law, at the sole discretion of the Board, including a duly constituted committee thereof, also offer a discount to the QIP Floor Price at such percentage as may be permitted under applicable law on the QIP Floor Price."

"RESOLVED FURTHER THAT the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, if required."

"RESOLVED FURTHER THAT, subject to applicable law, in the event that Equity Shares are issued to QIBs by way of the QIP in terms of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or a committee thereof decides to open the QIP of Equity Shares. In the event the QIP entails an issuance of Securities other than Equity Shares, the relevant date for the purpose of pricing shall be either the date of the meeting in which the Board or a committee thereof decides to open the QIP or the date on which the holders of Securities other than Equity Shares become eligible to apply for Equity Shares, as may be determined by the Board or a committee thereof."

"RESOLVED FURTHER THAT the Board or a committee thereof, be and is hereby authorised to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, debenture trustees and all such agencies as are or may be required to be appointed, involved or concerned in the QIP and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any director(s) of the Company in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the QIP and settle any questions or difficulties that may arise in this regard to the QIP.

Registered Office:

504, Trividh Chambers

Opp. Fire Station,

Ring Road, Surat - 395 002

By order of the Board Directors

Sd/-

Shankarlal Somani

Chairman

Place :Surat

Date : 13.08.2018

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER.**
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 2 days in advance of the Annual General Meeting.
6. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz M/s. Bigshare Services Pvt. Ltd Those holding shares in dematerialized form may intimate any change in their addresses or bank details/ mandates to their Depository Participants (DP) immediately.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd day September, 2018 to Saturday, 29th September, 2018 (both days inclusive).
8. 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.
9. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2018 is uploaded on the Company's website www.sumeetindustries.com and may be accessed by the members.
10. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-18 is being sent in the permitted mode.
11. Company's environment friendly agenda and to participate in MCA's Green Initiative, members are requested to register/update their e-mail address with their Depository Participants. Members who are holding shares in physical form are requested to send their E-mail address at investor@bigshareonline.com for updation.
12. Non-Resident Indian members are requested to inform the company's Registrar and Transfer Agents (M/s. Bigshare Services Pvt. Ltd.), immediately of :
    a) Change in their Residential status on return to India for permanent settlement.
    b) Particulars of their Bank Account maintained in India with complete name of the Bank, branch address, account type and account number with MICR code, if not furnished earlier.
13. 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.
14. 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 30th 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.
15. The members who would have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:-

(i) The voting period begins on Wednesday, 26th September, 2018 at 9:00 AM IST and ends on Friday, 28th September, 2018 at 5:00 PM IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date 22/09/2018 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(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 now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the "Sumeet Industries Limited" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also use Mobile app-"m-Voting" for e-voting. m-Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m-Voting using their e-voting credentials to vote for the company resolution(s).

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

17. The voting period begins on Wednesday, 26th September, 2018 at 9:00 AM IST and ends on Friday, 28th September, 2018 at 5:00 PM IST. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date 22/09/2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
18. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut-off date 22/09/2018.
19. Mr. Dhiren R. Dave, Practicing Company Secretary (Membership no. FCS 4889) has been appointed as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
20. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
21. The results declared along with the Scrutinizers' Report shall be placed on the Company's website www.sumeetindustries.com within three days of the passing of the resolutions at the Annual General Meeting of the Company will be held on Saturday, 29th day of September, 2018 and communicated to the BSE Ltd. and National Stock Exchange of India Ltd within the prescribed period.

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

Name of Director	Mr. Sumeet Shankarlal Somani
Date of Birth	11/11/1980
Date of Appointment	01/06/2004
Expertise in specific functional areas	Project Management and Business Development
Qualifications	M.Com, PGDBM
Shareholding in the Company as on 13th August, 2018	1965070

List of other companies in which Directorship held	1.Somani Overseas Pvt. Ltd. 2.Sitaram Prints Pvt. Ltd. 3. Sumicot Limited 4. Varsha Dyeing And Printing Mills Pvt Ltd. 5. Inherent Computers Private Limited. 6.Sumeet Global Pte. Ltd. 7.Sumeet Menthol Pvt. Ltd. 8.Vareli Vankheda Infrastructure Pvt. Ltd.
List of other entities in which the person also hold membership of committee of the Board	Nil
Relationships between Directors inter-se	Son of Mr. S hankarlal Somani, Chairman and Gangadevi Somani, Director of the Company

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

ITEM NO. : 04

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. V.M. PATEL & ASSOCIATES, Cost Auditor (Firm Registration No. 101519), as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019.

The remuneration of the Cost Auditors was fixed by the Board of Directors as Rs. 40000/- (Rupees Forty thousand only) upon the recommendation of the Audit Committee. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, approval of the members is sought for the resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2019.

None of the Directors / Key Managerial Personnel of the Company / their relative are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

ITEM NO. : 05

This special resolution contained in the Notice relates to a resolution by the Company enabling the Board to create, issue, offer and allot Securities, as defined in the resolution by way of a qualified institutions placement in accordance with Chapter VIII of the SEBI ICDR Regulations, in one or more tranches, at such price and on such terms and conditions as may be deemed appropriate by the Board (which term shall be deemed to include any committee thereof which the Board may have constituted) at its absolute discretion including the discretion to determine the categories of investors to whom the issue, offer, and allotment of Securities shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed by the Board for the purpose of the QIP (as defined herein below).

This special resolution enables the Board to issue Securities for an aggregate amount not exceeding Rs. 80.00 Crores (Rupees Eighty Crores). This special resolution is an enabling resolution and therefore the proposal seeks to confer upon the Board (including a committee thereof) the absolute discretion to determine the terms of the QIP, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements. The detailed terms and conditions of such issuance will be determined by the Board or a committee thereof, in consultation with the advisors, lead managers and such other authorities as may be required, considering prevailing market conditions, practices and in accordance with the applicable provisions of law.

The Board shall issue Securities pursuant to this special resolution and the allotment of such Securities, in terms of the SEBI ICDR Regulations, shall be completed within twelve months from the date of this shareholders' resolution or such other time as may be permitted under the SEBI ICDR Regulations from time to time. The proceeds of the QIP shall be utilised for business purposes, including but not limited to meet capital expenditure and enhanced working capital requirements of the Company, repayment of debt, exploring acquisition opportunities and general corporate purposes. This special resolution seeks to empower the Board to issue Securities by way of a qualified institutions placement ("QIP") in one or more tranches, to any eligible Qualified Institutional Buyers ("QIBs") as defined under the SEBI ICDR Regulations in accordance with Chapter VIII of the SEBI ICDR Regulations.

The pricing of the Securities that may be issued to QIBs pursuant to the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the floor price calculated in accordance with the SEBI ICDR Regulations. Further, the Board including a duly constituted committee thereof, may, at its sole discretion, also offer a discount to the floor price at such percentage, as permitted under applicable law. Subject to applicable law, in the event that Equity Shares are issued to QIBs by way of the QIP in terms of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or a committee thereof decides to open the QIP of Equity Shares. In the event the QIP entails an issuance of Securities other than Equity Shares, the relevant date for the purpose of pricing shall be either the date of the meeting in which the Board or a committee thereof decides to open the QIP or the date on which the holders of Securities other than Equity Shares become eligible to apply for Equity Shares, as may be determined by the Board or a committee thereof.

As the Issue may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to the applicable provisions of the Companies Act, 2013, the SEBI ICDR Regulations and any other law for the time being in force and being applicable.

All the documents referred in the Notice are available for inspection at the Registered Office of the Company.

The Board believes that the QIP is in the interest of the Company and, therefore, recommends the resolution of the accompanying Notice for your approval. The Directors or key managerial personnel of the Company or their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of Equity Shares that may be subscribed by the companies /institutions in which they are Directors or members.

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

By order of the Board Directors

Sd/-
Shankarlal Somani
Chairman

Place :Surat
Date : 13.08.2018

DIRECTORS' REPORT

To The Members of
Sumeet Industries Limited

Your Directors have pleasure in presenting the 30th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2018.

Your Company has delivered satisfactory performance despite considerable headwinds like GST implication, inflation etc. The Company has registered consolidated revenue of Rs. 1228.83 Crores with Net Loss of Rs. 2.62 Crores.We, remained resolute and relentless in our quest for strengthening our cost-competiveness, better management of working capital and operational excellence across all businesses.

FINACIAL RESULTS

(Rs. In Lacs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	**2017-18**	2016-17
Sales & Income form operation	**107081.71**	130180.80	**122883.11**	150959.72
Other Income	**952.60**	729.50	**953.65**	948.76
Profit before Financial cost , Depreciation and Exceptional items & Tax (EBIDTA)	**9479.80**	12353.68	**9787.81**	12803.02
Interest	**4917.79**	4822.47	**5147.08**	5035.15
Depreciation	**5259.57**	2046.32	**5259.57**	2047.13
Profit/(Loss) before Tax	**(697.56)**	5484.89	**(618.84)**	5720.74
Provision for Taxation				
Current tax	**(785.20)**	1170.56	**(795.82)**	1189.79
Mat Credit	**-**	(1014.70)	**-**	(1014.70)
Deferred Tax	**1171.89**	1656.27	**1171.89**	1656.27
Profit after Tax	**(310.87)**	3672.75	**(242.77)**	3889.38
Taxation for previous year	**(13.98)**	-	**(19.19)**	-
profit available for appropriation	**(324.86)**	3672.75	**(261.96)**	3889.38
Dividend on Equity & Pref. Shares				
Transfer to General Reserve	**(324.86)**	3672.75	**(261.96)**	3889.38

OPERATIONS

Despite challenging business environment the company has posted mixed performance for the year under review. The company has produced 92607.345 Tons of Pet Chips / Polyester and Texturized Yarn and dispatched 93259.47 Tons of Pet Chips / Polyester and Texturized yarns.

Income from operation (Consolidated) of the company has marginally decreased from Rs. 1509.60 Crores to Rs. 1228.83 Crores and EBIDTA has been decreased marginally from Rs. 128.03 Crores to Rs. 97.88 Crores in comparison to last year. The company has adopted the method of charging depreciation on fixed assets from SLM Method to WDV (except vehicle) method during the year under review, resulting an excess of total amount of Rs.34.54 Crores was effected in depreciation amount. The Company has incurred net loss of Rs. 2.62 Crores.

The Company is enhancing its capacity on producing specialty and value added yarns and focusing on expanding market reach both in domestically and internationally, cost optimization and elevating people potential. With rising demand in the domestic and international markets, we are hopeful that we will be able to grow more value added products in future.

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

DIVIDEND

The Board of directors do not recommended dividend for the year under review due to loss incurred by the company. No amount is being transferred to the General Reserves.

EXPANSION & MODERNISATION

The Company is cautiously watching development in synthetic yarn industries and also evaluating various options which could be available to it for its growth strategy. Over the years, we have been investing consistently in shoring our manufacturing capacities by way of expansion cum modification in its existing capacities. Presently no expansion program of the company has been envisaged by the Board.

RIGHT ISSSUE

During the year under review the company has made Right Issue of 2,48,74,173 nos. of Equity shares with a face value of Rs. 10/- each at a price of Rs. 24/- per equity shares aggregated to Rs. 5969.80 Lacs in the ratio of 3 fully paid up Right Equity Share(s) for every 7 Fully Paid up Equity Share(s). Finally, the company has allotted 2,48,74,173 nos. of equity shares and aggregated Rs.59,69,80,152.00 . The proceeds of the Right Issues was utilized for incremental working capital and adjustment of unsecured loans given by the promoters as declared in objects of the issue.

Category wise variation between projected utilization of funds made in offer document and the actual utilization of funds are as follow:

(Rs. in Lakh)

Sr. No.	Particulars	Projected utilization of funds as per offer document	Actual utilization of funds till 31st March, 2018
1.	Working Capital Requirements	2300.00	2727.04
2.	Adjustment of Unsecured Loans against the entitlement including additional subscription	2500.00	2500.00
3.	General Corporate purpose	1030.00	615.00
4.	Issue related expenses	170.00	127.76
	Total	**6000.00**	**5969.80**

CHANGE IN THE NATURE OF BUSINESS

There were no change in the nature of the business of the Company, during the financial year under review.

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year as on 31st March, 2018 and the date of this report, i. e., 22nd June ,2018.

OVERSEAS SUBSIDIARY COMPANY

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

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

EXPORTS

The company has been exploring all the possibilities for exporting its products. During the year under review, your company has exported products worth of Rs. 93.38 Crores.

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

DEPOSITORY SYSTEM

As members are aware, the company's shares are compulsorily tradable in the electronic form. As on March 31, 2018 almost 96.38% of the Company's total paid-up capital representing 8,29,13,911 shares were in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the Depositories.

CREDIT RATING

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

Long Term Borrowing : BWR BBB, Outlook : Stable

Short Term Borrowing : BWR A3 + Outlook : Stable

FIXED DEPOSITS

The Company has invited deposits from public in accordance with the Section 73 and 74 of the Companies Act, 2013 (corresponding Section 58 A of the Companies Act, 1956) to the tune of Rs. 396.14 Lacs during the financial year 2013-14. No fresh deposits have been invited and nor any deposits have been renewed in the financial year 2017-18. Total outstanding deposits after repaying on maturity as on 31.03.2018 has been remained Rs. 4,48,000/-. There were no deposits, which were claimed but not paid by the Company as on date.

DIRECTORS

Mr. Sumeet Kumar Somani (DIN No. 00318156), Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

AUDITORS

a) Statutory Auditors

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the Extra Ordinary General Meeting of the Company held on November 10, 2017 has appointed M/s. S.R. Somani & Co., Chartered Accountants (ICAI Registration no. 110367W) as Statutory Auditors of the Company to hold the office until the conclusion of the next Annual General Meeting of the Company. Later , M/s. S.R. Somani & Co. , Chartered Accountants has resigned w.e.f 01.04.2018 due to their other pre-occupied work assigned. M/s. Pamita Doshi & Co. Chartered Accountants, (ICAI Registration no.:141976W) has been appointed as Statutory Auditors of the company for the financial year 2017-18 to fill the casual vacancy up to the conclusion of the next Annual General meeting of the company in the Extra Ordinary General meeting held on 30.04.2018. Members are requested to re-appoint them at the Annual General Meeting.

b) Cost Auditors

The Company has been maintaining cost accounting records in respect of manufacture of polyester yarns pursuant to directives of the Central Government. The company has appointed M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 10519) as Cost Auditors, for conducting the audit of cost records for the financial year 2018-19 and approval of the members is being sought for ratification of their appoinment and remuneration.

c) Internal Auditors

The Board has appointed M/s. RRA & Co., Chartered Accountants (ICAI Registration Number 112115W) as Internal Auditors of your company for the financial year 2018-19. The report prepared by the Internal Auditors is to be reviewed by the Statutory Auditors & Audit Committee of the company.

d) Secretarial Auditors

Dhiren R. Dave, Practising Company Secretaries (CP No. 2496, Membership No. 4889) were appointed as Secretarial Auditor, to conduct secretarial audit of the company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31 March 2018 is annexed herewith and forms part of the Annual Report as **Annexure-1**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re-appointed Dhiren R. Dave, Practising Company Secretaries, as secretarial auditors of the Company for the financial year 2018-19.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with provisions of sub-section (3) of Section 129 of the Act and the Listing Regulations, the consolidated Financial Statements of the company, including the financial details of the subsidiary company

forms part of this Annual report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard s prescribed under Section 133 of the Act.

PERSONNEL AND RELATD DISCLOSURES

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

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

INTERNAL CONTROL SYSTEM

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing on a sustained basis. The Company assists schools situated at near by villages by distributing dresses & books among poor students and computers nearby situated primary schools etc. Technical education and training are imparted to the employees through Industrial Training and Workshops. Emphasis was laid on creation of awareness amongst the villagers about the need to protect the environment. CSR activities carried out by the Company have strengthened the relationship with local people. The main focus areas taken in the policy are Education, Health Care, Environment safety, contribution to any relief fund set up by Government, Semi-Governments etc.

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

HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

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

PREVENTION OF SEXUAL HARASSMENT POLICY

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

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

RISK MANAGEMENT

Risk Management is the systematic process of understanding, measuring, controlling and communicating organization's risk exposures while achieving its objectives. Risk Management is an important business aspect in the current economic environment and its objective is to identify, monitor and take mitigation measures on a timely basis in respect of the events that may pose risks for the business. The Company's risk-management strategy is to identify, assess and mitigate any significant risks. We have established processes and guidelines,

along with a strong overview and monitoring framework at the Board and Senior Management levels.

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

INSURANCE

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

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

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

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

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year 2017-18 till the date of this report. Further there was no change in the nature of business of the Company.

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

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

EMPLOYEE STOCK OPTION

The company has not issued any Employee Stock Option.

FOREIGN EXCHANGE TRANSACTIONS

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

RESEARCH & DEVELOPMENT

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

CONTRACTS AND ARRANGEMENT WITH RELATED PARTY

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

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

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

CORPORATE GOVERNANCE

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODE OF CONDUCT

As prescribed under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV thereto and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Board of Directors and Senior management and employees, the Company has formulated a comprehensive Code of Conduct (the Code). The Code is applicable to Directors and Senior management and employees to such extent as may be applicable to them depending upon their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Integrity, one team and Excellence.

A copy of the Code has been uploaded on the Company's website www.sumeetindustries.com. The Code has been circulated to all the Directors and Management Personnel and its compliance is affirmed by them annually.

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

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

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

WHISTLE BLOWER MECHANISM

In order to ensure that the activities of the Company and its directors , employees and Vendors are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil mechanism/Whistle Blower Policy. This policy is explained in Corporate Governance Report and also uploaded on the website of the company i.e. www.sumeetindustries.com.

DISCLOSURE RELATED TO BAORD, COMMITTEES AND POLICIES

A) BOARD MEETINGS :

The Board of Directors met 15 times during the financial year ended 31st March, 2018 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report forming part of the Annual report.

B) COMMITTEE MEETINGS :

AUDIT COMMITTEE

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

All recommendations made by the Audit Committee were accepted by the Board during the year 2017-18. The brief details of the Audit Committee are given in Corporate Governance Report forming part of the Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee.

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

This evaluation is led by the Chairman of the Board Governance, Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board.

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

FAMILIAZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

KEY MANAGERIAL PERSON

Pursuant to the provisions of section 203 of the Companies Act , 2013 read with rules framed thereunder the following persons are the Key Managerial Personnel of the company.

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

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, respectively, have been duly followed by the Company.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors
Sd/-
Shankarlal Somani
Chairman

Place : Surat
Date : 22nd June, 2018

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - 1

To,
The Members
Sumeet Industries Limited
Surat

Secretarial Audit Report
For the financial year ended March 31, 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2018, generally complied with the statutory provisions listed hereunder and also that the Company has generally followed board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2018 according to the provisions of:
   (i) The Companies Act, 2013 (**the Act**) and the Rules made there under;
   (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
   (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings;
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act')** to the extent applicable to the Company :-
      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
      b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India.
      c. (Prohibition of Insider Trading) Regulations, 2015 notified with effect from May 15, 2015;
      d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
      e. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
      f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
      g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
      h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
      i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.

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

(vi) Factories Act, 1948

(vii) Industrial Disputes Act, 1947

(viii) The Payment of Wages Act, 1936

(ix) The Minimum Wages Act, 1948

(x) Employees State Insurance Act, 1948

(xi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952

(xii) The Payment of Bonus Act, 1965

(xiii) The Payment of Gratuity Act, 1972

(xiv) The Contract Labour (Regulation and Abolition) Act, 1970

(xv) The Maternity Benefit Act, 1961

(xvi) The Child Labour (Prohibition and Regulation) Act, 1986

(xvii The Industrial Employment (Standing Orders) Act, 1946

(xviii) The Employees Compensation Act, 1923

(xix) The Apprentices Act, 1961

(xx) Equal Remuneration Act, 1976

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

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

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

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

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

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

1. I have also examined compliance with the applicable clauses of the following:

   i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

   1. The extract of the minutes of the meeting of the Board of Directors dated 07.06.2017 filed with ROC for Satisfaction of Charge was in fact adopted at the Board Meeting held on 01.06.2017 and

   2. The extract of the minutes of the meeting of the Board of Directors dated 17.08.2017 filed with ROC for NOC for Name change of M/s. Sumeet Poly Power Ltd was in fact adopted at the Board Meeting held on 08.08.2017.

2. I further report that:

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

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

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

3. I further report are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. I further report that during the audit period the company has not taken any major steps and enter into any events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. However, Company has received Demand Notices from Income Tax Department for A.Y. 2009-10, A.Y.2012-13, A.Y. 2013-14 and A.Y. 2015-16. Accumulated demand as for Rs. 8,06,00,000/-.
5. However, following event is having major bearing on the company's affairs after the audit period but before the date of this report :
   a. *Company's directors have received show cause notice from SEBI for making undue gains from buy/sell of company's stock in past years. Investigation/Litigation is still on the subject matter of SEBI order dated May 21, 2014.*

Place : SURAT
Date : 13.08.2018

DHIREN R DAVE
COMPANY SECRETARY
FCS : 4889
CP : 2496

To,

The Members

Sumeet Industries Limited

Surat

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

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

Place : SURAT
Date : 13.08.2018

DHIREN R DAVE
COMPANY SECRETARY
FCS : 4889
CP : 2496

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - 2

FORM AOC - 1

The information required under Section 197(12) o the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2018 are given below:

1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March, 2018 : -

(Rs. In Lacs)

Name of the Director / KMP & Designation	Remuneration	% increase in Remuneration in F.Y. 2017-18	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
Shri Sumeet Kumar Somani * Managing Director	5.40	-	1.66	The company has incurred Loss of Rs. 261.96 Lacs during the year but EBIDTA (Consolidated) is Rs. 9787.81 Lacs
Anil Kumar Jain Company Secretary	10.60	40%	3.27	
Abhishek Prasad **	8.70	15%	2.68	

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

**** MR. Abhishek Prasad has been appointed as CFO of the company w.e.f. 01.04.2017.**

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

2) **Percentage increase in the median remuneration of employees in the financial year : 7.65%**

3) **Number of permanent employees on the rolls of Company as on 31st March, 2018 : 701**

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

On an average, employees received an increase in remuneration of 7.25% to 8%. During the year company has incurred loss of Rs. 324.86 Lacs.

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

5) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :**

Particulars of Remuneration	Key Managerial Personnel		
	Mg. Director	C.F.O.	Company Secretary
Remuneration (Rs. in Lacs)	5.40	8.70	10.60
Revenue (Rs. in Lacs)	122883.11	122883.11	122883.11
Remuneration (As a % of Revenue)	0.0044	0.0070	0.0086
Profit (Loss) before Tax (PBT) (Rs. in Lacs)	(618.84)	(618.84)	(618.84)
Remuneration (As a % of PBT)	-	-	-

6) **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Date	Closing Market Price per Share(Rs.)	Earnings Per Share (Rs.)	Price Earnings Ratio	Market Capitalization (Rs. in Crores)
31.03.2017	33.30	6.81	4.89	193.27
31.03.2018	15.55	-0.15	-	128.93
% Change	-205.79	-102.20	-	-33.29

The Company made its Initial Public Offer (IPO) in 1993. An amount of Rs.1000 invested in the IPO towards 100 shares of Rs.10 each was worth Rs. 1555/- (100 shares of Rs. 15.55 each) as on 31st March, 2018, excluding dividend. After considering Rights shares offered and, Bonus issue of shares from time to time, 100 shares of Rs.10 each issued in 1993 have become 471 shares of Rs.10 each.

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

Average Percentile increase in Remuneration of employees other than Managerial Personnel was 7.65% and average increase in remuneration of Managerial Personnel was 15% to 40%.

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

Key result areas of the managerial personnel are broadly to achieve Company's growth and performance target, achieving the same against various adverse externalities globally, devising sustained strategy to combat global forces like competition, exchange rate etc, which, in turn, enhance shareholders' value. There are no variable component of remuneration to the Directors during the financial year 2017-18 and 2016-17. Remuneration of the managerial personnel is based on the Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

9) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NIL.

10) Affirmation that the remuneration is as per Remuneration policy :

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

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

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

The CSR Policy sets out the Company's commitment and approach towards Corporate Social Responsibility for improving the quality of life of the communities it serves. The Company's Corporate social Responsibility (CSR) policy is multifaceted to cover projects and programmes in the field of education, healthcare, rural improvement initiatives. The Company's CSR projects and programs are carried out within CSR policy.

The focus areas for CSR activities are :-

1) Education :

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

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

2) Health :

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

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

3) Disaster relief :

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

4) Village Improvement Initiative :

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

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

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

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

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

Year	Net profit as per Section 198 of the Companies Act , 2013 (Rs. in Crores)
2014-15	25.02
2015-16	28.38
2016-17	54.84
Average net profits of last three years	36.08

Prescribed CSR expenditure (2% of the Average net profit of three financial years) : Rs. 72.16 Lakh
Details of CSR spent during the financial year : -

a) Total amount spent for the financial year : Rs. 92.03 Lakhs

b) Amount unspent, if any : Rs. Nil

c) Manner in which amount spent during the financial year is detailed below :

DETAILS OF CSR EXPENESES FOR THE FINANCIAL YEAR 2017-18

(Rs. in lakh)

Sl No.	CSR Project of activities identified	Sector in which the project is covered	Projects or Programs undertaken (Place)	Amount outlay (budget)	Amount spent on the projects/ programs	Cumulative expenditure up to the reporting period	Amount Spent : Direct or through
1	Health Care	Medical Aid	Beawar (Rajasthan)	1.00	1.00	1.00	Shree Bangur Maheshwari Medical Welfare Society
2	Animal Care	Gau Seva	Surat	1.00	0.72	0.72	Shree Gau Seva Samiti
3	Animal Care	Gau Chikitsalaya	Jarkhor, Bharatpur (Rajasthan)	10.00	8.35	8.35	Shree Braj Kamad Surbhi Van & Sodh Sansthan
4	Promoting of Education	Gurukul Education system	Virandavan, Mathura	9.00	9.00	9.00	Shree Malook Peeth Seva Sansthan Nyas
5	Health Care	Medical Aid	Surat	36.00	35.56	35.56	Surat Manav Seva Sangh
6	Promotion of Education	Education to Weaker section of society	Surat	6.25	6.09	6.09	Maheshwari Shikshan Sansthan
7	Health Care	Medical Aid	Surat	5.25	5.25	5.25	Premvati Naraindas Arora Charitable Trust
8	Health Care	For Eye Camp	Surat	1.25	1.06	1.06	Divya Jyoti Trust
9	Animal Care	Gau Seva & Gau Chiktisalaya	Bikaner	5.25	5.25	5.25	Shyam Sunder Gau-Jan Samavardhan Samiti
10	Promoting Social Welfare	Social Welfare Projects	Surat	10.00	10.00	10.00	Hashimi Public Charitable Trust
11	Health Care	PBM Child Hospital	Bikaner	5.25	5.25	5.25	Manav Seva Samiti
12	Promoting Social Welfare	Widow & Child Help	Surat	1.50	1.50	1.50	Shri Krishnadas Jajoo Smarak Trust
13	Health Care	Madical aid for Cancer Treatment	Mumbai	1.00	1.00	1.00	Cancer Charity Trust
14	Animal Care	Gau Seva	Rewasa (Sikar)	2.00	2.00	2.00	Bhartiya Govansh Rakshan Samvardhan Samiti
			Total	94.75	92.03	92.03	

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

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - 4

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

A. Conservation of Energy :

Energy conservation is a high priority area for the Company. Our continued effort to reduce and optimize the use of energy consumption has shown positive results. The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis. The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management System. It is putting best endeavour to reduce energy consumption in all its operations and activities.

a) Energy Conservation measures taken by the Company

1) Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.

2) Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment's continually.

3) Automated load management system to improve power factor with reduced contract demand

4) Installed of LT APFC 5950 KVAR with detune reactor to improve Power Factor up to unity for reducing line losses

5) Installed of MV APFC 1000 KVAR with detune reactor to improve Power Factor up to unity for reducing line losses

6) Installed VFD at Air compressor motors of 8 & 13 bar and its close monitoring to run at required sustainable parameters.

7) Installed EMS system in Air Compressors to monitor controlling of compressors to reduce unload running of compressors and thereby saving in power.

8) Utilized waste vapours of CP Plant in to chilling Plant VAM

9) Reduce pressure losses in air/liquid pipe lines to reduces load in connected equipment's.

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

1) Reduction in consumption of electricity and fuel oils with consequent reduction in cost of production.

2) Product improvement , product development and growth in business

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

FORM A

A. Power and Fuel Consumption:

		2017-18	2016-17
1.	**Electricity**		
	(a) Purchased		
	- Units	**66685366**	60599918
	- Total Amount	**500872636**	394386178
	- Rate/Unit(Rs.)	**7.51**	6.51
	(b) Own generation		
	(i) Through diesel generator in Units (KWH)	**3680**	4960
	Liters of HSD Consumed	**1200**	1689
	Unit per Ltr. of Diesel	**3.06**	2.93
	(ii) Through HFO/generator		
	Unit	**20176012**	29131213
	Consumed	**4614608**	7376850
	Unit per Ltr of FO	**4.37**	3.949
	(iii) Gas (Generated by Gas based Gen Set)		
	Quantity (in units KWH)	**-**	89000
	Gas Consumed (in SM3)	**-**	25535
	Unit per KWH / SM3	**-**	3.48
2.	**Gas**		
	Quantity (in units)		-
	Total amount		-
	Average rate		-
3.	**Furnace oil**		
	Quantity (in Ltrs.)	**7418529**	7654369
	Total amount	**170007873**	166515492
	Average rate	**22.91**	21.75

B. Consumption per unit of production (in tons)

Product: Polyester Pet Chips & Yarn

	Standards (if any)	2017-18	2016-17
Electricity			
Purchases and Own Generation	**-**	**928.71**	1028.16
(Own Generation Through F.O. based Gen Set)			

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) Modification in polymerization to improve process cost optimization

b) Up-gradation and modification in yarn spinning lines

c) Value added yarns are developing.

d) Continuous monitoring of Equipments efficiency to reduce power consumption

e) Substitution of imported spares with indigenous spares by developing in local markets

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

a) Reduction in wastage and energy consumption.

b) Reduction in cost of power.

c) Strengthening value added product portfolio and improved contribution margin

d) Improvement in QUALITY Rationalization of manufacturing cost

e) Reduction in daily demand by even distribution of daily load

3. Future plan of action

a) Development of new properties in yarns for value addition .

b) Enhancement of productivity of spinning and take-up machines.

c) Energy optimization for process plants

d) Optimization of product process for value added product mix .

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) Replacing local developed spares from costlier imported spares in various imported equipments.

b) Adopting modern tools & techniques in maintenance to reduce down time of machineries

2. Benefits derived as a result of above efforts

a) Improvement in operating performance and reduction in wastage

b) Reduction in cost of production

c) Reduction in energy cost

3. Information regarding technology imported during the last five years

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

III. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

II. Total Foreign Exchange used and earned

(Rs. in Lacs)

	2017-18	2016-17
[a] Foreign Exchange Earnings	**7881.24**	5437.51
[b] Foreign Exchange Outgo	**19284.34**	24631.37

ANNEXURE - 5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2018)

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

I.	**REGISTRATION AND OTHER DETAILS**	
	i) CIN	*L45200GJ1988PLC011049*
	ii) Registration Date	*1st August, 1988*
	iii) Name of the Company	*Sumeet Industries Limited*
	iv) Category/Sub-Category of the Company	*Public Company / Limited by shares*
	v) Address of the Registered office and contact details	*504, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat-395002, Gujarat, India Phone:0261-2328902 Fax:0261-2334189*
	vi) Whether listed company	*Yes*
	vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	*1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059*
II.	**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**	
	All the business activities contributing 10% or more of the total turnover of the company shall be stated	*As per Annexure - A*
III.	**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**	*As per Annexure - B*
IV.	**SHAREHOL DING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**	
	i) Category-wise Share Holding	*As per Annexure - C*
	(ii) Shareholding of Promoters	*As per Annexure - D*
	(iii) Change in Promoters' Shareholding	*As per Annexure - E*
	(iv) Shareholding Pattern of top ten Shareholders(other than Directors, Promoters and Holders of GDRs and ADRs)	*As per Annexure - F*
	(v) Shareholding of Directors and Key Managerial Personnel	*As per Annexure - G*
V.	**INDEBTEDNESS**	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	*As per Annexure - H*
VI.	**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**	
	A. Remuneration to Managing Director, Whole-time Directors and/or Manager	*As per Annexure - I*
	B. Remuneration to other directors	*As per Annexure - J*
	C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD	*As per Annexure - K*
VII	**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**	*As per Annexure - L*

ANNEXURE – A

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	POLYESTER FILAMENT YARN	203-Manufacture of man-made fibres	100%

ANNEXURE – B

PARTICULARS OF HOLDING, SUBSID.IARY AND ASSOCIATE COMPANIES

Sl. No.	*Name And Address of The Company*	*CIN/GLN/ Reg. No.*	*Holding/ Subsidiary/ Associate*	*% of shares held*	*Applicable Section*
1	*SUMEET GLOBAL PTE. LTD.* *7500A Beach Road, #08-313 The Plaza, Singapore 199591*	*201229343C*	*Subsidiary*	*100*	*Sec. 2(87) (ii)*

ANNEXURE – C

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2017)				No. of Shares held at the end of the year (As on 31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	*8862489*	*0*	*8862489*	*15.27*	*9516836*	*0*	*9516836*	*11.48*	*-3.79*
b) Central Govt	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
c) State Govt(s)	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
d) Bodies Corp.	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
e) Banks/FI	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
f) Any Other									
f1) Group Companies	*16255897*	*0*	*16255897*	*28.01*	*18792540*	*0*	*18792540*	*22.67*	*-5.34*
Sub-total (A) (1)	**25118386**	**0**	**25118386**	**43.28**	**28309376**	**0**	**28309376**	**34.14**	**-9.13**
(2) Foreign									
a) NRIs - Individuals	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
b) Other – Individuals	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
c) Bodies Corp.	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
d) Banks / FI	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
e) Any Other									
e1) Group Companies	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
Sub-total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**25118386**	**0**	**25118386**	**43.28**	**28309376**	**0**	**28309376**	**34.14**	**-9.13**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
b) Financial Institutions / Banks	*184061*	*450*	*184511*	*0.32*	*195084*	*450*	*195534*	*0.24*	*-0.08*
c) Central Govt	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
d) State Govt(s)	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
e) Venture Capital Funds	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
f) Insurance Companies	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
g) FIIs	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
h) Foreign Venture Capital Funds	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
i) Others (specify)	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
i1) Foreign Portfolio Investor	*15489*	*0*	*15489*	*0.03*	*0*	*0*	*0*	*0.00*	*-0.03*
Sub-total (B)(1)	**199550**	**450**	**200000**	**0.34**	**195084**	**450**	**195534**	**0.24**	**-0.11**

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	*4907131*	*15480*	*4922611*	*8.48*	*8130112*	*14880*	*8144992*	*9.82*	*1.34*
ii) Overseas	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
b) Individuals			*0*	*0.00*			*0*	*0.00*	*0.00*
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	*15393147*	*2984517*	*18377664*	*31.66*	*23397819*	*2951825*	*26349644*	*31.78*	*0.12*
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	*7720106*	*34050*	*7754156*	*13.36*	*13980172*	*34050*	*14014222*	*16.90*	*3.54*
c) Others									
c1) Clearing Member	*675645*	*0*	*675645*	*1.16*	*4403240*	*0*	*4403240*	*5.31*	*4.15*
c2) Directors/Relatives	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
c3) Non Resident Indians (NRI)	*696359*	*0*	*696359*	*1.20*	*1043330*	*0*	*1043330*	*1.26*	*0.06*
c4) Non Residen Indians (Repat)	*2691*	*0*	*2691*	*0.00*	*153591*	*0*	*153591*	*0.19*	*0.18*
c5) Non Residen Indians (Non Repat)	*121526*	*0*	*121526*	*0.21*	*169282*	*0*	*169282*	*0.20*	*-0.01*
c6) Trusts	*170000*	*0*	*170000*	*0.29*	*130000*	*0*	*130000*	*0.16*	*-0.14*
c7) NBFC registered with RBI	*700*	*0*	*700*	*0.00*	*700*	*0*	*700*	*0.00*	*0.00*
Sub-total (B)(2)	**29687305**	**3034047**	**32721352**	**56.38**	**51408246**	**3000755**	**54409001**	**65.62**	**9.24**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**29886855**	**3034497**	**32921352**	**56.72**	**51603330**	**3001205**	**54604535**	**65.86**	**9.13**
C. Shares held by Custodian for GDRs & ADRs	*0*	*0*	*0*	*0.00*	*0*	*0*	*0*	*0.00*	*0.00*
Grand Total (A+B+C)	**55005241**	**3034497**	**58039738**	**100.00**	**79912706**	**3001205**	**82913911**	**100.00**	**0.00**

ANNEXURE – D

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

Sr. No	NAME	Shareholding at the beginning of the year 01/04/2017			Shareholding at the end of the year 31/03/2018			% Change in shareholding during the year
		Number of Shares	% Shares of the Company*	% of Shares Pledged/ encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Shankarlal Sitaram Somani	3809919	4.60	0.00	3809919	4.60	0.00	0.00
2	Sumeet Shankarlal Somani	1965070	2.37	0.00	1965070	2.37	0.00	0.00
3	Gangadevi Shankarlal Somani	1200000	1.45	0.00	1200000	1.45	0.00	0.00
4	Manisha Sumeet Somani	500000	0.60	0.00	500000	0.60	0.00	0.00
5	Neelam Sushil Somani	150000	0.18	0.00	590013	0.71	0.00	0.53
6	Sumandevi Somani	550000	0.66	0.00	550000	0.66	0.00	0.00
7	Rajkumar Sitaram Somani	360000	0.43	0.00	360000	0.43	0.00	0.00
8	Rakesh Rajkumar Somani	138023	0.17	0.00	0	0.00	0.00	-0.17
9	Ritesh Rajkumar Somani	120977	0.15	0.00	0	0.00	0.00	-0.15
10	Sushil Shankarlal Somani	68500	0.08	0.00	541834	0.65	0.00	0.57
11	Somani Overseas Private Limited	8641928	10.42	0.00	10436928	12.59	4.31	2.16
12	Sitaram Prints Private Limited	3884775	4.69	0.00	2786441	3.36	0.00	-1.32
13	Sumeet Menthol Private Limited	2530000	3.05	0.00	3390000	4.09	0.00	1.04
14	National Poly Yarn Pvt Ltd	575194	0.69	0.00	1595171	1.92	0.00	1.23
15	Betex India Limited	584000	0.70	0.00	584000	0.70	0.00	0.00
16	Ambaji Syntex Pvt Ltd	40000	0.05	0.00	0	0.00	0.00	-0.05
	TOTAL	**25118386**	**30.29**	**0.00**	**28309376**	**34.14**	**4.31**	**3.85**

* Persentage calculated after taking effect of Right Issue in total no. of shares.

ANNEXURE – E

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

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company*	Reason	No. of shares	% of total shares of the company
1	Shankarlal Sitaram Somani					
	At the beginning of the year	3809919	4.60			
	At the end of the year				3809919	4.60
2	Sumeet Shankarlal Somani					

	At the beginning of the year	1965070	2.37			
	At the end of the year				1965070	2.37
3	Sushil Shankarlal Somani					
	At the beginning of the year	68500	0.08			
	24.01.2018	473334	0.57	Bought	541834	0.65
	At the end of the year				541834	0.65
4	Neelam Sushil Somani					
	At the beginning of the year	150000	0.18			
	28.04.2016	440013	0.53	Bought	590013	0.71
	At the end of the year				590013	0.71
5	Gangadevi Shankarlal Somani					
	At the beginning of the year	1200000	1.45			
	At the end of the year				1200000	1.45
6	Manisha Sumeet Somani					
	At the beginning of the year	500000	0.60			
	At the end of the year				500000	0.60
7	Sumandevi Somani					
	At the beginning of the year	550000	0.66			
	At the end of the year				550000	0.66
8	Rajkumar Sitaram Somani					
	At the beginning of the year	360000	0.43			
	At the end of the year				360000	0.43
9	Rakesh Rajkumar Somani					
	At the beginning of the year	138023	0.17			
	24.01.2018	435000	0.52	Bought	573023	0.69
	21.03.2018	410000	0.49	Sold	163023	0.20
	22.03.2018	163023	0.20	Sold	0	0.00
	At the end of the year				0	0.00
10	Ritesh Rajkumar Somani					
	At the beginning of the year	120977	0.15			
	21.03.2018	120977	0.15	Sold	0	0.00
	At the end of the year				0	0.00
11	Sitaram Prints Private Limited					
	At the beginning of the year	3884775	4.69			
	18.08.2017	125000	0.15	Bought	4009775	4.84
	24.01.2018	416666	0.50	Bought	4426441	5.34
	21.03.2018	820000	0.99	Sold	3606441	4.35
	22.03.2018	820000	0.99	Sold	2786441	3.36
	At the end of the year				2786441	3.36
12	National Poly Yarn Pvt Ltd					
	At the beginning of the year	575194	0.69			
	18.08.2017	109000	0.13	Bought	684194	0.83
	24.01.2018	2500000	3.02	Bought	3184194	3.84
	21.03.2018	769023	0.93	Sold	2415171	2.91
	22.03.2018	820000	0.99	Sold	1595171	1.92
	At the end of the year				1595171	1.92
13	Somani Overseas Private Limited					
	At the beginning of the year	8641928	10.42			
	18.08.2017	234000	0.28	Sold	8407928	10.14
	24.01.2018	4000000	4.82	Bought	12407928	14.96
	21.03.2018	820000	0.99	Sold	11587928	13.98
	22.03.2018	820000	0.99	Sold	10767928	12.99
	28.03.2018	331000	0.40	Sold	10436928	12.59
	At the end of the year				10436928	12.59

14	Sumeet Menthol Private Limited					
	At the beginning of the year	2530000	3.05			
	24.01.2018	2500000	3.02	Bought	5030000	6.07
	21.03.2018	820000	0.99	Sold	4210000	5.08
	22.03.2018	820000	0.99	Sold	3390000	4.09
	At the end of the year				3390000	4.09
15	Betex India Limited					
	At the beginning of the year	584000	0.70			
	At the end of the year				584000	0.70
16	Ambaji Syntex Pvt Ltd					
	At the beginning of the year	40000	0.05			
	21.03.2018	40000	0.05	Sold	0	0.00
	At the end of the year				0	0.00

* Persentage calculated after taking effect of Right Issue in total no. of shares.

ANNEXURE – F

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

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company*	No. of shares	% of total shares of the company
1	R K Stockholding Private Ltd				
	At the beginning of the year	2606	0.00		
	Bought during the year	2134118	2.57	2136724	2.58
	Sold during the year	647281	0.78	1489443	1.80
	At the end of the year			1489443	1.80
2	Pragya Securities Pvt.Ltd. -Capital Market Clients' Margin A/C				
	At the beginning of the year	0	0.00		
	Bought during the year	1454191	1.75	1454191	1.75
	Sold during the year	629604	0.76	824587	0.99
	At the end of the year			824587	0.99
3	Motilal Oswal Securities Ltd - Collateral Account				
	At the beginning of the year	281908	0.34		
	Bought during the year	2095842	2.53	2377750	2.87
	Sold during the year	1356567	1.64	1021183	1.23
	At the end of the year			1021183	1.23
4	Globe Capital Market Limited				
	At the beginning of the year	249501	0.30		
	Bought during the year	710193	0.86	959694	1.16
	Sold during the year	416996	0.50	542698	0.65
	At the end of the year			542698	0.65
5	Niraj Rajnikant Shah				
	At the beginning of the year	0	0.00		
	Bought during the year	1260382	1.52	1260382	1.52
	Sold during the year	820637	0.99	439745	0.53
	At the end of the year			439745	0.53

6	Master Capital Services Limited				
	At the beginning of the year	298802	0.36		
	Bought during the year	685399	0.83	984201	1.19
	Sold during the year	550310	0.66	433891	0.52
	At the end of the year			433891	0.52
7	Karvy Stock Broking Limited-Client Account				
	At the beginning of the year	167531	0.20		
	Bought during the year	591809	0.71	759340	0.92
	Sold during the year	308478	0.37	450862	0.54
	At the end of the year			450862	0.54
8	Mudar Patherya				
	At the beginning of the year	245000	0.30		
	Bought during the year	0	0.00	245000	0.30
	Sold during the year	245000	0.30	0	0.00
	At the end of the year			0	0.00
9	IL and FS Securities Services Limited				
	At the beginning of the year	240788	0.29		
	Bought during the year	766741	0.92	1007529	1.22
	Sold during the year	660348	0.80	347181	0.42
	At the end of the year			347181	0.42
10	Madhusudan Motilal Kabra				
	At the beginning of the year	227000	0.27		
	Bought during the year	190284	0.23	417284	0.50
	Sold during the year	149807	0.18	267477	0.32
	At the end of the year			267477	0.32

* Persentage calculated after taking effect of Right Issue in total no. of shares.

ANNEXURE – G

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

(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Directors/KMP	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	No. of shares	**% of total shares of the company***	**No. of shares**	**% of total shares of the company**
Shankarlal Sitaram Somani - Chairman				
At the beginning of the year	*3809919*	*4.60*		
Bought during the year	*0*	*0.00*	*3809919*	*4.60*
Sold during the year	*0*	*0.00*	*3809919*	*4.60*
At the end of the year			*3809919*	*4.60*
Sumeet Shankarlal Somani - MD				
At the beginning of the year	*1965070*	*2.37*		
Bought during the year	*0*	*0.00*	*1965070*	*2.37*
Sold during the year	*0*	*0.00*	*1965070*	*2.37*
At the end of the year			*1965070*	*2.37*

Gangadevi Shankarlal Somani - Director				
At the beginning of the year	*1200000*	*1.45*		
Bought during the year	*0*	*0.00*	*1200000*	*1.45*
Sold during the year	*0*	*0.00*	*1200000*	*1.45*
At the end of the year			*1200000*	*1.45*

* Persentage calculated after taking effect of Right Issue in total no. of shares.

The following directors/KMP did not hold any shares during the financial year 2017-18

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

ANNEXURE – H

V. INDEBTEDNESS

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

(Rs. in Lakh)

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	*40633.01*	*6785.69*	*6.48*	*47425.18*
ii) Interest due but not paid				
iii) Interest accrued but not due	*144.86*	-	-	*144.86*
Total (i+ii+iii)	*40777.87*	*6785.69*	*6.48*	*47570.04*
Change in Indebtedness during the financial year				
· Addition	*10753.09*	-	-	*10753.09*
· Reduction	*12784.07*	*2782.75*	*200.00*	*15766.82*
Net Change	*-2030.98*	*-2782.75*	*-200.00*	*-5013.73*
Indebtedness at the end of the financial year				
i) Principal Amount	38547.43	*3804.94*	*4.48*	*42356.85*
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	*199.45*	-	-	*199.45*
Total (i+ii+iii)	*38746.88*	*3804.94*	*4.48*	*42556.30*

ANNEXURE – I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Sumeet Kumar Somani
1	*Gross salary*	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	*5.40*
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	*Stock Option*	-
3	*Sweat Equity*	-
4	*Commission*	*2.10*
	- as % of profit	-
	- others	-
5	*Others*	-
	Total (A)	*7.50*
	Ceiling as per the Act @10% of profit calculated u/s. 198 of the Companies Act,2013	-

ANNEXURE – J

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to Other Directors (Non-Executive):

(Rs. in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Shankarlal Somani	Bhagchand Chordia*	Atmaram Sarda	Dinesh Sharan Khare	Gangadevi Somani	Dipesh Dasadia	Abhishek Desai	Manoj Jain**	
1	Non-Executive Directors:									
	Fee for attending Board committee meetings	-	-	-	-	-	-	-	-	-
	Commission	19.00	-	-	4.66	-	-	-	-	23.66
	Sitting Fees	4.50	1.20	4.20	4.50	4.50	1.80	1.80	1.80	24.30
	Professional fees	-	10.74	6.46	-	-	-	-	-	17.20
	Total	**23.50**	**11.94**	**10.66**	**9.16**	**4.50**	**1.80**	**1.80**	**1.80**	**65.16**
2	Total Managerial Remuneration									65.16
3	Ceiling as per the Act @1% of profit calculated u/s. 198 of the Companies Act,2013									-

*Mr. Bhagchand Chordia has resigned as Professional Director of the company w.e.f. June 29, 2017

** Mr. Manoj Jain has been appointed as an Independent Director of the company w.e.f. June 29, 2017.

ANNEXURE – K

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. In Lacs)

Sl. no.	*Particulars of Remuneration*	*Key Managerial Personnel*		
		Anil Kumar Jain (Company Secretary)	*Abhishek Prasad* (C.F.O.)*	*Total*
1	*Gross salary* *(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961* *(b) Value of perquisites u/s 17(2) Income-tax Act, 1961* *(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961*	*10.61* - -	*8.70* - -	*19.31* - -
2	*Stock Option*	-	-	-
3	*Sweat Equity*	-	-	-
4	*Commission* *- as % of profit* *- others*	- -	- -	- -
5	*Others*	-	-	-
	Total	*10.61*	*8.70*	*19.31*

* Mr. Sumeet Kumar Somani has vacated the post of C.F.O. after appointing him as Managing Director of the company w.e.f. 1st Day of April ,2017 and Mr. Abhishek Prasad has been appointed as C.F.O. of the company.

ANNEXURE – L

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

A. Company

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compunding fees imposed	authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
Penalty	-	The SEBI has imposed penalty exercising power conferred under Section 15-I of the SEBI Act, 1992 and Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudication officer) Rules, 1995 for violation of Regulation 3 (b),(c),(d) and 4(1), 4(2) (a), (d), (e), (f) and (r) of PFUTP Regulations read with Section 12A (a) (b) & (c) of the SEBI Act vide order No. IVD/SIL/AO/DRK-CS/EAD-3/473-486/16-29-14 dated 20.02.2014 by Adjudicating Officer	*Rs. 200.00 Lacs*	*SEBI*	The Hon'ble Securities Appellate Tribunal (SAT) has by an order dated June 30, 2016 set aside the order of the adjudication officer of SEBI dated February 20, 2014 against the Company and some of its promoters and has remanded back the same for fresh orders on merits.
Compounding	-	-	-	-	-

B. DIRECTORS

Penalty	-	The SEBI has issued show cause notice under Section 11(4)(d) read with Section 11 B of the SEBI Act , 1992 vide Letter dated 05/04/2018 for disgorgement of unlawful gain by its Director	Mr.Shankarlal Somani Rs. 53.61 Lacs	SEBI	Matter is under sub-judice
Compounding	-	-	-	-	-

C. OTHER OFFICERS IN DEFAULT

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

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE – 6 (i)

Nomination & Remuneration and Evaluation Policy (Framed under Section178(3) of Companies Act, 2013 & the Listing Agreement)

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

"Key Managerial Personnel (KMP) means—

(i) Managing Director;

(ii) Company Secretary,

(iii) Whole-time Director;

(iv) Chief Financial Officer; and

(v) Such other Officer as may be prescribed.

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

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

1. PREAMBLE

1.1 Sub-section (3) of Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

1.2 Section 178 of the Companies Act, 2013 has been made effective from April 1, 2014 by the Central Government by notification no. S.O. 902(E) issued on March 26, 2014. Therefore this Nomination and Remuneration Policy ("the Policy") has been framed in compliance with the provisions of the Act and Rules made under the Act.

1.3 The Policy provides a framework for remuneration to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "**Executives**").

The expression ''senior management'' means employees of Company who are members of its core management team excluding directors comprising all members of management one level below the executive directors, including the functional heads.

1.4 The existing Remuneration Committee of the Board of Directors has been re-named as Nomination and Remuneration Committee ("the Committee or NRC") so as to comply with the provisions of Section 178(1) of the Act. The Members of the Committee shall be appointed by the Board and shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.

1.5 This Policy will be called " SIL Nomination & Remuneration Policy" and referred to as "the Policy".

1.6 The Policy will be reviewed at such intervals as the Nomination and Remuneration Committee will deem fit.

2. OBJECTIVES

2.1 The objectives of the Policy are as follows:

2.1.1 To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.

2.1.2 To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.

2.1.3 To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

2.1.4To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay for performance" principle.

2.1.5To ensure that remuneration to directors, KMP and senior management employees of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

3. ACCOUNTABILITIES

3.1 The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

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

4. PRINCIPLES OF REMUNERATION

4.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, and supports and reinforces the achievement of the Company's vision and strategy.

4.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

4.3 Internal equity: The Company shall remunerate the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

4.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

4.5 Flexibility: Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other laws.

4.6 Performance-Driven Remuneration: The Company shall establish a culture of performance-driven remuneration through the implementation of the Performance Incentive System.

4.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

5.1 reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;

5.2 identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;

5.3 recommending to the Board on the selection of individuals nominated for directorship;

5.4 making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;

5.5 assessing the independence of independent directors;

5.6 such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act, 2013 and Rules thereunder.

5.7 to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

5.8 ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

5.9 to devise a policy on Board diversity;

5.10 to develop a succession plan for the Board and to regularly review the plan;

The Nomination and Remuneration Committee comprises of the following:

a) The Committee shall consisting of minimum four members out of that there will be minimum three non-executive directors and majority of them being independent.

b) Minimum two (2) members shall constitute a quorum for the Committee meeting.

c) Membership of the Committee shall be disclosed in the Annual Report.

d) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

a) Chairman of the Committee shall be an Independent Director.

b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

c) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

COMMITTEE MEMBERS' INTERESTS

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

The Committee shall :-

i) review the ongoing appropriateness and relevance of the Policy;

ii) ensure that all provisions regarding disclosure of remuneration, including pensions, leave encashment, gratuity, etc. are fulfilled;

iii) obtain reliable, up-to-date information about remuneration in other companies;

iv) ensure that no director or executive is involved in any decisions as to their own remuneration.

6. PROCEDURE FOR SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

6.1 Board membership criteria:

6.1.1 The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

6.1.2 In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

6.1.3 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

7. PROCEDURE FOR SELECTION AND NOMINATION OF KMP AND SMPS

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

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

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

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

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

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

(i) REMUNERATION:

a) Base Compensation (fixed salaries):

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

b) Variable salary:

The NRC may in its discretion structure any portion of remuneration to link rewards to corporate

and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

(ii) Statutory Requirements:

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

8.1 The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

8.2 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

8.3 The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

9. EVALUATION/ ASSESSMENT OF DIRECTORS/ KMPS/SENIOR OFFICIALS OF THE COMPANY

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

- Leadership & stewardship abilities
- contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.
- review & approval achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs, senior officials

- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

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

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

10. APPROVAL AND PUBLICATION

10.1 This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

10.2 The Policy shall form part of Director's Report as required under Section 178(4) of the Companies Act, 2013.

11. SUPPLEMENTARY PROVISIONS

11.1 This Policy shall formally be implemented from the date on which it is adopted by the Board of Directors.

11.2 Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations, the Company's Articles of Association.

11.3 The right to interpret this Policy vests in the Board of Directors of the Company

On behalf of the Board of Directors
Sd/-
Shankarlal Somani
Chairman

Place : Surat
Date : 22nd June, 2018

ANNEXURE – 6 (ii)

BOARD DIVERSITY POLICY

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

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

PURPOSE

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

SCOPE OF APPLICATION

The Policy applies to the Board.

POLICY STATEMENT

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

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

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

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

OPTIMUM COMPOSITION

(a) The Board shall have an optimum combination of executives and non- executive directors and not less than fifty per cent of the Board of directors comprising non- executive directors.

(b) At least half of the Board should comprise of independent directors (where the chairman of the Board is executive or promoter) or at least one-third of the Board consisting of independent directors (where the chairman of the Board is non-executive).

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

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

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

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

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

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

REVIEW OF THE POLICY

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

On behalf of the Board of Directors
Sd/-
Shankarlal Somani
Chairman

Place : Surat
Date : 22nd June, 2018

CORPORATE GOVERNANCE REPORT

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

i) To enhance shareholders' value

ii) To comply applicable law, guidelines, rules and regulations

iii) To excel in customer satisfaction

iv) To ensure ethical corporate conduct

v) To maintain high degree of disclosure levels

vi) To concern for environment and sustainable development

2. BOARD OF DIRECTORS

COMPOSITION OF DIRECTORS

SUMEET INDUSTRIES LTD is having 8 Directors on its Board consisting of 2 Executive and 6 Non-Executive. None of the directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees, across all the Companies in which they are directors.

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

Name of Directors & DIN No.	Category of the Director	Attendance of Board Meeting	Attendance of Last AGM	No. of other Directorships/ Committee Memberships/ Chairmanships*		
				O.D.	C.M.	C.C.
Mr. Shankarlal Somani DIN : 00165238	Executive Chairman	15	Yes	3	-	-
Mr. Sumeet Kumar Somani DIN : 00318156	Executive- Managing Director	15	Yes	8	2	-
Mr. Dinesh Sharan Khare DIN : 00383743	Non-Executive Independent	15	Yes	-	-	3
Mr. Atmaram R Sarda DIN : 06713264	Non-Executive	14	Yes	-	1	-

Mrs. Gangadevi Somani DIN : 06913790	Non-Executive	15	Yes	-	-	-
Mr. Dipesh Dasadia DIN : 01048684	Non-Executive Independent	6	No	2	3	-
Mr. Abhishek B. Desai DIN : 07790468	Non-Executive Independent	6	Yes	-	3	-
Mr. Manojkumar Jain DIN : 03546851	Non-Executive Independent	6	Yes	1	-	-
Mr. Bhagchand Chordia # DIN : 00165398	Non-Executive	4	No	-	-	-

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

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

As on 31st March, 2018, out of 8 Directors, 3 Directors are related Directors viz : Mr. Shankarlal Somani, Mr. Sumeet Shankarlal Somani and Mrs. Gangadevi Shankarlal Somani are related to each other.

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

INFORMATION GIVEN TO THE BOARD

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

INDEPENDENT DIRECTORS

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

TRAINING OF INDEPENDENT DIRECTORS

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

PERFORMANCE EVALUATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

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

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

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

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors are required to meet at least once in every financial year without the presence of Executive Directors or management personnel. Independent Directors meeting conducted on dated 12th February, 2018 to Independent Directors discussed on matters pertaining to the Company's affairs and proposed various suggestions for improving the performance of the company.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

Purpose

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

Overview of the Familiarisation process

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

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

Review

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

CODE OF CONDUCT

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

NO. OF BOARD MEETINGS HELD AND DATES

During the Financial Year 2017-18, the Board meeting has been held for 15 times.

The Dates of the Board Meetings are :

01.	18.04.2017	06.	21.07.2017	11.	01.12.2017
02.	24.04.2017	07.	03.08.2017	12.	08.12.2017
03.	18.05.2017	08.	08.08.2017	13.	24.01.2018
04.	01.06.2017	09.	17.10.2017	14.	14.02.2018
05.	29.06.2017	10.	15.11.2017	15.	30.03.2018

3. COMMITTEES OF THE BOARD

I) AUDIT COMMITTEE

The Audit committee now comprises of four members viz; Mr. Dinesh Sharan Khare, Mr. Sumeet Shankarlal Somani, Mr. Dipesh Dasadia and Mr. Abhishek B. Desai, consisting of 1 Executive Director and 3 Non-Executive and Independent Directors. Mr. Dinesh Sharan Khare is the Chairman of the Audit Committee. The constitution of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Committee members have requisite experience in the fields of Finance & Accounts and Banking & Management. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the Audit Committee.

During the financial year Audit Committee meetings were held on 15th May 2017, 5th August 2017, 17th August 2017, 17th October 2017, 4th November 2017, 13th November 2017, 27th December 2017, 15th January 2018, 12th February 2018 and 15th March, 2018. Composition of Audit Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Dinesh Sharan Khare	Chairman	Non-Executive	10	10
02.	Mr. Sumeet Shankarlal Somani	Member	Executive	10	10
03.	Mr. Dipesh Dasadia	Member	Non-Executive	10	10
04.	Mr. Abhishek B. Desai	Member	Non-Executive	10	10

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

1) Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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

II) NOMINATION AND REMUNERATION COMMITTEE

A) Composition

The Nomination and Remuneration Committee now comprises of four members viz; Mr. Dinesh Sharan Khare, Mr. Atmaram Sarda, Mr. Dipesh Dasadia and Mr. Abhishek B. Desai, consisting of 4 Non-Executive Directors. Mr. Dinesh Sharan Khare is the Chairman of the Nomination and Remuneration Committee.

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

B) Meetings and attendance during the year

During the financial year Three meeting of Nomination and Remuneration Committee were held on 12th April 2017, 29th June 2017 and 31st March 2018. Composition of Nomination and Remuneration Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Dinesh Sharan Khare	Chairman	Non-Executive	3	3
02.	Mr. Atma Ram Sarda	Member	Non-Executive	3	3
03.	Mr. Dipesh Dasadia	Member	Non-Executive	3	3
04.	Mr. Abhishek B. Desai	Member	Non-Executive	3	3

C) Remuneration policy :

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

D) Details of Remuneration of Executive Directors for the Financial Year 2017-18

The following are the details of remuneration paid to the Executive Director for the financial year 2017-18.

Sr. No.	Name of the Director	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)
01.	Mr. Sumeet Kumar Somani	5,40,000.00	2,10,000.00	-

E) Details of Remuneration of Non-Executive Directors for the Financial Year 2017-18

The following are the details of remuneration paid to Non-Executive Director for the financial year 2017-18.

Sr. No.	Name of Non-Executive (Director)	Sitting Fees (In Rupees)	Commission (In Rupees)	Professional Fees (In Rupees)
1.	Mr. Shankarlal Somani	4,50,000	19,00,000	
2.	Mr. Bhagchand Chordia *	1,20,000	-	10,74,120
3.	Mr. Atma Ram Sarda	4,20,000	-	6,46,128
4.	Mr. Dinesh Sharan Khare	4,50,000	4,65,664	-
5.	Mrs. Gangadevi Shankarlal Somani	4,50,000	-	-
6.	Mr. Dipesh Dasadia	1,80,000	-	-
7.	Mr. Abhishek Desai	1,80,000	-	-
8.	Mr. Manoj Jain**	1,80,000	-	-

* Mr. Bhagchand Chordia has resigned as Director of the company w.e.f. June 29, 2017.

** Mr. Manoj Jain has been appointed as Independent Director of the company w.e.f. June 29, 2017.

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

F) Terms of reference

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

i) 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.

ii) Formulation of criteria for evaluation of Independent Directors and the Board;

iii) 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.

iv) To frame company's policies for compensation and benefits for Executive Directors.

v) To review HR Polices and initiatives.

III) STAKEHOLDERS RELATIONSHIP COMMITTEE

A) Composition

The Stakeholders Relationship Committee now comprises of four members viz; Mr. Dinesh Sharan Khare, Mr. Sumeet Shankarlal Somani, Mr. Dipesh Dasadia and Mr. Abhishek B. Desai, consisting of one Executive Director and three Non-Executive Directors. Mr. Dinesh Sharan Khare is the Chairman of the Stakeholders Relationship Committee.

B) Terms of Reference

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

C) Meetings and Attendance during the year

During the financial year Thirty meetings of Stakeholders Relationship Committee were held on 05.05.2017, 19.05.2017, 30.05.2017, 02.06.2017, 16.06.2017, 23.06.2017, 04.07.2017, 07.07.2017, 21.07.2017, 04.08.2017, 18.08.2017, 01.09.2017, 22.09.2017, 29.09.2017, 03.10.2017, 06.10.2017, 27.10.2017, 03.11.2017, 10.11.2017, 14.11.2017, 18.12.2017, 29.12.2017, 05.01.2018, 19.01.2018, 25.01.2018, 02.02.2018, 09.02.2018, 06.03.2018, 16.03.2018 and 30.03.2018.

Composition of Stakeholders Relationship Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Dinesh Sharan Khare	Chairman	Non-Executive	30	30
02.	Mr. Sumeet Shankarlal Somani	Member	Executive	30	30
03.	Mr. Dipesh Dasadia	Member	Non-Executive	30	30
04.	Mr. Abhishek B. Desai	Member	Non-Executive	30	30

D) Compliant Status

Number of complaints/requests received from the shareholders during the financial year 2017-18 and the number of pending complaints is given below :

Compliant received during the year 2017-2018	50
Complaint pending as on 31/03/2018	NIL
Number of pending shares transfer as on 31/03/2018	NIL

The Stakeholders' Relationship Committee's composition and the terms of reference meet with requirements Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013. The Committee meets as and when need. All the requests for share transfer etc. were processed and the related share certificates were dispatched within 15 days from the date of receipt.

IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

A) Composition

The Corporate Social Responsibility Committee now comprises of three members viz; Mrs. Gangadevi Shankarlal Somani, Mr. Sumeet Kumar Somani and Mr. Dinesh Sharan Khare. Mrs. Gangadevi Shankarlal Somani is the Chairman of the Corporate Social Responsibility Committee.

B) Terms of Reference

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

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

ii) To recommend the amount of expenditure to be incurred on the CSR activities;

iii) To monitor the Corporate Social Responsibility Policy of the Company from time to time;

iv) To prepare a transparent monitoring mechanism for ensuring implementation of the project/ programmes/activities proposed to be undertaken by the Company.

C) Meeting and attendance during the year

During the year, two meetings of Corporate Social Responsibility Committee (CSR) were held on 05.06.2017 and 08.01.2018. The number of meetings held and number of meetings attended by the members during the year are as given below :-

Sr. No.	Name of Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mrs. Gangadevi Somani	Chairman	Non-Executive	2	2
02.	Mr. Sumeet Kumar Somani	Member	Executive	2	2
03.	Mr. Dinesh Sharan Khare	Member	Non-Executive	2	2

4. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

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

5. GENERAL INFORMATION TO THE SHAREHOLDERS

(I) GENERAL BODY MEETING

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

Sr. No.	AGM DATE	Location	Time
1.	30/09/2017	Conference Hall, Bombay Market, Umarwada, Surat	10:00 A.M.
2.	30/09/2016	Shree Maheshwari Bhavan, First Floor Hall, Near Science Centre, City Light, Surat	10:00 A.M.
3.	30/09/2015	Conference Hall, Bombay Market, Umarwada, Surat	10:00 A.M.

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

YEAR 2015-16

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

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

(IV) SHAREHOLDING AS ON 31ST MARCH, 2018

A) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

Distribution Range			No. of Shareholders	% of Total	No. of Shares	% of Total
1	To	5000	35121	75.08	6323652	7.63
5001	To	10000	5048	10.79	4212075	5.08
10001	To	20000	2964	6.34	4628958	5.58
20001	To	30000	1134	2.42	2934003	3.54
30001	To	40000	529	1.13	1935972	2.33
40001	To	50000	521	1.12	2454831	2.96
50001	To	100000	736	1.57	5504618	6.64
100001	To	9999999999	723	1.55	54919802	66.24
TOTAL == >			**46776**		**82913911**	**100.00**

B) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018

Category	No. of Shares Held	% of Shareholding
Promoters & Promoter Group	28309376	34.14
Corporate Bodies	8144992	9.82
Clearing Member	4403240	5.31
Non Resident Indians (NRI'S)	1366203	1.65
Indian Public & Others	40690100	49.08
TOTAL	**82913911**	**100.00**

(V) MARKET PRICE DATA

Month wise High, Low price and volume data for the F.Y. 2017-18 at BSE & NSE are as under :

Month	BSE			NSE		
	High	Low	Total Volume	High	Low	Total Volume
Apr-17	38.95	32.10	2847713	38.95	32.10	10314747
May-17	45.10	32.05	7417436	45.10	32.20	29004737
Jun-17	33.90	29.55	1714144	33.90	29.70	7034687
Jul-17	39.00	30.30	2409197	37.10	29.70	11226628
Aug-17	35.30	25.60	1226176	35.50	23.60	5863901
Sep-17	34.50	28.50	1594674	34.50	28.20	6934737
Oct-17	32.80	28.40	984705	32.90	27.00	5032316
Nov-17	35.70	30.30	2809152	35.85	30.20	9659911
Dec-17	33.85	28.40	2808125	33.90	28.35	13093656
Jan-18	39.45	27.50	6726930	39.50	27.45	29976253
Feb-18	28.40	23.45	2205629	28.45	23.25	10982489
Mar-18	27.05	13.60	9826535	27.10	13.30	53696393

(VI) ANNUAL GENERAL MEETING (TENTATIVE)

Date : 29/09/2018, Saturday

Time : 10:00 A.M.

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

(VII) FINANCIAL CALENDAR (TENTATIVE)

Annual General Meeting	:	September, 2018
Results for quarter ending June 30, 2018	:	on or before 14th August, 2018
Results for quarter ending Sept 30, 2018	:	on or before 14th November, 2018
Results for quarter ending Dec 31, 2018	:	on or before 14th February, 2018
Results for quarter ending March 31, 2019	:	on or before 30th May, 2019

(VIII) SHARE TRANSFER SYSTEM :

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

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

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

(IX) 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, 2018 about 96.38% 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.

(X) 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.

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

(XII) BOOK CLOSURE:-

The books will be closed from from Saturday, 22nd day 2018 to Saturday, 29th September, 2018 (both days inclusive). as annual closure for the purpose of Annual General Meeting.

(XIII) DIVIDEND DATE: - NIL

(XIV) LISTING:-

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

STOCK CODES :

BSE : 514211

NSE : SUMEETINDS

ISIN No. : INE235C01010

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

(XV) BUILD UP OF EQUITY SHARE CAPITAL

Date of Allotment	Reason for Allotment	No. of Equity Shares Issued	Face Value (Rs.)	Cumulative Share	Cumulative paid-up Capital (Rs. 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
24.01.2018	Right Issue 3:7	24874173	10.00	8,29,13,911	82,91,39,110.00
* Record Date					

(XVI) UNCLAIMED DIVIDED :

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

Financial year	Date of Declaration	Due Date for transfer to IEPF *
2010-11	26.09.2011	2nd November, 2018
2011-12	28.09.2012	5th November, 2019

*Actual dates of transfer to IEPF may vary.

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

(XVII) NOMINATION :

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

(XVIII) NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS) :

The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Audited/Un-audited Financial Results, Reconciliation of Share Capital Audit Report, Announcements and Intimations etc. are filed electronically on NEAPS.

(XIX) BSE CORPORATE COMPLIANCE & LISTING CENTRE (THE 'LISTING CENTRE'):

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, Audited/Un-audited Financial Results, Reconciliation of Share Capital Audit Report, Announcements and Intimations etc. are also filed electronically on the Listing Centre.

(XX) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

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

(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), Texturised Yarn and Carpet 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

Mail : corporate@sumeetindustries.com

(XXIII) REGISTRARS AND SHARE TRANSFER AGENTS :

M/S. Bigshare Services Pvt. Ltd.

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

Ph. : (022) 62638200

Fax : (022) 62638299

(XXIV) MEANS OF COMMUNICATION

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

(XXV) ADDRESS FOR CORRESPONDENCE:

Unit : Sumeet Industries Limited

Investor Correspondence : Bigshare Services Pvt. Ltd.

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

Ph. : 022 62638200

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

   M/S. Bigshare Services Pvt. Ltd.

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

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

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

   M/s. Sumeet Industries Limited,

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

   Phone : 0261- 2328902, Fax : 0261- 2334189

   Mail : corporate@sumeetindustries.com

6. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

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

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

7. CEO AND CFO CERTIFICATIONS

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

8. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the Company, M/s Pamita Doshi & Co., Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to the Directors' Report forming part of the Annual Report.

9. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has instituted a comprehensive code of conduct for its directors, management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the company can trade in the shares of the company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism (Whistle Blower) Policy in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism shall provide adequate safeguards against victimization of Director(s) / Employee(s), who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of establishment of the vigil mechanism disclosed by the Company on its website.

11. DECLARATION UNDER CODE OF CONDUCT

As required under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board members and senior management personnel have complied with code of conduct of the Company for the financial year ended on 31st March, 2018.

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

This is to certify that as provided under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2018.

For Sumeet Industries Limited

Place : Surat **Shankarlal Somani**

Dated : 22/06/2018 **Chairman**

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of

Sumeet Industries Limited

I have examined the compliance of conditions of Corporate Governance by Sumeet Industries Limited ("the Company") for the year ended on 31 March 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For, PAMITA DOSHI & CO

Chartered Accountants

Firm No. 141976W

PAMITA DOSHI

Proprietor

M. NO. 141320

Place : Surat

Date : 22/06/2018

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

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

To the Board of Directors of Sumeet Industries Limited

Dear Sirs,

Sub. MD / CFO Certificate

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

(a) We have reviewed the financial statements, and the cash flow statement of Sumeet Industries Limited for the year ended March 31, 2018 and that to the best of our knowledge and belief, we state that:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to take for rectifying these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that :

  (i) there are no significant changes in internal control over financial reporting during the year;

  (ii) there are no significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and

  (iii) there are no instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For SUMEET INDUSTRIES LIMITED

Sumeet Shankarlal Somani
Managing Director
(DIN : 00318156)

Abhishek Prasad
Chief Financial officer

Place : Surat

Date : 22.06.2018

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

GLOBAL ECONOMY

Globally, economic recovery gathered momentum with FY 2017-18 across developed and emerging markets with favourable financial conditions and firming commodity prices. Many developed economies witnessed recovery in investments and domestic demand. According to the International Monetary Fund (IMF), annual global GDP growth is expected to have expanded by 3.8% in 2017 and global merchandise trade volume expanded to 4.9%, during the same time period. The improvements were driven by revival of global demand, especially capital spending. On the inflation front, both advanced and emerging economies witnessed a controlled increase primarily due to the rise in crude oil prices. Tax policy reforms in the US is likely to have a positive impact on its economy as experts project a higher rate of growth in FY 2018-19. During the same period Asian economies are expected to grow at 6.5%. The Latin American economies are predicted to advance at 2.9% in FY 2018-19 on the back of strengthening commodity prices. While the economies of the Middle East and North Africa (MENA) are expected to accelerate owing to stronger oil prices. Amongst the larger economies, China witnessed a gradual slowdown in the economic activity but continued to grow in line with expectations. World GDP growth as estimated by the IMF touched 3.8% in 2017, the highest since 2011.

Crude oil prices increased in 201, despite a further rebound in American rig counts and growing efficiency gains in shale oil production. In 2017, oil prices recovered in June and hovered US$60 per barrel. Metal prices rose sharply, on the back of China's strong demand-supply restrictions. Agricultural commodity prices, which stabilised in 2017, are anticipated to make only marginal gains in 2018 as global stocks remain at multi-year highs.

Global Economic growth in the past five years

Year	2014	2015	2016	2017 (E)	2018 (F)	2019 (F)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

Source : World Economic Outlook, January 2018 (E : Estimated , F : Forecasted)

INDIAN ECONOMY

In terms of economic performance in the year under consideration, India stood tall amongst its global peers and continues to have a significant growth promise in the future. During the year under review, there were several structural reforms implemented in the country including the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code amongst others. These structural initiatives are important for enhancing the country's future competitiveness.

With an improving business ecosystem, stable macroeconomic indicators and a liberal FDI regime ,foreign capital inflow has provided impetus to the domestic economy. According to World Bank's Global Economic Prospects report, India's GDP is expected to rise to 7.4% in FY 2018-19 and 7.8% in FY 2019-20.

KEY GOVERNMENT INITIATIVES

Bank recapitalisation scheme: The Central Government announced a capital infusion of Rs. 2.1 lakh Crores in public sector banks. The measure entailed a budgetary allocation of Rs. 76,000 Crores by the Central Government, while the remaining amount is to be raised by the sale of recapitalisation bonds. (Source: KPMG)

- Expanding road network : To boost India's road infrastructure and jobs, the Indian Government announced a Rs. 6.9 lakh Crores investment outlay to construct 83,677 kilometres of road network over five years. The ambitious programme is expected to generate 14.2 crore person-day jobs for the country. (Source: KPMG)
- Improving business ecosystem : The country was ranked at the 100th position in the World Bank's Ease of Doing Business Index in 2018, registering an improvement of 30 places. The jump was a result of the Central Government's pro-reform agenda, comprising the passing of the Insolvency and Bankruptcy Code, simplification of the tax computation and merging of applications for PAN and TAN. In addition, Aadhaar-based identification could help overcome regulatory challenges. (Source: KPMG)

- Goods and Services Tax : The Government of India overhauled the indirect tax regime and launched the GST in July 2017 to create a unified market. Under this regime, various goods and services are to be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). To reduce the short term inflation resulting from the introduction of the GST, the GST Council cut tax rates on more than 250 goods and services by moving them to lower tax slabs. Post-GST implementation, India's tax net expanded, reflected in a 50% increase in unique indirect taxpayers. (Source: KPMG)

GLOBAL TRADE SCENARIO

World merchandise trade volume grew to 4.7% in 2017, from 1.8% in 2016, led by rising import demand across geographies, particularly Asia. Given strong global economic performance and supportive government policies, growth in the volume of world merchandise trade is forecast to remain strong in 2018 and 2019, after exhibiting the largest increase in six years in 2017. Global merchandise trade volume is forecast to grow 4.4% in 2018, driven by increased investment and fiscal expansion.

	2016	2017	2018 (P)	2019 (P)
Growth in Volume of world merchandise trade	1.8	4.7	4.4	4.0

P : Projections (Source: World trade organisation (WTO))

DOMESTIC INDUSTRY SCENARIO

India's textile industry is currently estimated at around USD 150 billion and is likely to reach USD 250 billion by 2022. Its overall textile exports during FY 2017-18 stood at USD 37.74 billion (Source: IBEF). It is further expected to grow at a CAGR of 13.58% (E) between 2009 and 2019. The sector has witnessed a spurt of investment during the last few years and attracted Foreign Direct Investment (FDI) worth USD 2.82 billion between April 2000 and December 2017. Besides, government initiatives like allowing 100% FDI under the automatic route is likely to bolster the segment further (Source: IBEF).

INDIAN TEXTILE INDUSTRY

Textile plays a major role in the Indian economy. It contributes 14% to industrial production and 4% to GDP. With over 45 million people, the industry is one of the largest sources of employment generation in the country.

The size of India's textile market, as of July 2017, was around US$ 150 billion. It is expected to touch US$ 250 billion by the year 2019, growing at a CAGR of 13.58% between 2009- 2019E.

Exports have been a core feature of India's textile sector. The Indian textiles export market, estimated at $18 billion,is expected to grow at a CAGR of 4% compared to the global CAGR of 3% over 2016-26.

The fundamental strength of the textile industry is its strong production base of wide range of fibre and yarns from natural fibres like cotton, jute, silk and wool to synthetic and manmade fibres such as polyester, viscose, nylon and acrylic. The challenge here is the fluctuation in prices of the raw materials like wool and increase in oil prices which increase the input costs.

INDIAN POLYESTER INDUSTRY

The global demand for polyester fibres was dominated by polyester yarn in 2017. Polyester sector witnessed healthy recovery during the year as compared to the challenging market environment in the previous year. Integrated Polyester chain margins were on an uptrend throughout the year.

FY. 2017-18 polyester demand growth remained moderate, with PET (+5%), Polyester Filament Yarn (+4%) and Polyester Staple Fibre (-3%) y-o-y. Domestic cotton prices largely remained stable y-o-y owing to tight availability, which was favourable for polyester blending.

Polyester markets remain subdued due to introduction of GST regime in the first half of the year, resulting in weaker demand and low operating rates. Demand revived post stabilisation of the GST regime, but there was a sharp increase in imports due to higher GST rates on domestic production. Higher tax rates across the polyester chain also resulted in the shutdowns of textile units. Domestic markets were also impacted by the increase in imports of fabrics after the implementation of GST as almost all categories of imports increased compared to pre-GST levels.

Moreover, Polyester industry has been witnessing a gradual shift in the value chain. Now, the Polyester industry dynamics has shifted to 'melt to PTY' compared to earlier 'melt to POY' as most of the PTY producers have backward integrated to POY. Margins for the year improved across the polyester and intermediaries business, leading to a 5 year high chain margin across the polyester chain.

RAW MATERIAL SCENARIO

PURIFIED TEREPHTHALIC ACID (PTA):

The PTA price varied between US$ 613 pmt to US$ 773 pmt. The increase was due to shutting down of inefficient PTA capacities in China and elsewhere, as well as good performance by the downstream polyester industry. Tightening of the PTA market also resulted in increase in the average PTA-PX Delta to US$ 89 pmt. From about US$ 68 pmt. in FY 2016-17.

MONO ETHYLENE GLYCOL (MEG) :

The MEG price varied between US$ 718 pmt. to US$ 1021 pmt. The MEG-Ethylene Delta increased to US$ 209 pmt. from US$ 83 pmt. in FY 2016-17. Significant increase in price of MEG as well as MEG Ethylene Delta took place, due to tightness in the MEG market (led by shutdowns at plants in the Middle East and elsewhere) as well as speculative tendencies in China.

BUSINESS OVERVIEW

The company has shown mixed performance the year under review due to business re-engineering work undertaken in the previous year , diversification in product portfolio in value added products. During first half of the financial year 2016-17 operational performance was badly effected due to GST implication and resulting company's earning for the year 2017-18 was also effected to an extent.

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

Our teams remain guided by our corporate values while exploring avenues to drive profitable growth . We intend to continue our investments , with a focus on the most strategic options to reinforce our products both in domestic and international markets.

The company is enhancing its capacity by focusing on speciality and value added yarns with the simple objective of catering to a wide customer spectrum.

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

Name of the product	Production capacity per day (in Mt)	Capacity under expansion per day (in Mt)
C.P. Plant	288	-
POY	128	-
FDY	147	-
Texturizing Yarn	15	-
Carpet Yarn	12.5	-
Recycled Chips	7	-

RESULTS REVIEW

Turnover : Sumeet Industries Limited has achieved a turnover (Standalone) of Rs. 107081.71 Lacs in the year 2017-18 as against Rs. 130180.80 Lacs during the previous year. Decrease in sales was effected being introduction of GST in the month of July, 2017.

Other Income : Other income consisting receipt of Dividend**,** Discounts and Interest on Fixed Deposits & others. Other income for the year 2017-18 is amounting of Rs.952.60 Lacs against Rs. 729.50 Lacs in the previous year. Other income were marginally increased.

Consumption of Raw material : Consumption of raw material increased from Rs. 62262.40 Lacs to Rs. 71364.85 Lacs due to increase in cost prices of raw materials .The prices of our basic raw materials mainly i.e. PTA and MEG are petroleum products and are closely linked with crude oil prices. Prices of Crude oil has increased steadily during the year.

Employee Cost : Employees cost were increased from Rs. 1667.55 Lacs to Rs. 2236.87 Lacs. This increase is mainly due to higher increments given to employees and new recruitment of employees in POY /FDY and Texturized Yarn division.

Interest Cost : Interest cost were marginally increased from Rs. 4822.47 Lacs to Rs. 4917.79 Lacs due to enhanced working capital.

The Company has delivered mixed performance despite considerable headwinds and made good progress in strengthening the established business segments through high value products .

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

ENERGY CONSERVATION

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

ENERGY COST

The company has been sourcing power through open access which is comparatively cheaper than Gujarat Electricity Board's power. The company has also set up two nos. of 4.8 MW F.O. based captive Genset Power Plant to further reducing its power cost.

OPPORTUNITIES AND STRENGTH

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

Our product mix spread over six important Polyester products: Pet chips, POY, FDY, Dope Dyed Yarn, Texturised yarn & Carpet Yarn. We will keep opportunity of further backward and forward integration cum expansion program to lead to the company to a new high. The company is continuing putting its thrust on re-engineering of its existing operations and carry on balancing investment in modification of existing equipment's and some fresh investments in energy conservation schemes and sourcing of cheap electricity power.

Sumeet Industry's Edge

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

THREAT, RISKS AND CONCERNS

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

a) RISK AGAINST FIRE, FLOOD AND ACCIDENTS

Risk against fire, flood, accident, health related problems and accidents of workforce are common risks attached to the working of any plant/company. Management has taken reasonable steps to counter the risk.

The company has taken Comprehensive All Risk Insurance Policy, which covers company's assets against all risks. Accidents due to human failure are being tackled through the continuous training to our technical and other staffs and through regular monitoring and supervision. All the employees of the company are also insured under Group Insurance Policy of Life Insurance Corp. of India.

b) ECONOMIC RISK

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

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

India remained the fastest growing major economy in the world, after surpassing China last year. Gross Domestic Product growth rate was 7.1% for FY 2016-17, supported by strong consumption growth and government spending. The growth in India is primarily consumption driven with the increase in per capita income and to some extent by the capital expenditure undertaken by the government. India is witnessing improving macroeconomic fundamentals–moderating inflation, stabilising currency and improving consumer demand.

c) COMPETITION RISK

We face competition from existing players and potential entrants in the Indian textile industry. The Indian textile industry is highly competitive both in the Pet Chips segment and in the POY/ FDY segment. Our company is in medium size as compared to the market leaders like Reliance Industries Limited. Domestic production is dominated by few organized players who have integrated facilities and large economies of scale and the unorganized sector is virtually absent.

The company has a well defined TQM system of control points, comprehensive budgetary controls and review system to monitor its operations to remain cost competitive than its peer group. The company also widened the value added product portfolio to address a broader client base.

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

Creating value for customers, meeting their ever-increasing expectations and responsibility towards the environment sets the foundation for the company to invest its resources to create new and enriched products, services and solutions, which not only provide enhanced benefits to the consumer but also reduce the negative impact on the environment.

d) STRATEGIC RISK

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

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

The company procures its raw material locally driving costs down. Alternatives sourcing of raw materials and stores spares has helped the company to optimise cost of raw materials.

e) PRICE RISK

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

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

f) LIQUIDITY RISK

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

We follow a conservative foreign exchange risk management policy to 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. Maintaining an equilibrium between exports receipts and import payments create a natural hedge.

g) MARKET RISK

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

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

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

h) TECHNOLOGY RISK

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

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

WASTE MANAGEMENT

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

SAFETY, HEALTH AND ENVIRONMENT CONTROLS (EHS)

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

Safeguarding the health and safety of our people is integral to our commitment to remain a responsible organisation. Our employees are rigorously trained with advanced safety and security standards to minimise hazards and ensure high performance. No fire or other incidence of such nature took place in the reporting year. 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.
- There is a welldefined Emergency management plan to tackle any major emergency inside and outside plant premises.
- First Aid training camps organized.
- State-of-the-art fire and safety installations to meet emergencies within the company, as well as near by areas.
- Training and counseling of employees, contractors, sub-contractors and transporters to ensure effects of environment, health and safety.
- Training and motivating employees to understand their EHS responsibilities and to participate actively in EHS program.
- Imparting fire fighting training to personnel and mock drills to ensure safety preparedness.
- Toilets and drinking water facility provided and they are being regularly inspected for cleanness.
- Proactive measures to increase usage of recycled water.
- To abide by all statutory compliance as per Factories Act,1948.

HUMAN RESOURCES

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

a) RECRUITMENT POLICY

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

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

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

b) PERFORMANCE APPRAISAL SYSTEM

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

c) PERSONNEL TRAINING

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

d) LABOUR RELATIONS

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

STATUTORY COMPLIANCE

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

CORPORATE SOCIAL SERVICE

The company is committed to its corporate social responsibility and undertakes various programs that are sustainable and relevant to local needs. The Company works for sustainable development by achieving excellence in its key functional areas including safety, business operations, process management, business results, climate change, carbon footprint reduction, energy and water management, community development, customer promise and engagement, governance and compliance, human capital, and innovation under its CSR program.

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

CAUTIONARY STATEMENT

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

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

Anil Kumar Jain
Company Secretary

Surat
22nd June, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUMEET INDUSTRIES LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

I have audited the accompanying standalone financial statements of Sumeet Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the Year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Our opinion is not modified in respect of above said matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure - A,** a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.

2. As required by Section 143 (3) of the Act, I report that:

   a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;

   b. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;

   d. In my opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under;

   e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

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

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

      1. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer note 26 Contingent liabilities to the standalone Ind AS financial statements.

      2. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

FOR PAMITA DOSHI & CO.
CHARTERED ACCOUNTANTS
FRN No. 141976W

(PAMITA DOSHI)
PROPRIETOR
M.NO.141320

PLACE: SURAT
DATED: 22/06/2018

Annexure 'A' to the Independent Auditor's Report

In respect of the Annexure referred to in paragraph 1 of our report to the Members of Sumeet Industries Limited ("the company") for the year ended March 31, 2018, we report on following matters:

Sl. No.	Particulars	Auditor's Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes. Company is maintaining proper records of fixed assets.
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes, fixed assets have been physically verified at regular intervals. No, material discrepancies have been noticed on such verification.
	(c) Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof.	Yes.
(ii)	(a) Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, how they have been dealt with in the books of account.	Yes, physical verification has been conducted except material lying with third parties, where confirmations are obtained.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. If so,	No loans have been granted to the companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013 during the period under audit.
	(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest	N.A.
	(b) Whether receipt of the principal amount and interest are regular. If not provide details thereof; and	N.A.
	(c) If amount is overdue, state total amount overdue, state total amount overdue for more than 90 days and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide details thereof.	Yes, all the compliances have been followed by the company.
(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	Yes, all the compliances have been followed by the company.
(vi)	Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been made and maintained;	Yes.

(vii)	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-Lax, , service tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	Yes, the company is regular.
	(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	Assessment for A.Y. 2012-13, 2014-15 and 2015-16 is pending with CIT (Appeals) and A.Y. 2009-10 is pending with Dy. Commissioner of Income Tax, Surat.
(viii)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported (in case of banks and financial institutions, lender wise details to be provided).	3 (Three) installments amounting to 22,11,065.43 Euros of ECA loan granted by Bremer Kreditbank AG Germany is due and not paid till date 31st March 2018.
(ix)	Whether moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported;	Yes, moneys raised by way of Right issue/ follow-on offer during the period have been applied for the purposes for which those were raised. Term Loan has been made by the Bank directly to the vendors. And there is no delay or default.
(x)	Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; if yes, the nature and the amount involved be indicated.	No fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
(xi)	Whether managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Yes. Managerial Remuneration has been paid / provided in accordance with provisions of section 197 and under other rules.
(xii)	Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability.	Not Applicable
(xiii)	Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.	Yes.
(xiv)	Whether the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof.	During the period under consideration, right issue had been made for 2,48,74,173number of shares at Rs.24 per share.

(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with.	No. Not Applicable
(xvi)	Whether the company is required to be registered under Section 45 IA of Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	Not Applicable

FOR PAMITA DOSHI & CO.
CHARTERED ACCOUNTANTS
FRN No. 141976W

(PAMITA DOSHI)
PROPRIETOR
M.NO.141320

PLACE:SURAT
DATED:22/06/2018

Annexure 'B' to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of Sumeet Industries Limited ("the Company") as of 31st March, 2018 in conjunction with my audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In my opinion, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

FOR PAMITA DOSHI & CO.
CHARTERED ACCOUNTANTS
FRN No. 141976W

(PAMITA DOSHI)
PROPRIETOR
M.NO.141320

PLACE: SURAT

DATED: 22/06/2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs in lacs except share and per share data, unless otherwise stated)

	Particulars	Note No.	31st March, 2018	31st March, 2017
I.	**ASSETS**			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	3	**35,915.58**	40,200.27
	(b) Capital Work in Progress		**110.79**	0.61
	(c) Investment Property		**-**	-
	(d) Goodwill		**-**	-
	(e) Other Intengible Aseets		**-**	-
	(f) Intengible Aseets under Development		**-**	-
	(g) Financial Assets			
	(i) Investments	4	**3,247.86**	3,042.53
	(ii) Trade Receivables	5	**231.64**	209.73
	(iii) Loans	6	**1,555.11**	1,904.59
	(iv) Other Financial Assets		**-**	-
	(h) Deferred Tax Assets		**-**	-
	(i) Other non current assets	7	**322.54**	278.32
(2)	**Current Assets**			
	(a) Inventories	8	**22,841.69**	21,460.53
	(b) Financial Assets			
	(i) Investments		**-**	-
	(ii) Trade Receivables	5	**20,678.83**	15,490.36
	(iii) Cash and Cash Equivalents	9	**3,247.44**	3,667.42
	(iv) loans		**-**	-
	(v) Other Financial Assets		**-**	-
	(c) Others Current Assets	7	**6,927.36**	6,449.34
	TOTAL ASSETS		**95,078.84**	**92,703.69**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity Share Capital	10	**8,291.39**	5,803.97
	Other Equity	11	**25,657.81**	22,361.61
	Total Equity		**33,949.20**	**28,165.58**
(2)	**Liabilities**			
	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	**13,011.32**	17,143.62
	(ii) Trade Payable	13	**32.83**	24.13
	(iii) Other Financial Liabilities	14	**7.09**	8.09
	(b) Provisions		**-**	-
	(c) Deferred Tax liabilities (Net)	15	**6,231.42**	7,403.30
	(d) Other non current liabilities	16	**156.66**	136.56
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	**25,578.64**	24,802.27
	(ii) Trade Payable	13	**8,390.55**	6,100.70
	(iii) Other Financial Liabilities	14	**3,966.34**	5,624.15
	(b) Other Current Liabilities	16	**1,171.58**	1,532.33
	(c) Provisions	17	**2,583.20**	1,762.96
	Total Liabilities		**61,129.63**	**64,538.11**
	TOTAL EQUITY AND LIABILITIES		**95,078.84**	**92,703.69**
	Significant Accounting Policies			
	See accompanying Notes to the Financial Statements			

As per our report of even date
For, PAMITA DOSHI & CO
Chartered Accountants
Firm No. 141976W
Pamita Doshi
Proprietor
M. No. 141320

Place : Surat
Date : 22/06/2018

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

PROFIT & LOSS STATEMENT FOR YEAR ENDED ON 31ST MARCH, 2018

(Rs in lacs except share and per share data, unless otherwise stated)

	Particulars	Note No.	31st March, 2018	31st March, 2017
I.	Revenue from Operations	18	**1,07,081.71**	1,30,180.80
II.	Other Incomes	19	**952.60**	729.50
III.	Total Revenue (I + II)		**1,08,034.31**	**1,30,910.30**
IV	Expenses:			
	Manufacturing Expenses			
	Cost of Materials Consumed	20	**71,364.86**	62,262.40
	Purchases of Stock-in-Trade		**21,089.63**	43,087.46
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	**(311.83)**	(429.85)
	Administrative & Selling Expenses			
	Employee Benefit Expenses	22	**2,236.87**	1,667.55
	Finance Costs	23	**4,917.79**	4,822.47
	Depreciation and Amortization Expense	24	**5,259.57**	2,046.33
	Other Expenses	25	**4,174.97**	11,969.06
	Total Expenses		**1,08,731.87**	**1,25,425.41**
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)		**(697.56)**	5,484.89
VI	Exceptional Items		**-**	-
VII	Profit before Extraordinary Items and Tax (V - VI)		**(697.56)**	5,484.89
VIII	Extra Ordinary Items		**-**	-
IX	**Profit before Tax**		**(697.56)**	5,484.89
X	Tax Expense:			
	(1) Current tax		**(785.20)**	1,170.56
	(2) Income Tax of Earlier Year		**(13.98)**	-
	(3) Deferred Tax		**1,171.89**	1,656.28
	(4) MAT credit		**-**	(1,014.70)
	Total		**372.70**	**1,812.14**
XI	Profit/ (Loss) for the period from Continuing Operations (VII - VIII-X)		**(324.86)**	**3,672.76**
XII	Profit/ (Loss) from discontinuing Operations		**-**	-
XIII	Tax expense of discountinued operation		**-**	-
XVI	Profit/ (Loss) from discontinuing Operations (after tax) (XII-XIII)		**-**	-
XV	**Profit/ (Loss) for the period (IX-XII)**		**(324.86)**	**3,672.76**
XVI	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit obligations		**14.45**	(12.32)
	Less : Income tax relating to above item		**(4.46)**	4.07
		Total	**9.98**	**(8.25)**
	(b) Fair value of equity instruments through other comprehensive income		**159.27**	102.17
	Less : Income tax relating to above item		**(30.57)**	(30.40)
		Total	**128.70**	**71.78**

(Rs in lacs except share and per share data, unless otherwise stated)

Particulars	Note No.	31st March, 2018	31st March, 2017
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period (a+b)		**138.68**	63.53
Earning per equity share (for countinuing operation):			
(1) Basic		-	6.44
(2) Diluted		-	6.44

See accompanying notes to the financial statements

As per our report of even date
For, PAMITA DOSHI & CO
Chartered Accountants
Firm No. 141976W
Pamita Doshi
Proprietor
M. No. 141320

Place : Surat
Date : 22/06/2018

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2018

(Rs. In Lacs)

	Particulars	F.Y. 2017-18		F.Y. 2016-17	
		Amount	Amount	Amount	Amount
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax and Extraordinary Items		**(558.88)**		5,548.42
	Adjustment For:				
	Add:				
	Depreciation	**5,252.25**		2,039.00	
	Loss on sale of Asset	**0.06**		-	
	Loss on sale of Investment	**8.00**		-	
	Interest Paid	**3,150.15**		3,147.47	
		8,410.45		5,186.47	
	Less:				
	Fair Value on investment	**159.27**		102.17	
	Interest Income	**458.69**		485.28	
	Profit on sale of Investment	**-**		4.30	
	Dividend Income	**0.03**		0.01	
		617.99		591.77	
			7,792.46		4,594.71
	Operating Profit before Working Capital Changes				
	Trade Receivables	**(5,210.39)**		1,901.43	
	Other asset	**(522.23)**		825.12	
	Inventories	**(1,381.16)**		(1,342.96)	
	Trade Payables	**2,298.56**		(6,273.95)	
	Other Financial Liability	**(1,658.81)**		441.26	
	Other Liabilities	**(340.65)**		183.93	
	Provision	**35.04**		26.33	
			(6,779.64)		(4,238.84)
	Tax Paid		**13.98**		64.55
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**439.96**		5,839.74
B	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Fixed Assets & Work in Progress				
	Sale of Fixed Assets	**1.06**		-	
	Purchase of Fixed Assets	**(150.59)**		(1,190.31)	
	Increase in Fixed Asset due to Exchange Diffrence	**(818.09)**		-	
	Increase in Capital Work in progress	**(110.18)**		398.75	
	Investments				
	Purchase of Investments	**(148.29)**		(233.09)	
	Sale of Investments	**94.23**		284.71	
	Dividend received	**0.03**		0.01	
	Interest Income	**458.69**		485.28	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(673.13)**		(254.65)

(Rs. In Lacs)

	Particulars	F.Y. 2017-18		F.Y. 2016-17	
		Amount	Amount	Amount	Amount
C	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Equity Share Capital raised	**2,487.42**		-	
	Security premium received	**3,482.38**		-	
	Increase / Decrease in Borrowings	**(3,355.93)**		(2,241.31)	
	Increase / Decrease in Loans & Advances	**349.48**		320.72	
	Interest Paid	**(3,150.15)**		(3,147.47)	
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)		**(186.80)**		(5,068.06)
	Net Increase in Cash & Cash equivalents		**(419.97)**		**517.03**
D	Cash and Cash equivalents as on 01-04-2017		**3,667.42**		3,150.38
E	Cash and Cash equivalents as on 31-03-2018		**3,247.44**		3,667.42
			(419.97)		**517.03**

As per our report of even date
For, PAMITA DOSHI & CO
Chartered Accountants
Firm No. 141976W
Pamita Doshi
Proprietor
M. No. 141320

Place : Surat
Date : 22/06/2018

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

NOTES TO THE FINANCIAL STATEMENTS_ THE YEAR ENDED MARCH 31, 2018

1) THE COMPANY OVERVIEW:

SUMEET INDUSTRIES Ltd. is a Public Limited Listed Company domiciled in India and Incorporated under the provisions of the Companies Act, 1956. The address of its registered office is SUMEET INDUSTRIES Limited, 504, Trividh Chamber, Opp. Fire Station, Ring Road, Surat, Gujarat, India. The Company is engaged in the business of manufacturing and exporting Polyester Yarn (POY and FDY), Polyester Chips, Texturizing Yarn and Carpet Yarn. The company caters to both domestic and international markets.

2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

Statement of compliance and basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time, the provisions of the Companies Act, 2013 ("the Companies Act") as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI").

Up to the year ended March 31, 2017, the company prepared its financial statements in accordance with the requirements of the Indian GAAP ("Previous GAAP"), which included Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is April 01, 2016.

Accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements correspond to the classification provisions contained in Ind AS 1 "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS;

- The defined benefit asset(liability) is as the present value of defined benefit obligation less fair value of plan assets and
- Financial instruments classified as fair value through other comprehensive income.

Use of estimates and judgment

The preparation of the financial statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in financial statements are included in the following notes:

- Useful lives of Property, plant and equipment [Note L]
- Measurement of defined benefit obligations [Note D]
- Provision for inventories [Note I]
- Measurement and likelihood of occurrence of provisions and contingencies [Note P]
- Deferred taxes [Note E]

3) SIGNIFICANT ACCOUNTING POLICIES

(A) **Current and non-current classification**

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis".

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(B) **Fair value measurement**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) prices in active market for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

(C) **Revenue recognition:**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

Export sales are accounted at the exchange rate prevailing on the date of invoice. These are net of commission and does not include freight wherever applicable as per the terms of the sales contract.

Interest income is accounted on accrual basis.

(D) **Employee Benefits:**

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, provident fund, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company is a member of recognized Provident Fund scheme established under The Provident Fund & Miscellaneous Act, 1952 by the Government of India. 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. The contribution paid or payable under the scheme is recognized during the period under which the employee renders the related services. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the third party funds. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses in other comprehensive income, net of taxes.

Other Employee Benefits

Other employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided.

(E) **Income Taxes:**

Tax expenses for the period, comprising current tax and deferred tax are included in determining the net profit for the period.

Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(F) **Foreign Currency:**

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the company's functional and presentation currency.

Foreign currency transactions

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss and reported within foreign exchange gains(losses), net within results of operating activities except when deferred in other comprehensive income as qualified cash flow hedges.

(G) **Cash and cash equivalents:**

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes balance with banks and demand deposits with banks with original maturities of three months or less and other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(H) **Earnings Per Share:**

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

(I) **Inventories:**

Inventories consist of raw materials, stores & spares, work-in-progress and finished goods. Inventories are valued at lower of cost and net realizable value (NRV) except for raw materials which is valued at cost.

Cost of raw materials and stores & spares includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labour and proportion of

manufacturing overheads based on the normal operating capacity, wherever applicable. Cost of finished goods includes excise duty and other costs incurred in bringing the inventories to their present location and conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

(J) **Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of theinstrument.

Financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

  The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortized cost.

Debt instruments

Debt instruments are subsequently measured at amortized cost, fair value through other comprehensive income ('FVOCI')or fair value through Profit and Loss ('FVTPL') till de-recognition on the basis of :

(i) the entity's business model for managing the financial assets and

(ii) the contractual cash flow characteristics of the financial asset.

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Other Comprehensive Income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or

loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Profit and Loss (FVTPL):

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is recognized in the Statement of Profit and Loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative contracts to hedge risks which are not designated in any hedging relationship i.e. hedge accounting is not followed. Such contracts are accounted for at FVTPL.

(K) **Dividend income:**

Dividends are recognized in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(L) **Property, Plant and Equipment (PPE)**

Items of Property, plant and equipment acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The historical cost of Property, plant and equipment comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when itis probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Gains and losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, plant and equipment recognized as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment.

Depreciation methods, estimated useful lives and residual values

Depreciation is provided on written down value method based on the respective estimate of useful lives.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

(M) **Intangible assets**

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually. Till date, the Company has not acquired any intangible asset.

(N) **Government Grants**

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss on a systematic basis over the useful life of the asset.

- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

(O) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note 26 for segment information presented.

(P) **Provisions and Contingent Liabilities**

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

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

(Q) **Expenditure**

Expenses are recognised on accrual basis.

(R) **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

Other borrowing costs are recognized as an expense in the period in which they are accrued / incurred.

(S) **Cash flow statement**

Cash flows are reported using the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flow', whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(T) **Related parties**

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:

Parties where control exists:

a) Sumeet Global PTE Ltd. – 100% Owned subsidiary

b) The other related parties are:

Sr. No.	Name of the related parties /Key management Personnel	Nature of Relationship	Nature of Transactions	Amount (In Rs.)
1	Sumeet Somani	Relative of key Management Personal (Mg. Director)	Salary	5,40,000
			Commission	2,10,000
2	Bhagchand Choradia	Professional Director	Professional Fees	10,74,120
			Director Sitting Fees	1,20,000
3	Atmaram Sharda	Non-executive Director	Director Sitting Fees	4,20,000
			Professional Fees	6,46,128
			Reimbursement of out of pocket Expenses	30,000
4	D.S. Khare	Non-executive Independent Director	Director Sitting Fees	4,50,000
			Reimbursement of out of pocket Expenses	57,500
			Commission	4,65,664
5	Somani Overseas (P) Ltd.	Relative of key Management Personal (Director)	Loan re-paid during the period(Repayment of Loan accepted during the year)	2,64,51,128
			Interest on loan paid	42,99,252
			Equity Share Issued	9,00,00,000
			Purchase	13,62,65,420
			Sales	72,49,20,696
7	Betex India Ltd.	Relative of key Management Personal (Director)	Interest Income	49,16,310
			Loan proceeds Received (Repayment of Loan given received back)	4,95,37,969
8	Sumeet Global PTE Ltd.	100% owned subsidiary Company	Sales	5,96,09,027
			Purchase	49,56,144
9	Sumeet Poly Power Ltd.	Relative of key Management Personal (Director)	Interest Income	1,12,94,737
			Purchases	20,68,60,743
			Sales	2,71,22,202
10	Dhanvridhi Financial Consultant Pvt. Ltd.	Relative of key Management Personal (Director)	Advance paid to supplier	10,00,000
			Loan re-paid during the period	8,67,558
11	National Poly Yarn Pvt. Ltd.	Relative of key Management Personal (Director)	Loan re-paid during the period	1,23,50,000
			Loan accepted during the period	1,23,50,000
			Interest Expense	2,79,616
			Equity Share Issued	6,00,00,000
			Advance paid to Supplier	3,83,66,955
			Advance return from Supplier	11,50,000
12	Anil Kumar Jain	Company Secretary	Salary	10,60,765

13	Shankarlal Somani	Chairman	Director sitting fees Commission	4,50,000 19,00,000
14	Ganga devi Somani	Non-executive Director	Director sitting fees	4,50,000
15	Dipesh Dasadia	Non-executive Director	Director sitting fees	1,80,000
16	Abhishek Desai	Non-executive Director	Director sitting fees	1,80,000
17	Manoj Kumar Jain	Non-executive Director	Director sitting fees	1,80,000
18	Neelam Somani	Chairman's relative	Equity Share Issued Interest on loan paid	99,99,984 20,521
19	Rakesh Kumar Somani	Chairman's relative	Equity Share Issued Interest on loan paid	99,99,984 26,646
20	Sumeet Menthol Pvt Ltd.	Director's Relative is Director	Equity Share Issued Interest Expense Advance paid to Supplier	6,00,00,000 2,90,052 5,56,833
21	Sushil Kumar Somani	Relative of Director	Equity Share Issued Interest on loan paid	99,99,984 32,527

Transactions with related parties are entered on arm's length price.

4) RECENT ACCOUNTING DEVELOPMENTS

Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2018, issuing Ind AS 115, Revenue from Contracts with Customers. The standard is applicable from April 01, 2018. The Corresponding Ind AS 18, 'Revenue' and Ind AS 11, 'Construction Contract' have been omitted. Relevant amendments have been made to Ind AS 101, 103, 104, 107, 109, 112, 1, 2, 8, 12, 16, 17, 21, 23, 28, 32, 34, 36, 37, 38 and 40.

The Company has not applied these amendments since they are effective for periods beginning on or after April 01, 2018.

5) FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017 with a transition date of April 1, 2016. These financial statements for the year ended March 31, 2018 are the first the Company has prepared under Ind AS. For all period's upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the previously applicable Indian GAAP (previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards.Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March 2018, together with the comparative information as at and for the year ended 31st March 2017. The Company's opening Ind AS Balance Sheet has been prepared as at 1st April, 2016, the date of transition to Ind AS.

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company financial position, financial performance and cash flows is set out in the following tables and notes

I. Optional Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

(a) Deemed cost of property, plant and equipment.

Ind AS 101 permits a first time adopter to elect to continue with the carrying values for all of its Property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. Accordingly, the Company has opted to consider the carrying value for all of its Property, plant and equipments as recognised in its previous GAAP financials as its deemed cost at the transition date.

(b) Fair value of financial assets and financial liabilities.

Ind AS 101 permits a first time adopter to apply requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition. Accordingly the company has opted to consider the measurement of financial assets and liabilities arisen before the date of transition of Ind AS as per previous GAAP.

II. Mandatory Exceptions to retrospective application

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2016, the date of transition to Ind AS and as of March 31, 2018.

(b) Classification and measurement of financial assets

The classification of financial assets to be measured at cost or fair value made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

III. Transition to Ind AS – Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2018.

ii. Adjustments to Statement of Cash Flows for the year ended 31st March, 2018.

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform to Standalone financial statements prepared under Ind AS.

Particulars	Year ended 31.03.2018 (Rs in Lakhs)
Profit for the year ended March 31, 2018 as per Previous GAAP	**(324.86)**
Actuarial loss on remeasurement of defined benefit obligation recognised in Other Comprehensive Income	**173.72**
Difference in current tax expense	**(35.04)**
Profit for the year ended March 31, 2018 as per Ind AS	**(186.18)**

Notes to reconciliation

1) Remeasurement of defined benefit obligations :

Under the Previous GAAP, actuarial gains and losses on defined benefit obligations were recognized in the statement of profit and loss. Under Ind AS, these are recognized in other comprehensive income. This difference has resulted in an increase in net income for the year ended March 31, 2016. However, the same does not result in difference in equity or total comprehensive income.

2) Difference in current tax expense :

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

NOTE # 3

Property, plant and equipment (Rs. in Lakh)

Particulars	Land	Building	Road Development	Plant & Machinery	Furniture & Fixture	Vehicle	Total
Deemed cost as at April 01, 2016	23.56	1,317.98	-	39,554.81	59.81	92.79	41,048.96
Additions	1.49	39.90	-	1,137.11	11.81	-	1,190.31
Disposal/Adjustment	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2017	**25.05**	**1,357.88**	-	**40,691.92**	**71.62**	**92.79**	**42,239.27**
Accumulated amortization and impairment :	-	-	-	-	-	-	-
Depreciation/Amortization charge during the year	-	125.70	-	1,876.16	12.06	25.08	2,039.00
Closing accumulated depreciation	**-**	**125.70**		**1,876.16**	**12.06**	**25.08**	**2,039.00**
Net carrying amount as at March 31, 2017	**25.05**	**1,232.18**	-	**38,815.76**	**59.56**	**67.71**	40,200.27
Opening Gross Carrying Amount	25.05	1,357.88	-	40,691.92	71.62	92.79	42,239.27
Additions	25.18	-	115.65	-	4.76	5.00	150.59
Disposal/Adjustment	-	-	-	2.00	-	-	2.00
Closing gross carrying amount as at March 31, 2018	**50.23**	**1,357.88**	**115.65**	**40,689.92**	**76.38**	**97.79**	**42,387.86**
Accumulated amortization and impairment :							-
Opening Accumulated Depreciation	-	125.70	-	1,876.16	12.06	25.08	2,039.00
Depreciation/Amortization charge during the year	-	115.91	9.93	5,089.41	11.47	25.53	5,252.25
Disposal/Adjustment	-	-	-	0.88	-	-	0.88
Closing accumulated depreciation	**-**	**241.62**	**9.93**	**6,964.69**	**23.53**	**50.61**	**7,290.37**
Foreign Exchange Difference				818.09			818.09
Net carrying amount as at March 31, 2018	**50.23**	**1,116.27**	**105.73**	**34,543.32**	**52.85**	**47.18**	**35,915.58**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
NOTE # 4			
Investments			
Financial instruments at FVTPL			
Equity instruments [Note 4.1]		**1,212.38**	1,076.96
Mutual Funds [Note 4.2]		**80.23**	20.07
		1,292.61	1,097.03
Investment in Subsidiaries (Note 4.3]		**1,955.25**	1,945.50
	Total	**3,247.86**	**3,042.53**
Non-current		**3,247.86**	3,042.53
Current		**-**	-
Aggregate amount of quoted investments (FMV)			
Non-current		**92.16**	31.15
Current		**-**	-
Aggregate amount of unquoted investments (FMV)			
Non-current		**3,155.70**	3,011.38
Current		**-**	-
4.1 Details of investments in equity instruments:			
Quoted:			
Stampede Capital Ltd.		**10.06**	8.74
Paras Petrofils Ltd.		**-**	-
IFCI Ltd		**-**	-
Rajasthan Petro Sythetics Ltd.		**-**	-
Tata Steel Ltd.		**1.15**	0.82
Tata Steel Ltd. (PP)		**0.04**	-
Shree Rajasthan Syntex Ltd.		**-**	-
UPL Limited		**-**	-
M/s. Questfin Ltd.		**0.04**	0.43
Zylog Systems Ltd.		**0.64**	1.10
		11.93	**11.08**
Unquoted:			
Vakrangee Softwares		**-**	19.75
Chandra Synthetics Ltd.		**-**	-
Haryana Petrochemicals Ltd.		**-**	-
Paras Petro Chemicals Ltd.		**-**	-
Parasrampuria Ind. Ltd.		**-**	-
Sumeet Poly Power ltd.		**1,200.45**	1,046.13
		1,200.45	**1,065.88**
	Total	**1,212.38**	**1,076.96**

(Rs. in Lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
4.2 Investment in Mutual funds - Quoted			
Reliance Vision		**-**	-
Canara Robeco Capital Protection ORIT.Fund-6-RG		**59.35**	-
India First Life Insurance Co Ltd. MF		**5.00**	5.00
Union KBC Capital Protection Oriental Fund		**15.88**	15.07
	Total	**80.23**	**20.07**

Investment in India First Life Insurance Co. Ltd. have been taken at carring amount due to unavailability of fair value.

4.3 Investment in Subsidiaries - Unquoted			
Sumeet Global Pte. Ltd. (Wholly owned subsidiary company)		**1,955.25**	1,945.50
Investment in Sumeet Global Pte. Ltd. have been taken at carrying amount.			
NOTE # 5			
Trade Receivables			
Unsecured			
Considered Good		**20,910.47**	15,700.09
Doubtful		**-**	-
	Total	**20,910.47**	**15,700.09**
Non - current		**231.64**	209.73
Current		**20,678.83**	15,490.36

Trade receivables are due neither from directors or other officers of the company either severally or jointly with any other person nor from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are classified as current on the basis of normal operating cycle of twelve months

NOTE # 6			
Loans			
Loans to Related Parties			
Non - Current		**1,555.11**	1,904.59
Current		**-**	-
	Total	**1,555.11**	**1,904.59**
NOTE # 7			
Other Assets			
Non - Current			
Advances other than capital advances			
Security deposits		**143.33**	236.74
Advance to Suppliers		**179.20**	41.58
	Total	**322.54**	**278.32**

(Rs. in Lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
Current			
Prepaid Expenses		**7.67**	6.35
Advance to Suppliers		**1,404.16**	1,633.85
Balance with Excise, Customs, Income Tax and other authorities		**4,747.08**	3,966.49
Advance to Staff		**20.28**	18.71
Advance for Exp (Godown-Delhi)		**-**	-
Claim Receivable		**727.35**	780.74
Preliminary Expenses		**7.32**	14.65
Income Tax Seized Cash		**13.50**	13.50
Insurance Claim receivable		**-**	15.06
	Total	**6,927.36**	**6,449.34**
NOTE # 8			
Inventories			
Raw Materials		**6,001.24**	4,870.82
Work-in-progress		**5,364.56**	5,108.03
Finished goods		**6,641.19**	6,585.91
Stores and spares		**4,834.68**	4,895.77
	Total	**22,841.69**	**21,460.53**

Mode of Valuation of Inventories

Particulars	**Mode of Valuation**
Raw material & W.I.P. :	Valued at cost.
Finished Goods :	Valued at cost or Market Value whichever is lower.

NOTE # 9			
Cash and cash equivalents			
Balances with Banks			
Current accounts		**19.02**	526.17
Demand deposits		**3,228.05**	3,137.66
(Fixed deposits / Margin Money / Security against borrowings)			
Cash on hand		**0.37**	3.59
	Total	**3,247.44**	**3,667.42**
NOTE # 10			
Share Capital			
Authorised Capital			
145,000,000 Equity shares of Rs. 10/- each.		**14,500.00**	14,500.00
(2017 : 145,000,000 2016 : 70,000,000)			
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each		**3,000.00**	3,000.00
		17,500.00	**17,500.00**
Issued, Subscribed and paid up capital			
82,913,911 Equity shares of Rs. 10/- each.fully paid		**8,291.39**	5,803.97
(2017 : 58,039,738 2016 : 58,039,738)			
		8,291.39	**5,803.97**

Preference shares issued being redeemable & non- convertible have been classified as financial liability (Unsecured Borrowings) and not equity.

(i) Reconciliation of number of shares and share capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	Amt in lakhs	No of shares	Amt in lakhs
Authorised Capital				
Number of shares at the beginning	175,000,000	17,500.00	100,000,000	10,000.00
Add : Increased during the year	-	-	75,000,000	7,500.00
Number of shares at the end	**175,000,000**	**17,500.00**	**175,000,000**	**17,500.00**
Issued, Subscribed and Paid up				
Number of equity shares at the beginning	58,039,738	5,803.97	58,039,738	5,803.97
Add : Issued during the year	24,874,173	2,487.42	-	-
Number of shares at the end	**82,913,911**	**8,291.39**	**58,039,738**	**5,803.97**
Number of preference shares at the beginning	30,000,000	3,000.00	30,000,000	3,000.00
Add : Issued during the year	-	-	-	-
Number of shares at the end	**30,000,000**	**3,000.00**	**30,000,000**	**3,000.00**

(ii) Terms and rights attached to equity shares.

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

(iii) Shares held by Shareholder holding more than 5% shares and number of shares held is as follows.

Particulars	As at March 31, 2018	%	As at March 31, 2017	%
Somani Overseas Private Limited	10,436,928.00	12.59	8,641,928.00	14.89
Sitaram Prints Private Limited	-	-	3,884,775.00	6.69
Shankarlal Sitaram Somani	-	-	3,809,919.00	6.56

(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2018:

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-

During the immediate preceding five years, no shares were bought back. However, 250,000 shares held by Vishvas Infrastructure Ltd. were cancelled during the financial year 2013-14 as per the order of High Court.

NOTE # 11
Statement of changes in Equity for the year ended March 31, 2018

A. Equity Share Capital	Amount
Particulars	**(Rs. in Crore)**
As at April 1, 2016	**5,803.97**
Changes in Equity share capital	-
As at March 31, 2017	**5,803.97**
Changes in Equity share capital	2,487.42
As at March 31, 2018	**8,291.39**

B. Other Equity (Rs. in Lakh)

Particulars	Reserves and surplus						
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit obligations	Equity instruments through other comprehensive income	Total other equity
Balance as at April 01, 2017	25.00	5,331.66	62.08	16,572.47	(26.93)	414.34	22,378.62
Prior period adjustments	-	-	-	-	(17.02)	-	(17.02)
Restated balance at the beginning	**25.00**	**5,331.66**	**62.08**	**16,572.47**	**(43.96)**	**414.34**	**22,361.60**
Other comprehensive income for the year	-	-	-	-	9.98	128.70	138.68
Dividends	-	-	-	-	-	-	-
Transfer to securities premium	-	3,482.38	-	-	-	-	3,482.38
Transfer to retained earnings	-	-	-	(324.86)	-	-	(324.86)
Balance as at March 31, 2018	**25.00**	**8,814.05**	**62.08**	**16,247.61**	**(33.97)**	**543.04**	**25,657.81**

Particulars	Reserves and surplus						(Rs. in Lakh)
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit obligations	Equity instruments through other comprehensive income	Total other equity
Balance as at April 01, 2016	25.00	5,331.66	62.08	12,899.72	-	342.56	18,661.03
Prior period adjustments	-	-	-		(18.69)	-	(18.69)
Restated balance at the beginning	**25.00**	**5,331.66**	**62.08**	**12,899.72**	**(18.69)**	**342.56**	**18,642.34**
Other comprehensive income for the year	-	-	-	-	(8.25)	71.78	63.53
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	3,672.76	-	-	3,672.76
Balance as at March 31, 2017	**25.00**	**5,331.66**	**62.08**	**16,572.47**	**(26.93)**	**414.34**	**22,378.62**

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE # 12		
Borrowings		
Non - current Borrowings		
Secured		
Term loans from banks	**8,577.89**	9,365.14
Term loans from others	**624.02**	986.31
Unsecured		
Loan from related parties	**809.42**	3,792.17
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	**3,000.00**	3,000.00
Total	**13,011.32**	**17,143.62**
Current Borrowings		
Cash Credit facilities	**20,280.07**	9,581.58
Buyer's Credit and Inland LCs	**5,298.57**	15,220.69
Total	**25,578.64**	**24,802.27**

Nature of security

Hypothication of 1st charge on all fixed assets of the company and 2nd pari passue charge on all current assets of the company.

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

Hypothication of Exclusive Charges of Machinery Financed by them only.

Vehicle Loans are secured by hypothecation of vehicles itself.

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

Loans guaranteed by directors or others	
Mr.Shankarlal Sitaram Somani	Term Loan: Rs. 73.16 Crores & US$ 42.85 Lacs
Mr.Rajkumar Sitaram Somani	
Mr. Sumeetkumar Shankarlal Somani	
Smt. Gangadevi Somani	
Corporate Guarantee of M/S. Sitaram Prints Pvt Ltd.	

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 7005414.11 for loan taken from Bremer kredit Bank AG .

Terms of repayment of term loans & other loans

(Refer Notes to accounts)

NOTE # 13		
Trade Payables		
Creditors for Goods	**5,864.97**	5,461.19
Creditors for Expenses	**2,558.41**	663.63
Total	**8,423.38**	**6,124.82**
Non Current	**32.83**	24.13
Current	**8,390.55**	6,100.70

(Rs. in Lakh)

Particulars		As at March 31,2018	As at March 31,2017
NOTE # 14			
Other Financial Liabilities			
Non - Current			
Agency deposits		**7.09**	8.09
Current			
Current maturities of long term debt		**3,766.88**	5,479.29
Interest accrued but not due		**199.45**	144.86
	Total	**3,973.43**	**5,632.24**
NOTE # 15			
Deferred Tax Liabilities			
Opening Balance		**7,403.30**	5,747.03
Provision for the period		**1,171.89**	1,656.28
Closing Balance		**6,231.42**	**7,403.30**
NOTE # 16			
Other liabilities			
Non-current			
Retention Money		**3.14**	0.13
Security Deposit from Staff		**0.56**	0.98
Provision for employee benefits - Gratuity Payable		**152.96**	135.45
		156.66	136.56
Current			
Advance from Customers		**438.23**	37.48
Professional Tax Payable		**-**	1.27
Provision for Expenses		**695.74**	389.68
Statutory Dues Payable		**37.61**	1,103.90
Salary Payable		**-**	-
		1,171.58	1,532.33
	Total	**1,328.24**	**1,668.89**
NOTE # 17			
Provisions			
Current			
Provision for Taxation		**2,459.04**	1,673.84
Provision for Taxation		**9.97**	9.97
Provision for taxation - OCI		**114.19**	79.15
	Total	**2,583.20**	**1,762.96**
NOTE # 18			
Revenue From Operations			
Sale of Products:			
Domestic sales		**90,463.36**	120,820.10
Export:			
Export sales		**4,312.91**	2,022.31

(Rs. in Lakh)

Particulars		As at March 31,2018	As at March 31,2017
Export against Bond		**3,713.72**	5,079.96
Deemed Export sales		**8,574.74**	2,236.08
		107,064.73	130,158.45
Other Operating Revenues:			
Export Incentives		**16.98**	22.35
	Total	**107,081.71**	**130,180.80**
NOTE # 19			
Other Incomes			
Dividend received		**0.03**	0.01
Discount received		**22.57**	39.90
Int. on FDR'S		**218.51**	212.65
Others - Interest		**240.18**	272.63
Profit on sale of Shares / Mutual Funds		**-**	4.30
Job Charges		**-**	24.20
Exchange Diff Income		**471.31**	175.80
	Total	**952.60**	**729.50**
NOTE # 20			
Cost of Materials Consumed			
Purchases of Raw Materials and Stores			
Opening stock		**4,870.82**	4,192.50
Add:Purchase (net)		**60,393.28**	52,017.80
		65,264.10	56,210.30
Less:Closing Stock		**6,001.24**	4,870.82
		59,262.86	51,339.48
Direct/Production expenses			
Labour & Security		**70.30**	18.59
Power & Fuel		**7,732.77**	6,635.34
Freight & Octroi		**1,022.12**	1,208.23
Stores & Spares		**811.24**	774.08
Factory Expense		**12.04**	14.34
Repair & Maintenance:Factory Building		**5.97**	2.42
Repair & Maintenance:Plant & Machinery		**67.07**	76.34
Packing Expenses		**2,380.50**	2,193.58
		12,102.01	10,922.92
	Total	**71,364.86**	**62,262.40**
NOTE # 21			
Change in inventories			
Opening Stock		**11,693.93**	11,264.09
Less:Closing Stock		**12,005.76**	11,693.93
	Total	**(311.83)**	**(429.85)**

(Rs. in Lakh)

Particulars		As at March 31,2018	As at March 31,2017
NOTE # 22			
Employement Benefit Expenses			
Salary		**1,714.20**	1,213.92
Gratuity		**42.12**	11.75
Bonus		**114.72**	88.07
P.F.		**42.25**	39.64
Leave Encashment		**9.23**	6.33
Directors Remuneration		**5.40**	33.00
ESIC		**0.08**	0.07
Manpower Supply Service		**308.87**	274.77
	Total	**2,236.87**	**1,667.55**
NOTE # 23			
Financial Cost			
Interest paid to Banks		**2,791.02**	2,777.40
Interest paid to others		**359.14**	370.07
Bank Charges & Guarantee commission		**1,758.40**	1,657.12
(Others & Buyers credit)			
Overseas Bank Charges		**9.23**	17.87
	Total	**4,917.79**	**4,822.47**
NOTE # 24			
Depreci ation and Amortization Expense			
Depreciation		**5,252.25**	2,039.00
Preliminary Expenses written off		**7.32**	7.32
	Total	**5,259.57**	**2,046.33**
NOTE # 25			
Other Expenses			
Advertisement & Publicity		**10.98**	12.77
Auditors Remuneration		**13.16**	11.93
Books & Periodicals		**0.07**	0.07
Brokerage & Overseas Agency Commission		**345.34**	305.91
Carraige outward		**738.66**	702.23
Demat Charges		**0.16**	0.24
Director Sitting Fees		**24.30**	18.60
Diwali Expenses		**0.02**	-
Donation & CSR Activity		**93.39**	24.06
Electricity Expenses		**4.58**	4.56
Excise duty (Included in Domestic sale)		**2,357.12**	10,379.30
Insurance Expenses		**20.29**	26.53
Legal & Professional		**345.25**	212.28
Loss on sale of Fixed Assets		**0.06**	-
Loss on sale of Investments		**8.00**	-
Membership & Subscriptions		**0.22**	1.01
Office & General Expenses		**34.13**	22.52
Postage & Telegram & Telephone		**15.40**	15.14
Printing & Stationery Expenses		**15.76**	14.44
Rent, Rates & Taxes		**86.90**	97.10
Repairs Office Building		**1.73**	2.04
Repairs Other		**4.82**	6.04
Sales Promotion Expenses		**10.73**	0.26
Travelling & Conveyance		**17.75**	23.81
Vehicle Expense		**26.15**	30.81
Written Off amounts		**-**	57.43
	Total	**4,174.97**	**11,969.06**

SCHEDULE - 5 :FIXED ASSETS

FINANCIAL YEAR 2017-18

Schedules To And Forming Part Of Accounts

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr No	**Particulars**	**As At 01.04.2017**	**Addition**	**Deletion**	**As At 31.03.2018**	**As At 01.04.2017**	**For the Year**	**Adjustment**	**As At 31.03.2018**	**As At 31.03.2018**	**As At 31.03.2017**
1	Land	2,505,285	2,518,000		5,023,285	-	-	-	-	5,023,285	2,505,285
2	Building	271,687,523	-		271,687,523	148,469,397	11,591,239		160,060,636	111,626,887	123,218,126
3	Road Develoment		11,565,174		11,565,174		992,606		992,606	10,572,568	-
4	Plant & Machinery	5,398,332,944	-	200,000	5,398,132,944	1,516,757,025	508,940,647	88,078	2,025,609,594	3,372,523,349	3,881,575,918
5	Furniture,Fixture & Equipments	21,912,649	475,670		22,388,319	15,956,361	1,146,759		17,103,120	5,285,199	5,956,288
6	Vehicle	36,611,065	500,000		37,111,065	29,839,706	2,553,377		32,393,083	4,717,982	6,771,359
	TOTAL	**5,731,049,466**	**15,058,844**	**200,000**	**5,745,908,310**	**1,711,022,489**	**525,224,628**	**88,078**	**2,236,159,039**	**3,509,749,270**	**4,020,026,976**
	WIP	61,305	11,018,013							11,079,318	61,305
	Foreign Exchange Diffrence									81,808,910	
	Grand Total	**5,731,110,771**	**26,076,857**	**200,000**	**5,745,908,310**	**1,711,022,489**	**525,224,628**	**88,078**	**2,236,159,039**	**3,602,637,498**	**4,020,088,281**

Terms of repayment of Term Loans & other loans
F.Y. 2017-18

Long & Short Term of 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, 2018 (Rs. in Lakh)		Balance as on 31st March, 2017 (Rs. in Lakh)		Prevailing Interest Rate % Per Annum
					Shown in long Term Borrow	Shown in Short Term Borrow	Shown in long Term Borrow	Shown in Short Term Borrow	
Term Loan (GETCO)	Rs. 1500 Lacs	3.75	Quarterly	31/03/2018	-	97	-	375	11.70%
ECB Loan 2 (BOB London)	Rs. 50 Crores (10MN USD)	7	Quarterly	23/01/2018	1,862	931	2,548	926	5.36%
Bremer Kredit Bank AG	10441142 Euro	8.5	Half-Yearly	08/08/2018	4,470	1,191	3,575	1,377	2.20%
Term Loan (BOB Corporate Loan)	Rs. 30 Crores	5	Quarterly		-	-	-	750	12.20%
Term Loan (BOB FDY Winder Loan)	Rs. 29.45 Crores	4	Quarterly	31/03/2018	816	620	1,247	620	11.70%
Term Loan (Canara Bank Text)	Rs. 4.12 Crores	6	Monthly	06/03/2018	129	63	189	67	13.65%
IDBI Loan (Corporate)	Rs. 25 Crores	4.5	Monthly	31/03/2018	1,267	556	1,759	556	11.90%
Canara Bank (Carpet Yarn)	Rs. 3.85 Crores	6.5	Monthly	31/03/2018	23	8	31	8	13.90%
IDBI Loan	Rs.5 Crores	-	Quarterly	-	-	-	-	500	10.65%
TFCI Ltd.	Rs.12 Crores	4	Monthly	15/03/2018	600	300	900	300	13.00%
Total:					**9,167**	**3,767**	**10,249**	**5,479**	

Note # 26

Other Notes to Accounts:

1) There was no employee in receipt of remuneration aggregating to Rs. 102,00,000/- or more per year or Rs 8,50,000/- or more per month for the part or whole of the year. Previous year also there was no such employee.

2) Balances of loans, advances, Cash & Bank and Creditors & Debtors are subject to confirmation and have been taken as appeared in the books of account of the company.

3) The quantity and value of closing stock is certified by the management as true and correct.

4) In the absence of information regarding outstanding dues of MICRO or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act, 2013.

5) Advances include Rs. 1357 Lacs (Pre.Year Rs. 1255 Lacs) to companies in which directors are interested.

6) **Defined Benefit Plan - Gratuity**

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees.

Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

During the year, the company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs. Change in liability (if any) due to this scheme change is recognised as past service cost.

The Company's obligation in respect of the gratuity plan is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

(Amount in Rs.)

	Year ended	
	March 31, 2018	**March 31, 2017**
Current service cost	**32,27,760.00**	20,80,307.00
Net interest on net defined benefit liability/(asset)	**9,84,731.00**	7,96,971.00
Net gratuity cost/(benefit)	**42,12,491.00**	**28,77,278.00**

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

The principal assumptions used for the purpose of actuarial valuation are as follows:

	Year ended	
	March 31, 2018	**March 31, 2017**
Discount rate	**7.78%**	7.27%
Expected return on plan assets	**N.A**	N.A
Expected rate of salary increase	**8.00%**	8.00%
Rate of employee turnover		
For service 4 years and below	**12.00%**	12.00%
For service 5 years and above	**3.00%**	3.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	**N.A**	N.A

Change in present value of defined benefit obligation is summarized below:

(Amount in Rs.)

	Year ended	
	March 31, 2018	**March 31, 2017**
Present value of Defined Benefit Obligation at the beginning of the period	1,35,45,129.00	1,00,12,203.00
Current service cost	32,27,760.00	20,80,307.00
Past service cost	-	-
Interest cost	9,84,731.00	,96,971.00
Liability transferred In/Acquisitions	-	-
(Liability transferred Out/Divestments)	-	-
(Gains)/Losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefits paid directly by the employer)	-10,16,843.00	-5,76,371.00
(Benefits paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial loss/(gain) arising from financial assumptions	-10,20,968.00	11,35,086.00
Actuarial loss/(gain) arising from demographic assumptions	-	-
Actuarial loss/(gain) arising from experience assumptions	-4,23,647.00	96,933.00
Present value of Defined Benefit Obligation at the end of the period	**1,52,96,162.00**	**1,35,45,129.00**

Amount Recognized in the Balance Sheet:

(Amount in Rs.)

	As at	
	March 31, 2018	**March 31, 2017**
(Present Value of Benefit Obligation at the end of the Period)	-1,52,96,162.00	-1,35,45,129.00
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	-1,52,96,162.00	-1,35,45,129.00
Net (Liability)/Asset Recognized in the Balance Sheet	**-1,52,96,162.00**	**-1,35,45,129.00**

Maturity Analysis of the Benefit Payments: From the Employer

(Amount in Rs.)

	As at	
Projected Benefits Payable in Future Years from the Date of Reporting	**March 31, 2018 (Amt in Rs.)**	**March 31, 2017 (Amt in Rs.)**
1st Following Year	4,68,823.00	3,83,582.00
2nd Following Year	4,54,390.00	3,91,170.00
3rd Following Year	8,37,503.00	4,25,522.00
4th Following Year	7,93,404.00	9,41,262.00
5th Following Year	9,84,283.00	7,08,343.00
Sum of Years 6 To 10	49,01,557.00	44,95,257.00
Sum of Years 11 and above	4,45,72,907.00	3,68,69,363.00

Maturity Analysis of Benefit Payments is undiscounted cash flows considering future ` salary, attrition & death in respective year for members as mentioned above.

Sensitivity Analysis

	As at	
	March 31, 2018 (Amt in Rs)	**March 31, 2017 (Amt in Rs)**
Projected Benefit Obligation on Current Assumptions	**1,52,96,162.00**	1,35,45,129.00
Delta Effect of +1% Change in Rate of Discounting	**-17,38,138.00**	-15,98,707.00
Delta Effect of -1% Change in Rate of Discounting	**21,01,496.00**	19,40,358.00
Delta Effect of +1% Change in Rate of Salary Increase	**20,75,634.00**	19,06,453.00
Delta Effect of -1% Change in Rate of Salary Increase	**-17,49,668.00**	-16,02,370.00
Delta Effect of +1% Change in Rate of Employee Turnover	**-1,15,907.00**	-1,74,938.00
Delta Effect of -1% Change in Rate of Employee Turnover	**1,24,311.00**	1,95,921.00

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay- out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

7) **Payment to Auditors:**

Sr. No.	Particulars	**Current Period**	Previous Year
(i)	As Auditors:	**7,50,000**	7,50,000
(ii)	As Advisor or in any other capacity in respect of:		
	Company Law matter	**-**	-
	Taxation matter	**-**	-
	Others	**-**	-

8) **Managerial Remuneration:**

Sr. No.	Particulars	**Current Period**	Previous Year
(i)	Salary	**5,40,000**	33,00,000
(ii)	Perquisite	-	-

9) **Earnings Per share (AS 20) :**

Sr. No.	Particulars	**Current Period**	Previous Year
(i)	Net profit attributable to shareholder	**-1,86,17,775**	37,36,28,561
(ii)	Weighted average number of shares for Basic Earnings per share	**8,29,13,911**	5,80,39,739
(iii)	Weighted average number of shares for Diluted Earnings per share	**8,29,13,911**	5,80,39,739
(iv)	Nominal value per share	**10**	10
(v)	Basic earnings per share (Rs)	**-**	6.44
(vi)	Diluted earnings per share (Rs)	**-**	6.44

10) The fair value of cash and cash equivalents, trade receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt and investment in fixed deposit have been contracted at market rates of interest. Accordingly, the carrying value of such instruments approximates their fair value.

11) **Contingent Liabilities:**

(a) Letter of credit outstanding is 2,18,280 US$ as on 31.03.2018 (Pre. Year 380000 US$ and JPY 14269760 respectively).

(b) SEBI had imposed penalty of Rs.2.00 crore U/S 15-I of Securities and Exchange Board of India Act, 1992 read with rule 5 of SEBI (procedure for holding enquiry and imposing penalties by educating officer) Rules 1995 vide Adjudication order no. IVD/SIL/AO/DRK-CS/EAD-3/473-486/16-29-14. The Company has filed petition before SAT against the said order. The same has been remanded back to SEBI for fresh order on merits.

(c) The Company has given corporate guarantee to State Bank of India for term loan given to Sumicot Ltd (Formally known as Sumeet Poly Power Limited) and the present outstanding was Rs. 27.93 Crores.

(d) Income Tax Assessment for A.Y. 2012-13, 2014-15 and 2015-16 is pending with CIT (Appeals) and A.Y. 2009-10 is pending with Dy. Commissioner of Income Tax, Surat. Total amount of demand involved in all these cases is amounting to Rs. 8.06 crores which is subject to final order and rectification.

12) **Operating Segment:**

The operations of the company are limited to one segment viz. Polyester Yarn manufacturing (textile).

Operating segments are defined as components of a company for which discrete financial information is available that is evaluated regularly by Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance.

Geographical revenues is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

(Rs. In Lacs)

Sr. No.	Particulars	31-03-2018	31-03-2017
(i)	India	**90463.36**	120820.10
(ii)	Rest of the world	**16601.37**	9338.35

Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2018 and March 31, 2017.

(Rs. In Lacs)

Sr. No.	Name of Customer	31-03-2018	31-03-2017
(i)	Sharda Enterprise	**1,251.60**	1,692.93

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

Sr. No.	Description	Amount (In Rs.)	Amount (In Rs.)
1.	Difference in closing Balance of Depreciations		
	W.D.V. as per Companies Act	3,50,47,25,985	
	W.D.V. as per Income Tax Act	1,58,21,58,674	
	Deffered Tax Assets/(Liability) at 33.384 % on Rs.	(1,92,25,67,311)	(64,18,29,871)
2.	Short term capital loss	7,99,619	1,33,472
3.	Closing u/s. 43B @ 33.384 % on Rs.	3,90,31,663	1,30,30,330
4.	Dis-Allowance u/s. 35D @ 33.384 % on Rs.	1,65,47,886	55,24,339
			(62,31,41,728)

Sr. No.	Particulars	Amount (In Rs.)
1.	Opening Balance of DTA / (DTL)	(74,03,30,490)
2.	Deferred Tax Liabilities/(Assets) of the period	(11,71,88,761)
3.	Closing Balance of DTA / (DTL)	(62,31,41,728)

14) **Additional Information:**

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

A. **Capacity:**

Particulars	Units	F.Y. 2017-18	F.Y. 2016-17
a) Polyester POY/ FDY/ PET / Texturising			
i) Licensed Capacity *	TPA		
ii) Installed Capacity **	TPA	**82800**	82800
b) Twisted			
i) Installed Capacity **	TPA	**2500**	2500
c)Textures **	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:**

Particulars	Units	F.Y. 2017-18	F.Y. 2016-17
C.P.Plant & Spinning Unit	Ton	**92607.345**	87273.064
* Production excludes here Wastages.			

C. **Turnover:**

(Amount in Lacs)

Particulars	Unit	F.Y. 2017-18		F.Y. 2016-17	
		Quantity	Value	Quantity	Value
C.P.Plant & Spinning Unit	**Ton**	**93529.48**	**106902.03**	85643.27	129980.07
Wastage	**Kgs.**	**1147.90**	**162.70**	1241.95	178.38

D. **Raw Material Consumed:**

(Amount in Lacs)

Particulars	Unit	F.Y. 2017-18		F.Y. 2016-17	
		Quantity	Value	Quantity	Value
C.P.Plant& Spinning Unit	**Ton**	**109767.00**	**59262.86**	101572.40	51339.48
	Total	**109767.00**	**59262.86**	101572.40	51339.48

E. **Purchase:**

(Amount in Lacs)

Particulars	Unit	F.Y. 2017-18		F.Y. 2016-17	
		Quantity	Value	Quantity	Value
Purchase on High Seas (Coal/FDY (Winder))	**Ton**	**1.50**	**69.350**	9.50	448.93
	Total	**1.50**	**69.350**	9.50	448.93

F. **Finished Stock:**

(Amount in Lacs)

Particulars	Unit	F.Y. 2017-18		F.Y. 2016-17	
		Quantity	Value	Quantity	Value
a) Opening Stock: PPMFY* Polyester /FDY	**Kgs.**	**7063.079**	**6585.90**	10914.349	6661.37
b) Closing Stock: PPMFY* Polyester/FDY	**Kgs.**	**7759.264**	**6641.19**	7063.079	6585.90
* Excluding Wastage of Poly Yarn/FDY Yarn					

G. Raw Material Purchased:

(Amount in Lacs)

Particulars	F.Y. 2017-18		F.Y. 2016-17	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	**18075.88**	**29.94**	22012.94	42.32
Indigenous	**42317.39**	**70.06**	30004.86	57.68
Total	**60393.28**	**100.00**	52017.80	100.00

H. Stores and Spares Purchased:

(Amount in Lacs)

Particulars		F.Y. 2017-18		F.Y. 2016-17	
		Amount	% of Total Consumption	Amount	% of Total Consumption
	Imported	**359.04**	**44.24**	103.14	13.03
	Indigenous	**452.47**	**55.76**	688.43	86.97
	Total	**811.51**	**100.00**	**791.56**	**100.00**

I. **Expenditure in Foreign Currencies on account of (on Accrual Basis):**

(Amount in Lacs)

	Particulars	F.Y. 2017-18	F.Y. 2016-17
	Interest	**156.50**	255.39
	Commission to selling Agent	**7.55**	8.68
	Foreign Traveling	**5.41**	5.34
	Overseas Banking Charges	**9.23**	17.87

A. C.I.F. Value of import

(Amount in Lacs)

	Particulars	F.Y. 2017-18	F.Y. 2016-17
	i) Raw Material	**18514.79**	22709.91
	ii) Stores and Spares	**359.04**	103.14
	iii) Capital Goods	**-**	118.48
	iv) Coal	**73.55**	448.92
	v) Furnish Oil	**158.27**	963.64

B. Earnings in Foreign Currency (FOB Value of Exports)

(Amount in Lacs)

	Particulars	F.Y. 2017-18	F.Y. 2016-17
	PET Chips/DTY/POY/FDY Yarn/Cotton/PTA	**7881.24**	5437.51

As per our report of even date
For, PAMITA DOSHI & CO
Chartered Accountants
Firm No. 141976W
Pamita Doshi
Proprietor
M. No. 141320

Place : Surat
Date : 22/06/2018

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUMEET INDUSTRIES LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

I have audited the accompanying Consolidated Financial Statements of Sumeet Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the Year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS Financial Statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on my audit.

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

I conducted my audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Our opinion is not modified in respect of above said matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.

2. As required by Section 143 (3) of the Act, I report that:

   a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;

   b. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;

   d. In my opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under;

   e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

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

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

      1. The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS Financial Statements. Refer note 26– Contingent liabilities to the Consolidated Ind AS Financial Statements.

      2. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

FOR PAMITA DOSHI & CO.
CHARTERED ACCOUNTANTS
FRN No. 141976W

(PAMITA DOSHI)
PROPRIETOR
M.NO.141320

PLACE:SURAT
DATED:22/06/2018

Annexure 'A' to the Independent Auditor's Report

In respect of the Annexure referred to in paragraph 1 of our report to the Members of Sumeet Industries Limited ("the company") for the year ended March 31, 2018, we report on following matters:

S. No.	Particulars	Auditor's Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; (b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account; (c) Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof.	Yes. Company is maintaining proper records of fixed assets. Yes, fixed assets have been physically verified at regular intervals. No, material discrepancies have been noticed on such verification. Yes.
(ii)	(a) Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, how they have been dealt with in the books of account.	Yes, physical verification has been conducted except material lying with third parties, where confirmations are obtained.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. If so, (a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest (b) Whether receipt of the principal amount and interest are regular. If not provide details thereof; and (c) If amount is overdue, state total amount overdue, state total amount overdue for more than 90 days and whether reasonable steps have been taken by the company for recovery of the principal and interest;	No loans have been granted to the companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013 during the period under audit. N.A. N.A. N.A.
(iv)	In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide details thereof.	Yes, all the compliances have been followed by the company.
(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	Yes, all the compliances have been followed by the company.
(vi)	Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been made and maintained;	Yes.
(vii)	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, , service tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	Yes, the company is regular.

	(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	Assessment for A.Y. 2012-13, 2014-15 and 2015-16 is pending with CIT (Appeals) and A.Y. 2009-10 is pending with Dy. Commissioner of Income Tax, Surat.
(viii)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported (in case of banks and financial institutions, lender wise details to be provided).	3 (Three) installments amounting to 22,11,065.43 Euros of ECA loan granted by Bremer Kredit Bank AG Germany is due and not paid till date 31st March 2018.
(ix)	Whether moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported;	Yes, moneys raised by way of Right issue/ follow-on offer during the period have been applied for the purposes for which those were raised. Term Loan has been made by the Bank directly to the vendors. And there is no delay or default.
(x)	Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; if yes, the nature and the amount involved be indicated.	No fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
(xi)	Whether managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Yes. Managerial Remuneration has been paid / provided in accordance with provisions of section 197 and under other rules.
(xii)	Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability.	Not Applicable
(xiii)	Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Consolidated Financial Statements etc. as required by the accounting standards and Companies Act, 2013.	Yes.
(xiv)	Whether the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof.	During the period under consideration, right issue had been made for 2,48,74,173 number of shares at Rs.24 per share.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with.	No. Not Applicable
(xvi)	Whether the company is required to be registered under Section 45 IA of Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	Not Applicable

FOR PAMITA DOSHI & CO.
CHARTERED ACCOUNTANTS
FRN No. 141976W

(PAMITA DOSHI)
PROPRIETOR
M.NO.141320

PLACE:SURAT
DATED:22/06/2018

Annexure 'B' to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of Sumeet Industries Limited ("the Company") as of 31 March, 2018 in conjunction with my audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In my opinion, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

FOR PAMITA DOSHI & CO.
CHARTERED ACCOUNTANTS
FRN No. 141976W

(PAMITA DOSHI)
PROPRIETOR
M.NO.141320

PLACE:SURAT
DATED:22/06/2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs in lacs except share and per share data, unless otherwise stated)

	Particulars	Note No.	31st March, 2018	31st March, 2017
I.	**ASSETS**			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	3	**35,915.58**	40,200.27
	(b) Capital Work in Progress		**110.79**	0.61
	(c) Investment Property		**-**	-
	(d) Goodwill		**-**	-
	(e) Other Intengible Aseets		**-**	-
	(f) Intengible Aseets under Development		**-**	-
	(g) Financial Assets		**-**	-
	(i) Investments	4	**1,292.61**	1,097.03
	(ii) Trade Receivables	5	**231.64**	209.73
	(iii) Loans	6	**1,555.11**	1,904.59
	(iv) Other Financial Assets			
	(h) Deferred Tax Assets			
	(i) Other non current assets	7	**322.54**	278.32
(2)	**Current Assets**			
	(a) Inventories	8	**22,841.69**	21,460.53
	(b) Financial Assets			
	(i) Investments		**-**	-
	(ii) Trade Receivables	5	**28,286.37**	22,626.50
	(iii) Cash and Cash Equivalents	9	**4,261.61**	4,647.13
	(iv) loans		**-**	-
	(v) Other Financial Assets		**-**	-
	(c) Others Current Assets	7	**8,369.12**	7,896.88
	TOTAL ASSETS		**1,03,187.06**	**1,00,321.60**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity Share Capital	10	**8,291.39**	5,803.97
	Other Equity	11	**26,658.14**	23,297.24
	Total Equity		**34,949.53**	**29,101.22**
(2)	**Liabilities**			
	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	**13,011.32**	17,143.62
	(ii) Trade Payable	13	**32.83**	24.13
	(iii) Other Financial Liabilities	14	**7.09**	8.09
	(b) Provisions		**-**	-
	(c) Deferred Tax liabilities (Net)	15	**6,231.42**	7,403.30
	(d) Other non current liabilities	16	**156.66**	136.56
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	**31,320.71**	24,802.27
	(ii) Trade Payable	13	**8,811.29**	12,735.29
	(iii) Other Financial Liabilities	14	**3,966.34**	5,624.15
	(b) Other Current Liabilities	16	**2,094.17**	1,535.11
	(c) Provisions	17	**2,605.70**	1,807.85
	Total Liabilities		**68,237.52**	**71,220.38**
	TOTAL EQUITY AND LIABILITIES		**1,03,187.06**	**1,00,321.60**

See accompanying Notes to the Financial Statements

As per our report of even date
For, PAMITA DOSHI & CO
Chartered Accountants
Firm No. 141976W
Pamita Doshi
Proprietor
M. No. 141320

Place : Surat
Date : 22/06/2018

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

CONSOLIDATED PROFIT & LOSS STATEMENT FOR YEAR ENDED ON 31ST MARCH, 2018

(Rs in lacs except share and per share data, unless otherwise stated)

	Particulars	Note No.	31st March, 2018	31st March, 2017
I.	Revenue from Operations	18	**1,22,883.11**	1,50,959.72
II.	Other Incomes	19	**953.65**	948.76
III.	Total Revenue (I + II)		**1,23,836.76**	**1,51,908.48**
IV	Expenses:			
	Manufacturing Expenses			
	Cost of Materials Consumed	20	**71,364.86**	62,262.40
	Purchases of Stock-in-Trade		**36,414.04**	63,523.44
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	**-311.83**	-429.85
	Administrative & Selling Expenses			
	Employee Benefit Expenses	22	**2,268.92**	1,688.08
	Finance Costs	23	**5,147.08**	5,035.15
	Depreciation and Amortization Expense	24	**5,259.57**	2,047.13
	Other Expenses	25	**4,312.95**	12,061.39
	Total Expenses		**1,24,455.61**	**1,46,187.73**
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)		**-618.84**	5,720.74
VI	Exceptional Items		**-**	-
VII	Profit before Extraordinary Items and Tax (V - VI)		**-618.84**	5,720.74
VIII	Extra Ordinary Items		**-**	-
IX	**Profit before Tax**		**-618.84**	5,720.74
X	Tax Expense:			
	(1) Current tax		**(795.82)**	1,189.79
	(2) Income Tax of Earlier Year		**(19.19)**	-
	(3) Deferred Tax		**1,171.89**	1,656.28
	(4) MAT credit		**-**	-1,014.70
	Total		**356.88**	1,831.36
XI	Profit/ (Loss) for the period from Continuing Operations (VII - VIII-X)		**-261.96**	**3,889.38**
XII	Profit/ (Loss) from discontinuing Operations		**-**	-
XIII	Tax expense of discountinued operation		**-**	-
XVI	Profit/ (Loss) from discontinuing Operations (after tax) (XII-XIII)		**-**	-
XV	**Profit/ (Loss) for the period (IX-XII)**		**-261.96**	**3,889.38**
XVI	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit obligations		**14.45**	-12.32
	Less : Income tax relating to above item		**-4.46**	4.07
		Total	**9.98**	**-8.25**
	(b) Fair value of equity instruments through other comprehensive income		**159.27**	102.17
	Less : Income tax relating to above item		**-30.57**	-30.40
		Total	**128.70**	**71.78**

(Rs in lacs except share and per share data, unless otherwise stated)

Particulars	Note No.	31st March, 2018	31st March, 2017
B (i) Items that will be reclassified to profit or loss			
(a) Exchange Difference in translating the Financial Statement of a Foreign Operation		**2.68**	3.22
Less: Income Tax relating to items that will be reclassified to profit or loss		**-0.89**	-1.06
Total		**1.80**	**2.15**
Total Comprehensive Income for the period (A + B)		**140.48**	65.68
Earning per equity share (for countinuing operation):			
(1) Basic		**-**	6.81
(2) Diluted		**-**	6.81

See accompanying notes to the financial statements

As per our report of even date
For, PAMITA DOSHI & CO
Chartered Accountants
Firm No. 141976W
Pamita Doshi
Proprietor
M. No. 141320

Place : Surat
Date : 22/06/2018

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2018

(Rs. in lakh)

	Particulars	F.Y. 2017-18 Amount	F.Y. 2017-18 Amount	F.Y. 2016-17 Amount	F.Y. 2016-17 Amount
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax and Extraordinary Items		**(478.37)**		5,786.43
	Adjustment For:				
	Add:				
	Depreciation	**5,252.25**		2,039.80	
	Loss on sale of Asset	**0.06**		-	
	Loss on sale of Investment	**8.00**		-	
	Interest Paid	**3,212.34**		3,154.13	
		8,472.64		5,193.93	
	Less:				
	Fair Value on investment	**159.27**		102.17	
	Interest Income	**471.39**		511.75	
	Exchange Difference from InternalTransaction	**(9.75)**		(42.15)	
	Profit on sale of Investment	**-**		4.30	
	Dividend Income	**0.03**		0.01	
		620.94		660.39	
			7,851.70		4,533.54
	Operating Profit before Working Capital Changes				
	Adjustment For:				
	Trade Receivables	**(5,681.78)**		3,875.41	
	Other asset	**(516.45)**		(1,170.30)	
	Inventories	**(1,381.16)**		(1,342.96)	
	Trade Payables	**(3,915.30)**		(6,368.69)	
	Other Financial Liability	**(1,658.81)**		441.26	
	Other Liabilities	**579.15**		155.09	
	Provision	**35.92**		27.39	
			(12,538.42)		(4,382.80)
	Cash Generated From Operations				
	Tax Paid		**53.08**		108.65
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**5,218.17**		5,828.52
B	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Fixed Assets				
	Sale of Fixed Assets	**1.06**		-	
	Purchase of Fixed Assets	**(150.59)**		(1,190.31)	
	Increase in Fixed Asset due to Exchange Diffrence	**(818.09)**		-	
	Work in Progress				
	Increase in Capital Work in progress	**(110.18)**		397.95	
	Investments				
	Purchase of Investments	**(148.29)**		(233.09)	
	Sale of Investments	**94.23**		284.71	
	Dividend received	**0.03**		0.01	
	Other				
	Interest Income	**471.39**		511.57	
	Long term Loans & Advance Given				
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(660.43)**		(228.98)

(Rs. in lakh)

	Particulars	F.Y. 2017-18 Amount	F.Y. 2017-18 Amount	F.Y. 2016-17 Amount	F.Y. 2016-17 Amount
C	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Equity Share Capital raised	**2,487.42**		-	
	Security premium received	**3,482.38**		-	
	Increase / Decrease in Borrowings	**2,386.14**		(2,328.97)	
	Increase / Decrease in Loans & Advances	**349.48**		320.72	
	Interest Paid	**(3,212.34)**		(3,154.13)	
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)		**5,493.08**		(5,162.38)
	Net Increase in Cash & Cash equivalents		**(385.52)**		**437.16**
D	Cash and Cash equivalents as on 01-04-2017		**4,647.13**		4,209.98
E	Cash and Cash equivalents as on 31-03-2018		**4,261.61**		4,647.13
			(385.52)		**437.16**

As per our report of even date
For, PAMITA DOSHI & CO
Chartered Accountants
Firm No. 141976W
Pamita Doshi
Proprietor
M. No. 141320

Place : Surat
Date : 22/06/2018

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

1) THE COMPANY OVERVIEW:

SUMEET INDUSTRIES LTD. is a Public Limited Listed Company domiciled in India and Incorporated under the provisions of the Companies Act, 1956.The address of its registered office is SUMEET INDUSTRIES LIMITED, 504, Trividh Chamber, Opp. Fire Station, Ring Road, Surat, Gujarat, India. The Company is engaged in the business of manufacturing and exporting Polyester Yarn (POY and FDY), Polyester Chips, Texturizing Yarn and Carpet Yarn. The company caters to both domestic and international markets.

2) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

Statement of compliance and basis of preparation

These Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS)including the rules notified under the relevant provision of the Companies Act, 2013.

Up to the year ended March 31, 2017, the company prepared its Consolidated Financial Statements in accordance with the requirements of the Indian GAAP ("Previous GAAP"), which included Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is April 01, 2016.

Accounting policies have been applied consistently to all periods presented in these Consolidated Financial Statements.

The Consolidated Financial Statements comprise of Sumeet Industries Limited and its wholly owned subsidiary "Sumeet Global PTE. Ltd." a Singapore based company, being the entity that it controls. Control are assessed in accordance with the requirement of Ind AS 110 – Consolidated Financial Statements.

All amounts included in the Consolidated Financial Statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

Basis of measurement

These Consolidated Financial Statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS;

- The defined benefit asset(liability) is as the present value of defined benefit obligation less fair value of plan assets and
- Financial instruments classified as fair value through other comprehensive income.

Use of estimates and judgment

The preparation of the Consolidated Financial Statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in Consolidated Financial Statements are included in the following notes:

- Useful lives of Property, plant and equipment [Note L]
- Measurement of defined benefit obligations [Note D]
- Provision for inventories [Note I]
- Measurement and likelihood of occurrence of provisions and contingencies [Note P]
- Deferred taxes [Note E]

3) PRICIPLES OF CONSOLIDATION

a) The financial statements of the holding company and its subsidiary are combined on a line to line basis by adding together like items of assets, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

b) In case of foreign subsidiary, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized at reserves.

c) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

d) The carrying amount of the parent's Investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.

4) SIGNIFICANT ACCOUNTING POLICIES

(A) **Current and non-current classification**

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis".

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(B) **Fair value measurement**

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) prices in active market for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

(C) **Revenue recognition:**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

Export sales are accounted at the exchange rate prevailing on the date of invoice. These are net of commission and does not include freight wherever applicable as per the terms of the sales contract.

Interest income is accounted on accrual basis.

(D) **Employee Benefits:**

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, provident fund, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company is a member of recognized Provident Fund scheme established under The Provident Fund & Miscellaneous Act, 1952 by the Government of India. 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. The contribution paid or payable under the scheme is recognized during the period under which the employee renders the related services. The above benefits are classified as Defined

Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the third party funds. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses in other comprehensive income, net of taxes.

Other Employee Benefits

Other employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided.

(E) **Income Taxes:**

Tax expenses for the period, comprising current tax and deferred tax are included in determining the net profit for the period.

Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(F) **Foreign Currency:**

Functional and presentation currency

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees (INR), which is the company's functional and presentation currency.

Foreign currency transactions

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss and reported within foreign exchange gains (losses), net within results of operating activities except when deferred in other comprehensive income as qualified cash flow hedges.

(G) **Cash and cash equivalents:**

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes balance with banks and demand deposits with banks with original maturities of three months or less and other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(H) **Earnings Per Share:**

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

(I) **Inventories:**

Inventories consist of raw materials, stores & spares, work-in-progress and finished goods. Inventories are valued at lower of cost and net realizable value (NRV) except for raw materials which is valued at cost.

Cost of raw materials and stores & spares includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. Cost of finished goods includes excise duty and other costs incurred in bringing the inventories to their present location and conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

(J) **Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortized cost.

Debt instruments

Debt instruments are subsequently measured at amortized cost, fair value through other comprehensive income ('FVOCI')or fair value through Profit and Loss ('FVTPL') till de-recognition on the basis of :

(i) the entity's business model for managing the financial assets and

(ii) the contractual cash flow characteristics of the financial asset.

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Other Comprehensive Income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Profit and Loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is recognised in the Statement of Profit and Loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL ,transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative contracts to hedge risks which are not designated in any hedging relationship i.e. hedge accounting is not followed. Such contracts are accounted for at FVTPL.

(K) **Dividend income:**

Dividends are recognized in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(L) **Property, Plant and Equipment (PPE)**

Items of Property, plant and equipment acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The historical cost of Property, plant and equipment comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Gains and losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, plant and equipment recognized as at April01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment.

Depreciation methods, estimated useful lives and residual values

Depreciation is provided on written down value method based on the respective estimate of useful lives.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

(M) **Intangible assets**

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually. Till date, the Company has not acquired any intangible asset.

(N) **Government Grants**

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

(O) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note 26 for segment information presented.

(P) **Provisions and Contingent Liabilities**

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

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

(Q) **Expenditure**

Expenses are recognised on accrual basis.

(R) **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

Other borrowing costs are recognized as an expense in the period in which they are accrued / incurred.

(S) **Cash flow statement**

Cash flows are reported using the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flow', whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTE # 3 (Rs. in lakh)

Property, plant and equipment

Particulars	Land	Building	Road Development	Plant & Machinery	Furniture & Fixture	Vehicle	Total
Deemed cost as at April 01, 2016	23.56	1,317.98	-	39,554.81	59.81	92.79	41,048.96
Additions	1.49	39.90	-	1,137.11	11.81	-	1,190.31
Disposal/Adjustment	-	-		-	-	-	-
Closing gross carrying amount as at March 31, 2017	**25.05**	**1,357.88**	-	**40,691.92**	**71.62**	**92.79**	**42,239.27**
Accumulated amortization and impairment :	-	-	-	-	-	-	-
Depreciation/Amortization charge during the year	-	125.70	-	1,876.16	12.06	25.08	2,039.00
Closing accumulated depreciation	**-**	**125.70**	-	**1,876.16**	**12.06**	**25.08**	**2,039.00**
Net carrying amount as at March 31, 2017	**25.05**	**1,232.18**	-	**38,815.76**	**59.56**	**67.71**	40,200.27
Opening Gross Carrying Amount	25.05	1,357.88	-	40,691.92	71.62	92.79	42,239.27
Additions	25.18	-	115.65	-	4.76	5.00	150.59
Disposal/Adjustment	-	-	-	2.00	-	-	2.00
Closing gross carrying amount as at March 31, 2018	**50.23**	**1,357.88**	**115.65**	**40,689.92**	**76.38**	**97.79**	**42,387.86**
Accumulated amortization and impairment :							-
Opening Accumulated Depreciation	-	125.70	-	1,876.16	12.06	25.08	2,039.00
Depreciation/Amortization charge during the year	-	115.91	9.93	5,089.41	11.47	25.53	5,252.25
Disposal/Adjustment	-	-	-	0.88	-	-	0.88
Closing accumulated depreciation	**-**	**241.62**	**9.93**	**6,964.69**	**23.53**	**50.61**	**7,290.37**
Foreign Exchange Difference				818.09			818.09
Net carrying amount as at March 31, 2018	**50.23**	**1,116.27**	**105.73**	**34,543.32**	**52.85**	**47.18**	**35,915.58**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
NOTE # 4			
Investments			
Financial instruments at FVTPL			
Equity instruments [Note 4.1]		**1,212.38**	1,076.96
Mutual Funds [Note 4.2]		**80.23**	20.07
		1,292.61	**1,097.03**
Investment in Subsidiaries [Note 4.3]		**-**	-
	Total	**1,292.61**	**1,097.03**
Non-current		**1,292.61**	1,097.03
Current		**-**	-
Aggregate amount of quoted investments (FMV)			
Non-current		**92.16**	31.15
Current			
Aggregate amount of unquoted investments (FMV)			
Non-current		**1,200.45**	1,065.88
Current		**-**	-
4.1 Details of investments in equity instruments:			
Quoted:			
Stampede Capital Ltd.		**10.06**	8.74
Paras Petrofils Ltd.		**-**	-
IFCI Ltd		**-**	-
Rajasthan Petro Sythetics Ltd.		**-**	-
Tata Steel Ltd.		**1.15**	0.82
Tata Steel Ltd. (PP)		**0.04**	-
Shree Rajasthan Syntex Ltd.		**-**	-
UPL Limited		**-**	-
M/s. Questfin Ltd.		**0.04**	0.43
Zylog Systems Ltd.		**0.64**	1.10
		11.93	**11.08**
Unquoted:			
Vakrangee Softwares		**-**	19.75
Chandra Synthetics Ltd.		**-**	-
Haryana Petrochemicals Ltd.		**-**	-
Paras Petro Chemicals Ltd.		**-**	-
Parasrampuria Ind. Ltd.		**-**	-
Sumeet Poly Power ltd.		**1,200.45**	1,046.13
		1,200.45	**1,065.88**
	Total	**1,212.38**	**1,076.96**

(Rs. in lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
4.2 Investment in Mutual funds - Quoted			
Reliance Vision		**-**	-
Canara Robeco Capital Protection ORIT.Fund-6-RG		**59.35**	-
India First Life Insurance Co Ltd. MF		**5.00**	5.00
Union KBC Capital Protection Oriental Fund		**15.88**	15.07
	Total	**80.23**	**20.07**

Investment in Reliance Vision and India First Life Insurance Co. Ltd. have been taken at carring amount due to unavailability of fair value.

NOTE # 5

Trade Receivables

Unsecured			
Considered Good		**28,518.01**	22,836.23
Doubtful		**-**	-
	Total	**28,518.01**	**22,836.23**
Non - current		**231.64**	209.73
Current		**28,286.37**	22,626.50

Trade receivables are due neither from directors or other officers of the company either severally or jointly with any other person nor from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are classified as current on the basis of normal operating cycle of twelve months.

NOTE # 6

Loans

Loans to Related Parties			
Non - Current		**1,555.11**	1,904.59
Current		**-**	-
	Total	**1,555.11**	**1,904.59**

NOTE # 7

Other Assets

Non - Current :			
Advances other than capital advances			
Security deposits		**143.33**	236.74
Advance to Suppliers		**179.20**	41.58
	Total	**322.54**	**278.32**

(Rs. in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Current :		
Prepaid Expenses	**7.67**	6.35
Advance to Suppliers	**2,790.87**	3,041.70
Balance with Excise, Customs, Income Tax and other authorities	**4,749.55**	3,966.49
Advance to Staff	**20.28**	18.71
Advance for Exp (Godown-Delhi)	**-**	-
Claim Receivable	**727.35**	780.74
Preliminary Expenses	**7.32**	14.65
Income Tax Seized Cash	**13.50**	13.50
Insurance Claim receivable	**-**	15.06
Other Receivables	**52.58**	39.68
Total	**8,369.12**	**7,896.88**
NOTE # 8		
Inventories		
Raw Materials	**6,001.24**	4,870.82
Work-in-progress	**5,364.56**	5,108.03
Finished goods	**6,641.19**	6,585.91
Stores and spares	**4,834.68**	4,895.77
Total	**22,841.69**	**21,460.53**
Mode of Valuation of Inventories		
Particulars Mode of Valuation		
Raw material & W.I.P. : Valued at cost.		
Finished Goods : Valued at cost or Market Value whichever is lower.		
NOTE # 9		
Cash and cash equivalents		
Balances with Banks		
Current accounts	**55.36**	532.37
Demand deposits	**4,205.68**	4,110.41
(Fixed deposits / Margin Money / Security against borrowings)		
Cash on hand	**0.58**	4.36
Total	**4,261.61**	**4,647.13**
NOTE # 10		
Share Capital		
Authorised Capital		
145,000,000 Equity shares of Rs. 10/- each.	**14,500.00**	14,500.00
(2017 : 145,000,000, 2016 : 70,000,000)	**-**	-
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	**3,000.00**	3,000.00
	17,500.00	**17,500.00**
Issued, Subscribed and paid up capital		
82,913,911 Equity shares of Rs. 10/- each.fully paid	**8,291.39**	5,803.97
(2017 : 58,039,738, 2016 : 58,039,738)		
	8,291.39	**5,803.97**

Preference shares issued being redeemable & non- convertible have been classified as financial liability (Unsecured Borrowings) and not equity.

(i) Reconciliation of number of shares and share capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	Amt in lakhs	No of shares	Amt in lakhs
Authorised Capital				
Number of shares at the beginning	175,000,000.00	17,500.00	100,000,000.00	10,000.00
Add : Increased during the year	-	-	75,000,000.00	7,500.00
Number of shares at the end	**175,000,000.00**	**17,500.00**	**175,000,000.00**	**17,500.00**
Issued, Subscribed and Paid up				
Number of equity shares at the beginning	58,039,738.00	5,803.97	58,039,738.00	5,803.97
Add : Issued during the year	24,874,173.00	2,487.42	-	-
Number of shares at the end	**82,913,911.00**	**8,291.39**	**58,039,738.00**	**5,803.97**
Number of preference shares at the beginning	30,000,000.00	3,000.00	30,000,000.00	3,000.00
Add : Issued during the year	-	-	-	-
Number of shares at the end	**30,000,000.00**	**3,000.00**	**30,000,000.00**	**3,000.00**

(ii) Terms and rights attached to equity shares.

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

(iii) Shares held by Shareholder holding more than 5% shares and number of shares held is as follows.

Particulars	As at March 31,2018	%	As at March 31,2017	%
Somani Overseas Private Limited	10,436,928.00	12.59	8,641,928.00	14.89
Sitaram Prints Private Limited	-	-	3,884,775.00	6.69
Shankarlal Sitaram Somani	-	-	3,809,919.00	6.56

(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2018:

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-

During the immediate preceding five years, no shares were bought back. However, 250,000 shares held by Vishvas Infrastructure Ltd. were cancelled during the financial year 2013-14 as per the order of High Court.

NOTE # 11
Statement of changes in Equity for the year ended March 31, 2018

A. Equity Share Capital	Amount
Particulars	**(Rs. in Crore)**
As at April 1, 2016	**5,803.97**
Changes in Equity share capital	-
As at March 31, 2017	**5,803.97**
Changes in Equity share capital	2,487.42
As at March 31, 2018	**8,291.39**

B. Other Equity

Particulars	Reserves and surplus							(Rs. in lakh))
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit obligations	Equity instruments through other comprehensive income	Exchange Difference in translating the Financial Statement of a Foreign Operation	Total other equity
Balance as at April 01, 2017	25.00	5,331.66	62.08	17,485.83	-26.93	414.34	22.28	23,314.26
Prior period error	-	-	-	-	-17.02	-		-17.02
Restated balance at the beginning	**25.00**	**5,331.66**	**62.08**	**17,485.83**	**-43.96**	**414.34**	**22.28**	**23,297.24**
Other comprehensive income for the year	-	-	-	-	9.98	128.70	1.80	140.48
Dividends	-	-	-	-	-	-		-
Transfer to securities premium	-	3,482.38	-	-	-	-		3,482.38
Transfer to retained earnings	-	-	-	-261.96	-	-		-261.96
Balance as at March 31, 2018	**25.00**	**8,814.05**	**62.08**	**17,223.87**	**-33.97**	**543.04**	**24.08**	**26,658.14**

Particulars	Reserves and surplus							(Rs. in lakh)
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit obligations	Equity instruments through other comprehensive income	Exchange Difference in translating the Financial Statement of a Foreign Operation	Total other equity
Balance as at April 01, 2016	25.00	5,331.66	62.08	13,596.45	-	342.56	20.12	19,377.89
Prior period error	-	-	-		-18.69	-		-18.69
Restated balance at the beginning	**25.00**	**5,331.66**	**62.08**	**13,596.45**	**-18.69**	**342.56**	**20.12**	**19,359.20**
Other comprehensive income for the year	-	-	-	-	-8.25	71.78	2.15	65.68
Dividends	-	-	-	-	-	-		-
Transfer to retained earnings	-	-	-	3,889.38	-	-		3,889.38
Balance as at March 31, 2017	**25.00**	**5,331.66**	**62.08**	**17,485.83**	**-26.93**	**414.34**	**22.28**	**23,314.26**

(Rs. in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE # 12		
Borrowings		
Non - current Borrowings		
Secured		
Term loans from banks	**8,577.89**	9,365.14
Term loans from others	**624.02**	986.31
Unsecured		
Loan from related parties	**809.42**	3,792.17
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	**3,000.00**	3,000.00
Total	**13,011.32**	**17,143.62**
Current Borrowings	**-**	-
Cash Credit facilities	**20,280.07**	9,581.58
Buyer's Credit and Inland LCs	**11,040.64**	15,220.69
Total	**31,320.71**	**24,802.27**

Nature of security

Hypothication of 1st charge on all fixed assets of the company and 2nd pari passue charge on all current assets of the company.

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

Hypothication of Exclusive Charges of Machinery Financed by them only.

Vehicle Loans are secured by hypothecation of vehicles itself.

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

Loans guaranteed by directors or others

Mr.Shankarlal Sitaram Somani	**Term Loan: Rs. 73.16 Crores & US$ 42.85 Lacs**
Mr.Rajkumar Sitaram Somani	
Mr. Sumeetkumar Shankarlal Somani	
Smt. Gangadevi Somani	
Corporate Guarantee of M/S. Sitaram Prints Pvt Ltd.	

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 7005414.11 for loan taken from Bremer kredit Bank AG .

Terms of repayment of term loans & other loans

(Refer Notes to accounts)

NOTE # 13		
Trade Payables		
Creditors for Goods	**6,285.71**	12,095.78
Creditors for Expenses	**2,558.41**	663.63
Total	**8,844.11**	**12,759.41**
Non Current	**32.83**	24.13
Current	**8,811.29**	12,735.29

(Rs. in lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
NOTE # 14			
Other Financial Liabilities			
Non - Current			
Agency deposits		**7.09**	8.09
Current			
Current maturities of long term debt		**3,766.88**	5,479.29
Interest accrued but not due		**199.45**	144.86
	Total	**3,973.43**	**5,632.24**
NOTE # 15			
Deferred Tax Liabilities			
Opening Balance		**7,403.30**	5,747.03
Provision for the period		**1,171.89**	1,656.28
Closing Balance		**6,231.42**	**7,403.30**
NOTE # 16			
Other liabilities			
Non-current			
Retention Money		**3.14**	0.13
Security Deposit from Staff		**0.56**	0.98
Provision for employee benefits - Gratuity Payable		**152.96**	135.45
		156.66	**136.56**
Current			
Advance from Customers		**1,357.69**	37.48
Professional Tax Payable		**-**	1.27
Provision for Expenses		**695.74**	389.68
Statutory Dues Payable		**37.61**	1,103.90
Salary Payable		**-**	-
Other Payable		**3.13**	2.79
		2,094.17	**1,535.11**
	Total	**2,250.83**	**1671.68**
NOTE # 17			
Provisions			
Current			
Provision for Taxation		**2,469.66**	1,707.73
Provision for Dividend Distribution Tax		**9.97**	9.97
Provision for taxation - OCI		**126.08**	90.15
	Total	**2,605.70**	**1,807.85**

(Rs. in lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
NOTE # 18			
Revenue From Operations			
Sale of Products:			
Domestic sales		106,860.75	142,241.62
Export:			
Export sales		3,716.82	1,379.70
Export against Bond		3,713.72	5,079.96
Deemed Export sales		8,574.84	2,236.08
		122,866.13	150,937.36
Other Operating Revenues			
Export Incentives		16.98	22.35
	Total	**122,883.11**	**150,959.72**
NOTE # 19			
Other Income			
Dividend received		0.03	0.01
Commission received		-	210.33
Discount received		22.62	39.90
Int. on FDR'S		218.51	212.65
Others - Interest		252.88	299.10
Profit on sale of Shares / Mutual Funds		-	4.30
Job Charges		-	24.20
Exchange Diff Income		459.61	158.26
	Total	**953.65**	**948.76**
NOTE # 20			
Cost of Materials Consumed			
Purchases of Raw Materials and Stores			
Opening stock		4,870.82	4,192.50
Add:Purchase(net)		60,393.28	52,017.80
		65,264.10	56,210.30
Less:Closing Stock		6,001.24	4,870.82
		59,262.86	51,339.48
Direct/Production expenses			
Labour & Security		70.30	18.59
Power & Fuel		7,732.77	6,635.34
Freight & Octroi		1,022.12	1,208.23
Stores & Spares		811.24	774.08
Factory Expense		12.04	14.34
Repair & Maintenance:Factory Building		5.97	2.42
Repair & Maintenance:Plant & Machinery		67.07	76.34
Packing Expenses		2,380.50	2,193.58
		12,102.01	10,922.92
	Total	**71,364.86**	**62,262.40**
NOTE # 21			
Change in inventories			
Opening Stock		11,693.93	11,264.09
Less:Closing Stock		12,005.76	11,693.93
	Total	**(311.83)**	**(429.85)**

(Rs. in lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
NOTE # 22			
Employement Benefit Expenses			
Salary		1,746.26	1,234.45
Gratuity		42.12	11.75
Bonus		114.72	88.07
P.F.		42.25	39.64
Leave Encashment		9.23	6.33
Directors Remuneration		5.40	33.00
ESIC		0.08	0.07
Manpower Supply Service		308.87	274.77
	Total	**2,268.92**	**1,688.08**
NOTE # 23			
Financial Cost			
Interest paid to Banks		2,791.02	2,777.40
Interest paid to others		421.32	376.73
Bank Charges & Guarantee commission (Others & Buyers credit)		1,925.51	1,863.15
Overseas Bank Charges		9.23	17.87
	Total	**5,147.08**	**5,035.15**
NOTE #24			
Depreciation and Amortization Expense			
Depreciation		5,252.25	2,039.80
Preliminary Expenses written off		7.32	7.32
	Total	**5,259.57**	**2,047.13**
NOTE # 25			
Other Expenses			
Advertisement & Publicity		10.98	12.77
Auditors Remuneration		16.47	14.72
Bad Debts		102.98	-
Books & Periodicals		0.07	0.07
Brokerage & Overseas Agency Commission		352.36	365.47
Carraige outward		738.66	703.75
Demat Charges		0.16	0.24
Director Sitting Fees		24.30	18.60
Diwali Expenses		0.02	-
Donation & CSR Activity		93.39	24.06
Electricity Expenses		4.58	4.56
Exchange Rate Difference		-	0.41
Excise duty (Included in Domestic sale)		2,357.12	10,379.30
Insurance Expenses		20.29	31.05
Legal & Professional		353.31	222.88
Loss from forex transaction		-	-
Loss on sale of Fixed Assets		0.06	-
Loss on sale of Investments		8.00	-
Membership & Subscriptions		0.22	1.01
Office & General Expenses		35.62	22.89

(Rs. in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Postage & Telegram & Telephone	15.40	16.34
Printing & Stationery Expenses	15.76	14.55
Rent, Rates & Taxes	99.49	108.36
Repairs Office Building	1.73	2.04
Repairs Other	4.82	6.04
Sales Promotion Expenses	10.73	0.26
Travelling & Conveyance	17.75	23.81
Vehicle Expense	26.15	30.81
Written Off amounts	2.54	57.43
Total	**4,312.95**	**12,061.39**

Note # 26

Other Notes to Accounts:

1) **Earnings Per share (AS 20) :**

Sr. No.	Particulars	Current Period	Previous Year
(i)	Net profit attributable to shareholder	**-1,21,48,586**	39,55,06,141
(ii)	Weighted average number of shares for Basic Earnings per share	**8,29,13,911**	5,80,39,738
(iii)	Weighted average number of shares for Diluted Earnings per share	**8,29,13,911**	5,80,39,738
(iv)	Nominal value per share	**10**	10
(v)	Basic earnings per share (Rs)	**-**	6.81
(vi)	Diluted earnings per share (Rs)	**-**	6.81

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

Sr. No.	Description	Amount (In Rs.)	Amount (In Rs.)
1.	Difference in closing Balance of Depreciations		
	W.D.V. as per Companies Act	3,50,47,25,985	
	W.D.V. as per Income Tax Act	1,58,21,58,674	
	Deffered Tax Assets/(Liability) at 33.384 % on Rs.	(1,92,25,67,311)	(64,18,29,871)
2.	Short term capital loss	7,99,619	1,33,472
3.	Closing u/s. 43B @ 33.384 % on Rs.	3,90,31,663	1,30,30,330
4.	Dis-Allowance u/s. 35D @ 33.384 % on Rs.	1,65,47,886	55,24,339
			(62,31,41,728)

Sr. No.	Particulars	Amount (In Rs.)
1.	Opening Balance of DTA / (DTL)	(74,03,30,490)
2.	Deferred Tax liabilities/(Assets) of the period	(11,71,88,761)
3.	Closing Balance of DTA / (DTL)	(62,31,41,728)

3) These are set out under “Significant Accounting Policies” as given in the Company’s separate financial statements.

As per our report of even date
For, PAMITA DOSHI & CO
Chartered Accountants
Firm No. 141976W
Pamita Doshi
Proprietor
M. No. 141320

Place : Surat
Date : 22/06/2018

For and on behalf of Board of Directors

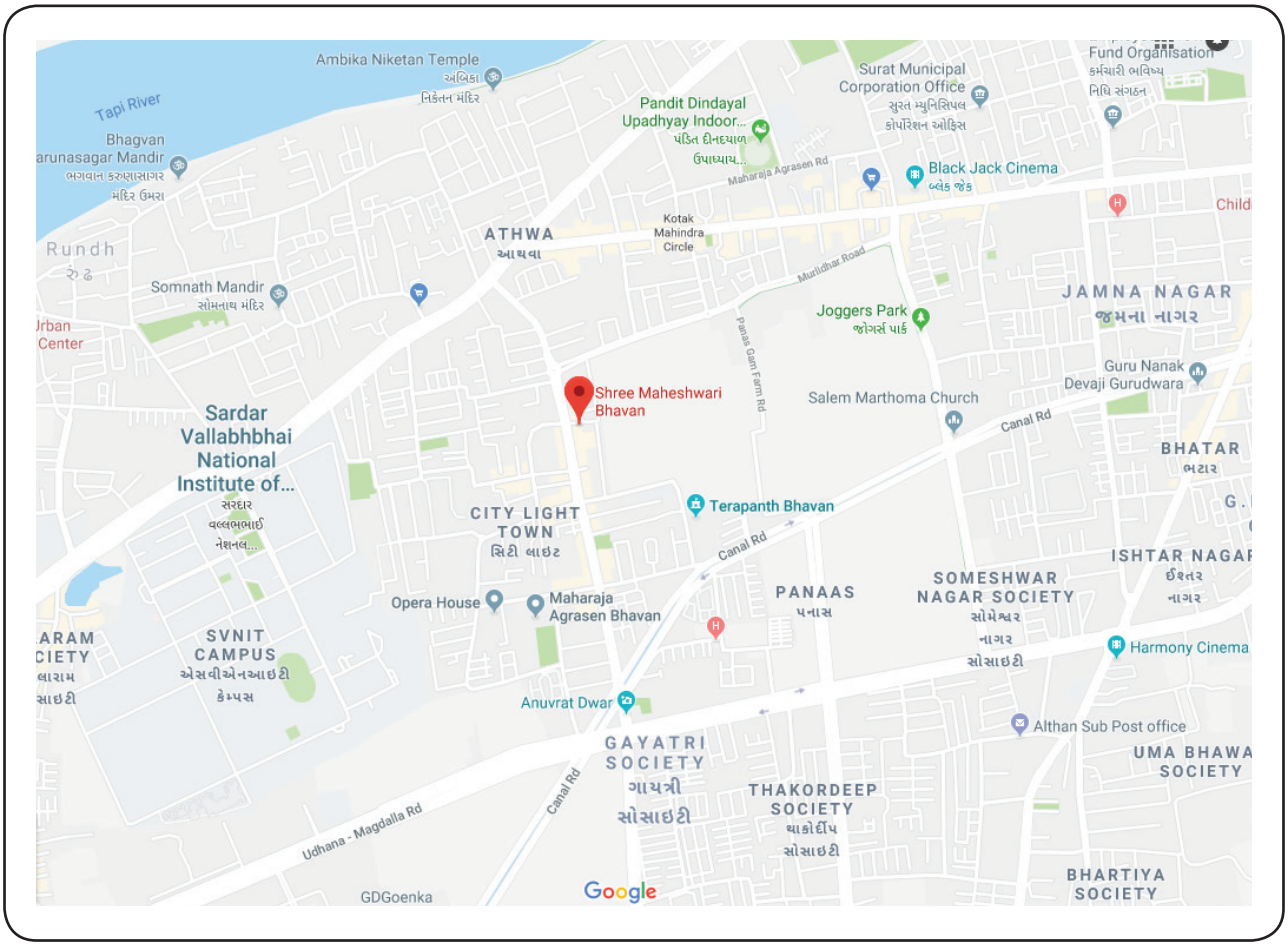
Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

Route map of the Venue of AGM of Sumeet Industries Limited



SUMEET INDUSTRIES LIMITED

(CIN : L45200GJ1988PLC011049)

Registered office : 504, Trividh Chamber, 5th floor, Opp. Fire Brigade Station, Ring Road, Surat – 395 002
Email: corporate@sumeetindustries.com website: www.sumeetindustries.com
Phone: 0261 2328902 Fax: 0261 2334189

ATTENDANCE SLIP

ANNUAL GENERAL MEETING - 29/09/2018

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

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

Folio No.	
DP ID	
CLIENT ID	
No. of Shares	

I/We hereby record my presence at the 30th ANNUAL GENERAL MEETING of the Company at Shree Maheshwari Bhavan, First Floor Hall, Nr. Science Centre, City Light, Surat, on Saturday, 29th September, 2018 at 10:00 A.M.

Name of the Shareholder	Signature of the Shareholder

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

SUMEET INDUSTRIES LIMITED

(CIN : L45200GJ1988PLC011049)

Registered office : 504, Trividh Chamber, 5th floor, Opp. Fire Brigade Station, Ring Road, Surat – 395 002
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PROXY FORM

ANNUAL GENERAL MEETING - 29/09/2018

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 30th Annual General Meeting of the Company to be held on Saturday, 29th September, 2018 at 10:00 A.M. or at any adjournment there of in respect of such resolutions as are indicated below:

Resolutions	For	Against
Ordinary Business:		
1. Consider and Adopt Audited Statement of Accounts for the financial year ended on 31st March, 2018 and Reports of Auditors and Board of Directors.		
2. Appointment of Mr. Sumeet Kumar Somani (DIN No. 00318156), Director of the Company who retires by rotation and being eligible, offer himself for re-appointment		
3. Appointment of Auditors		
Special Business:		
4. Ratification of appointment of Cost Auditor		
5. Raising of Funds		

Signed this _____day of _____ 2018.

Affix Rs.1 Revenue Stamp

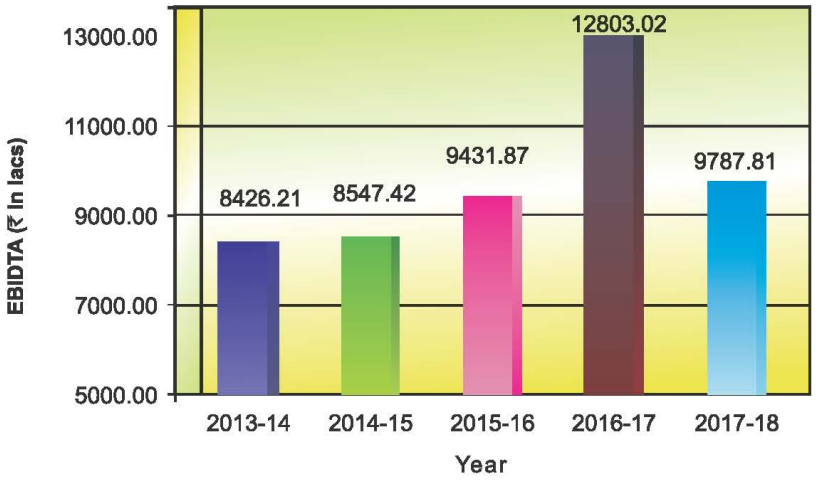
Signature of the Shareholder _____

Signature of Proxy Holder(s) _____

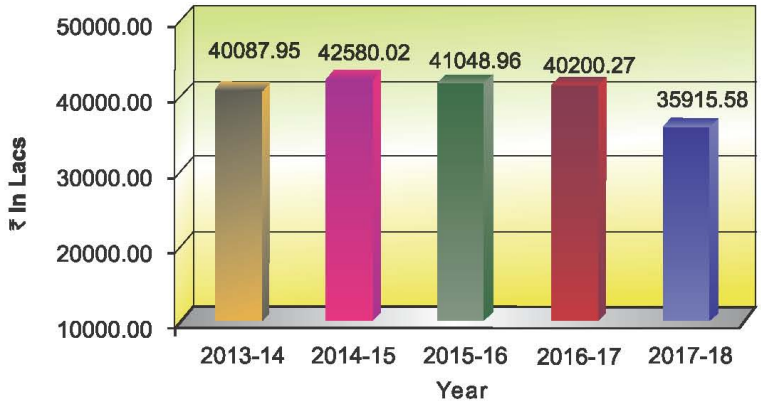
Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the Commencement of the meeting.
2. In the case of a body corporate, the proxy form should be signed by the authorised person duly enclosing thereto, a certified copy of the resolution of the Board under Section 113 of the Companies Act, 2013.
3. It is Optional to put a 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. A proxy need not be a member of the Company.

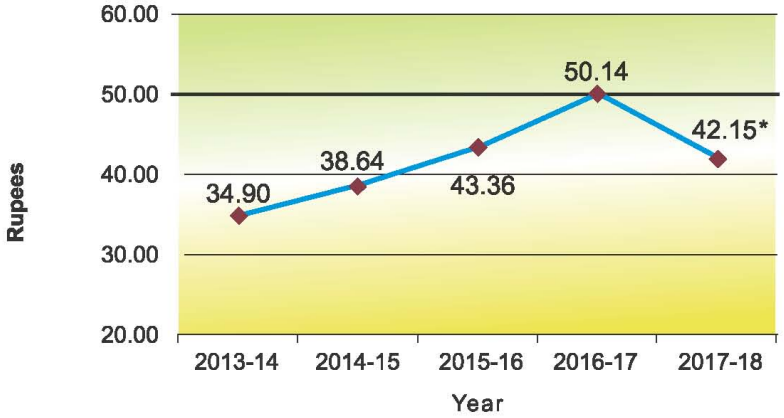
EBIDTA



FIXED ASSETS (NET)



BOOK VALUE PER SHARE(₹)



* Due to impact of Right Issue



If Undelivered please return to:

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Ring Road, Surat - 395 002, Gujarat, India.
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