

25th Annual Report
2012 - 2013

Sumecet INDUSTRIES LTD.



Chairman's Message.....

Dear Shareholders,

I am pleased to report that your company continues to achieve new milestones in its journey towards sustainable growth through total excellence. Over the years, Sumeet Industries has pursued business excellence through passion, perseverance and precision and completed backward integration cum expansion projects successfully thereby improved its cost competitiveness and profitability despite depreciation in rupee against dollar, rising interest rate and high inflation.

The global economic scenario in FY 2013 witnessed underperforming economies, sluggish growth and Eurozone was also full of uncertainty. India's growth prospects continue to be looking bright and the government is initiating reforms to elevate the economy. The emerging economies were also impacted by global headwinds. China grew by only 7.8%, while India finished the race a close at 5%.

India has unique position in global textile industry due to strong manufacturing base and is now emerging as a strong consumption base as well. It contributes about 14% to the industrial production, 4% to the GDP and 11% to the country's export earnings. Man-made fibre textiles have been redefining fashion trends across the globe. Its vibrancy, durability and opulence lend a uniqueness that's virtually unmatched and unparalleled.

Due to capacity expansion both in POY and FDY spinning lines total sales of the company has been grew by over 40% in comparison to previous year. The company achieved a record turnover of Rs. 1159.34 Crores. To counter the slow down in the domestic industry your company paid special emphasis on exports. The total export of goods during the year 2012-13 was Rs. 122.24 Crores in comparison to Rs. 9.08 Crores only in the last year. This reflects quality of our products is acceptable to both by local and overseas buyers.

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

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

Shankarlal Somani
Chairman cum Mg. Director

**TWENTY FIFTH
ANNUAL REPORT****BOARD OF DIRECTORS**

Shri Shankarlal Somani	Chairman cum Mg. Director
Shri Sumeet Kumar Somani	Director
Shri Bhagchand Chordia	Director
Shri Dinesh Sharan Khare	Director
Shri Devi Prasad Saboo	Director
Shri Vinod Kumar Ladia	Director

COMPANY SECRETARY**Shri Anil Kumar Jain****AUDITORS****PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants, Surat

INTERNAL AUDITOR**RRA & CO.**

Chartered Accountants, Surat

CORPORATE ADVISOR**Shri Dhiren R. Dave**

Practicing Company Secretary, Surat

BANKERS

Bank of Baroda

Bank of India

IDBI Bank Ltd.

Union Bank of India

REGISTERD OFFICE

504, Trividh Chamber, Opp. Fire Station,

Ring Road, Surat - 395 002. (Gujarat)

Ph. : (0261) 2328902

Fax : (0261) 2334189

E-mail : sumeetindus@yahoo.com

Web : www.sumeetindustries.com

FACTORY

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

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

Ph. : 090999 78189

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

E-2, Ansa Industrial Estate, Sakivihar Road,

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

Ph. : (022) 40430200 / 28470652

E-mail : investor@bigshareonline.com

25th ANNUAL GENERAL MEETING

DATE : 30th September, 2013

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

TIME : 10:00 A.M.

INSTRUCTION TO THE MEMBERS

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

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NOTE

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

FIVE YEARS OPERATING & FINANCIAL DATA

OPERATING DATA

(₹ in Lacs)

	2012-13	2011-12	2010-11	2009-10	2008-09
Sales & Income from operation	115933.78	82447.64	82458.71	37604.10	15847.71
Other Income	-1130.36	-541.96	351.96	74.13	-21.31
Increase (Decrease) in Inventories	5907.96	1476.56	-243.11	878.90	824.23
Total	120711.38	83382.24	82567.56	38557.13	16650.63
Purchase of Finished Goods	29451.12	19735.21	21226.35	7319.51	3011.22
Raw Material Consumed	71989.19	49721.82	48769.17	25651.78	10076.07
Staff Cost	1069.54	741.52	551.09	267.18	108.38
Manufacturing Expenses	9822.80	5184.07	4486.02	1652.25	970.63
Admn Exp & Selling & Dist.Exp.	1311.34	2181.71	1404.33	566.30	1037.64
Interest & Depreciation	4161.73	2282.94	2000.95	1422.04	813.44
Total	117805.72	79847.27	78437.91	36879.06	16017.38
Profit/(Loss) before Taxation	2905.66	3534.97	4129.65	1678.07	633.25
Taxation	989.73	1122.97	685.40	572.26	251.69
Profit & Loss after Taxation	1915.93	2412.00	3444.25	1105.81	381.56
Earning per Share (EPS)	3.29	4.14	8.61	2.76	0.95

FINANCIAL DATA

Share Capital	* 6828.97	* 6828.97	* 4999.52	* 4999.52	# 3999.52
Share Application Money	870.00	870.00	870.00	250.00	0.00
Reserve & Surplus	12574.22	10928.11	5684.60	2805.20	2191.72
Deferred Tax Liability	3277.26	2332.56	1491.59	1103.52	531.27
Loan Funds **	40374.34	38292.42	24246.75	24667.22	14020.80
Capital & Funds Employed	63924.79	59252.06	37292.46	33825.46	20743.31
Fixed Assets (Gross) ***	48528.14	43540.57	25144.37	23824.14	19480.70
Depreciation	9145.98	7164.91	1168.81	4832.33	4270.51
Fixed Assets (Net)	39382.16	36375.66	19143.24	18991.80	15210.19
Investments	77.95	59.14	126.72	53.69	107.20
Current Assets	38709.00	26156.96	21037.12	16874.06	6142.20
Current Liabilities & Provisions	14244.32	3349.97	3033.68	2121.94	745.50
Net Current Assets	24464.68	22806.99	18003.44	14752.12	5396.70
Misc. Exp. not written off	-	10.27	19.06	27.85	29.22
Capital & Funds Applied	63924.79	59252.06	37292.46	33825.46	20743.31

Includes Preference Share Capital of Rs.5.00 Crores

* Includes Preference Share Capital of Rs.10.00 Crores

** Includes Secured & Unsecured Loan

*** Includes Capital Work in Progress

Milestones and Achievements

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

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of SUMEET INDUSTRIES LIMITED will be held at Bombay Market Hall, Umarwada, Surat on Monday 30th Day of September, 2013 at 10:00 A.M. to transact the following businesses:

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date and Reports of Auditors and Board of Directors thereon.
2. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS**03. APPOINTMENT OF DIRECTOR**

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

“RESOLVED THAT Mr. Atmaram Ramjiwan Sarda be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by rotation.”

04. ISSUE OF SHARES & SECURITIES

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

“RESOLVED THAT in accordance with the provisions of Section 81, 81(A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force), and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered in to by the company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, and to the extent necessary such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) and/or a duly authorized committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board/Committee in its absolute discretion to create, offer, issue and allot equity shares, including unclassified shares after classifying them as Equity share and/or Preference shares and /or Cumulative Convertible Preference Shares and/ or Non-convertible debentures, all or any of the aforesaid with or without detachable warrants, and/or warrants of any nature, and/or Secured premium notes, and/or Floating rate notes / Bonds/ Convertible Bonds, Foreign Currency Convertibles Bonds, Optionally Fully Convertible Bonds, Depository Receipts including ADRs, GDRs, and/or any other financial instruments (hereinafter for brevity's sake referred to as “Securities”) as the Board at its sole discretion may at any time or times hereafter decide, to such persons whether or not such persons are members of the Company including Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Financial Institutions, Companies, Corporate bodies, Mutual funds, Banks, Insurance companies, Pension funds, Trusts other entities/authorities and to such other persons whether shareholders of the company or not through public issue, rights issue, preferential allotment, conversion of bonds in to equity or conversion of loans in to equity or otherwise for expansion of existing manufacturing facilities, setting up new projects, working capital requirements and for general corporate purposes or any other strategic investments as the Board may deem fit, so that the total amount raised through the aforesaid securities including premium, if any, shall not exceed Rs. 100.00 Crores (Rs. One Hundred Crores), with or without voting rights in General Meetings of the Company as

may be permitted under the prevailing laws, at such price or prices, or in such manner as the Board or Committee thereof may in its absolute discretion think fit, in consultation with the lead managers, advisors and such other persons and on such terms and conditions including the number of securities to be issued, price, rate of interest, redemption period, manner of redemption, amount of premium or redemption, the number of equity shares allotted on conversion of debt instruments exercise of rights attached with warrants, the ratio of exchange of shares and/or any other financial instruments, period of conversion, fixing of record date or book closure and related or incidental matters.”

“RESOLVED FURTHER THAT such of the securities to be issued, as are not subscribed may be disposed of by the Board/Committee, thereof, to such persons and in such manner and on such terms as the Board or Committee may in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions/Investment Institutions/Mutual Funds/Foreign Institutional Investors or such other persons or otherwise as the Board Committee thereof may in its absolute discretion decide.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form and terms of the issue(s), in accordance with applicable regulations, prevalent market practices, including but not limited to the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, face value, premium amount of issue / conversion of Securities / exercise of warrants /redemption of securities, rate of interest, redemption period, listing on one or more stock exchanges in India and/or abroad as the Board, in its absolute discretion may deem fit and to make and accept any modification in the proposal as may be required by the authorities involved in such issues in India and/or abroad and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including sign all deeds, documents and writing and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the company to settle any questions or difficulties that may arise in regard to the issue(s), as it may, in its absolute discretion, deem necessary or desirable for such purpose.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any committee of Directors or any one or more Directors of the company with power to delegate to any officer of the company.”

05. RECONSTITUTION OF AUTHORISED CAPITAL

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

“RESOLVED THAT pursuant to section 31, 95, 97 and other applicable provisions of the Companies Act, 1956, Authorized Share Capital of the company be and is hereby altered and reconstituted in to Equity Shares and 6% Non-Convertible Redeemable Preference Shares of Rs. 80.00 Crores and 20.00 Crores respectively by cancellation of 9,00,00,000 (Nine Crores) Equity Shares of Rs. 10/- each and 1,00,00,000 (one crore) 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- each, simultaneously creating 8,00,00,000 (Eight Crores) Equity Shares of Rs. 10/- each and 2,00,00,000 (Two Crores) 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- each. Accordingly, new amended clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company will be read as below.”

- V. The Authorized Share Capital of the Company is Rs. 100,00,00,000 (Rs. Hundred Crores) divided in to :**
- 1. 8,00,00,000 (Eight Crores) Equity Shares of Rs. 10/- (Rs. Ten) each.**
 - 2. 2,00,00,000 (Two Crores) 6% Non-Convertible Redeemable Preference Shares of Rs. 10/- (Rs. Ten) each.**

06. ISSUE OF 6% NON-CONVERTIBLE REDEEMABLE PREFERNCE SHARES

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

“RESOLVED THAT pursuant to section 80, 80 (1A) and other applicable provisions of the Companies Act, 1956 consent of the shareholders be and is hereby given to the Board of Directors to issue 1,00,00,000 (one crore) 6% Non- Convertible Redeemable Preference Shares of Rs. 10/- each to the Directors and their relatives & associate concerns that will be redeemed with in the period of 10 years from the date of issue of such preference Shares.”

Registered Office :

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

Place : Surat

Date : 13-08-2013

By order of the Board Directors

Sd/-

Shankarlal Somani
Chairman

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing proxy in order to be effective **MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
3. Members/Proxies should bring their attendance slip duly filled in for attending the meeting.
4. Shareholders seeking any information with regard to the accounts are requested to write to the Company at least ten days before the date of meeting to facilitate satisfactory replies.
5. The Register of Members and Share Transfer Register of the Company will remain closed from Tuesday, 24th September, 2013 to Saturday 28th September, 2013 (both days inclusive) for the purpose of annual closure of the Annual General Meeting and/or payment of dividend.
6. Payment of dividend, if declared, will be paid to the eligible members whose names shall appear in the Register of Members of the Company on 28th September, 2013. In respect of shares held in dematerialized form, the dividend will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. Non - Resident Indian members are requested to inform the company's Registrar and Transfer Agents (Bigshare Services Pvt. Ltd.), immediately of :
 - a) Change in their Residential status on return to India for permanent settlement
 - b) Particulars of their Bank Account maintained in India with complete name of the Bank, branch address, account type and account number with MICR code, if not furnished earlier.
8. 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.
9. Members / Proxy holders are requested to bring their copies of the Annual Report to the meeting as no further copies would be made available.

Important Communication

The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April, 2011, clarify that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide E-mail ID to the Company's Registrar, M/s. Bigshare Services Pvt. Ltd. and also update the e-mail address as and when there is any change.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**ITEM NO. : 03**

The Board of directors recommended the name of Mr. Atmaram Ramjiwan Sarda as director of the company who has filed his consent with company.

Presently Mr. Atmaram Ramjiwan Sarda is a Practicing Chartered Accountant and has 24 Years of experience in the field of financial planning & project work.

Mr. Atmaram Ramjiwan Sarda is not holding any shares of the company as on 13.08.2013. Other details of Mr. Atmaram Ramjiwan Sarda in terms of clause 49 of the Listing Agreement are provided in the report of "Corporate Governance."

None of the Directors is concerned or interested in the Resolution. The Board commends the appointment of Mr. Atmaram Ramjiwan Sarda as Director of the Company.

ITEM NO. : 04

The Company has been examining its growth opportunities from time to time in line with the objectives of becoming competitive in its business. Being recently expansion project of enhancing spinning capacity of POY/FDY has been completed successfully with project cost of Rs.150.00 Crores and further expansion cum modernization project of upgrading eight end old winders of FDY spinning Plant by replacing them with twelve end high speed winders with project cost of Rs. 41.50 is in process, the company is in need of further funds required for enhanced working capital and other general corporate purposes.

Accordingly, the consent of the shareholders is being sought authorizing the Board of Directors for issuing the securities as stated in the resolution, which would result in issuance of further shares of the company.

Section 81 of the Companies Act, 1956 provides, interalia, that when it is proposed to increase the issued capital of the company by allotment of further shares, such further shares, shall be offered to the existing shareholders of the company in the manner laid down in section 81 unless the shareholders in general decide otherwise.

The listing agreement with the Stock Exchange also provide, interalia, that the company in the first instance should offer all the shares and debentures issue for subscription pro rata to the equity shareholders unless the shareholders decide otherwise in the General Meeting.

Accordingly, consent of the shareholders is being sought pursuant to the provisions of section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the company with the Exchange.

The proposed resolution is therefore recommended for your approval.

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

ITEM NO. : 05

The company has un-issued Authorised Share Capital in the form of Equity Shares. Your company is in urgent needs of fund to complete the modernization cum expansion project of replacing old winders of FDY Plant with High Speed winders thereby enhancing the total production capacity of FDY.

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

The members are requested to consider and approve the resolutions.

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

ITEM NO. : 06

Your company is in the process of implementation of expansion cum modernization project by modifying the old winders of FDY with new high speed winders. To complete the projects in schedule time, company is in need of urgent funds. Considering the current procedural requirements of capital market and its present condition and trends, it is practically not possible to satisfy the immediate fund requirements of the company. So, management has decided to allot 6% Non- Convertible Redeemable Preference Shares to the directors and their relatives & associate concerns that will be redeemed with the period of 10 Years.

The members are requested to consider and approve the resolution.

Registered Office :

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

Place : Surat

Date : 13-08-2013

By order of the Board Directors

Sd/-

Shankarlal Somani

Chairman

DIRECTOR'S REPORT

**TO,
THE MEMBERS**

Your Directors have pleasure in presenting the 25th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2013.

The overall performance of the current year was satisfactory due to efficient management of energy and overhead cost, general improvement in operational efficiency and better management of working-capital. We have further strengthen our competitive capabilities to deliver more consistent growth focusing on cost rationalization and consolidation capabilities.

FINANCIAL RESULTS

	(₹ in lacs) 31-03-13	(₹ in lacs) 31-03-12
Gross profit before interest & Depreciation	7067.39	5817.92
Less : Interest	2171.88	1081.19
Depreciation	1989.86	1201.75
Profit before Tax	2905.65	3534.98
Less : Provision for Taxation		
Current Tax	581.34	818.54
MAT Credit	(581.35)	(521.21)
Deferred Tax	944.70	388.07
Profit after Tax	1960.96	2485.53
Less : Taxation of Previous Year	45.02	73.53
Profit available for appropriation	1915.94	2412.00
Dividend & Dividend Dist. Tax (F.Y. 2011-12)	269.82	-
Short Prov. For Dividend & Dividend for previous year (F.Y. 2010-11)	-	208.16

OPERATIONS

The company has posted a satisfactory performance for the year under review. The company has produced 91936.934 Tons of Pet Chips / Polyester / Polypropylene Multifilament Yarn and dispatched 86875.80 Tons of Pet Chips / Polyester / Polypropylene Multifilament Yarn.

Income from operation of the company has increased from Rs. 824.48 Crores to Rs. 1159.34 Crores. EBIDTA has been increased from Rs. 58.18 Crores to 70.67 Crores and Net profit after Tax has been decreased from Rs. 24.12 Crores to Rs. 19.16 Crores in comparison to last year.

DIVIDEND

The Company has not declared any dividend for the financial year ended 2013, due to ploughing back the profits to be utilized in the proposed up-gradation of the FDY plant.

EXPANSION & MODERNISATION

During the year under review your company has successfully commissioned Polyester Filament yarn (POY & FDY) a direct spinning unit through MEG and PTA, thereby total capacity of the spinning has been increased from 53000 TPA to 82800 TPA. The commercial production of the same has been commenced since month of May, 2012.

During the current financial year the company has envisaged a plan to increase its spinning capacity of FDY production by upgrading old eight end winders by replacing them with twelve end high speed winders. The total project cost of up gradation is approx Rs. 41.50 Crores and there by total capacity of the FDY production will be increased from 40600 TPA to 51450 TPA.

NEW PROJECT

In the current financial year, the company has successfully commissioned Wastage Recycling Plant with 5400 TPA capacity. Under this plant company is producing chips from polyester wastage yarns. The commercial production of the same has been commenced in the month of June, 2013.

The company has also set up 66 KV Sub- stations at its plant and taking supply of power from DGVCL. The company is sourcing power from open access purchase through grid under open access regulation and thereby reducing its power cost substantially in comparison to power generated from Natural Gas.

OVERSEAS SUBSIDIARY COMPANY

The company has incorporated a wholly owned subsidiary company in Singapore registered with Registrar of Companies and Business, Singapore. During the financial year under review, the company has not made any investment in its subsidiary 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. 122.24 Crores in comparison to Rs. 9.08 Crores in the last year.

At present company is exporting to South Africa, Bangladesh, Egypt, Saudi Arabia, China, Peru, Argentina, Portugal, Indonesia, Iran, U.S.A & Singapore etc. Exploring export markets has been a key area of focus for the company. Your Company expects more growth in the overall export sales in the current year also.

DEPOSITORY SYSTEM

As members are aware, the company's shares are compulsorily tradable in the electronic form. As on March 31, 2013 almost 94.17% of the Company's total paid-up capital representing 5,82,89,738 shares were in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the Depositories.

FIXED DEPOSITS

The Company has not accepted any deposits during the year under review.

DIRECTORS

Mr. Vinod Kumar Ladia, Director of the Company being retire by rotation does not offer themselves for re-appointment. The Board of Directors recommended the name of Mr. Atma Ram Sarda as a Director of the company. Necessary resolution for their appointment has been placed in the notice for approval.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are "reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the annual accounts on a going concern basis.

AUDITORS

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

COST ACCOUNTING RECORDS

The Company has maintained cost accounting records in respect of manufacture of Partially Oriented Yarn (POY), Fully Draw Yarn (FDY), Polypropylene Multifilament Yarn (PPMFY), Pet Chips as required. The company has appointed Mr. Vipin M. Patel, Cost Accountant for conducting the audit of such records for the financial year 2012-13.

PERSONNEL

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the company. As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1956 as amended, 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 which ensures that the most appropriate people are recruited in to the organization.

RISK MANAGEMENT

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

INSURANCE

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

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

During the current year, the company has stopped captive generation of power from gas based Genset due to steep rise in the prices of Natural Gas. The company has now set up 66 KV Sub-Station at its plant and taking supply of power from DGVCL. The company is sourcing power through open access purchase from grid under open access regulation and thereby reducing its power cost substantially in comparison to power generated from Natural Gas. Further this is also being resulted to the company in utilizing stable power supply leading to higher production efficiency.

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure "A" forming part of this report.

RESEARCH & DEVELOPMENT

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

CONSTITUTION OF AUDIT COMMITTEE

Pursuant to the provisions of Sections 292A of the Companies Act, 1956, the Board of Directors has Audit Committee comprising of three directors namely Shri Bhagchand Chordia, Shri Sumeet Kumar Somani and Shri Devi Prasad Saboo.

CORPORATE GOVERNANCE

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

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

Place : Surat

Date : 13th AUGUST 2013

SHANKARLAL SOMANI

Chairman cum Mg. Director

PARTICULARS REQUIRED UNDER THE COMPANIES**(DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988****ANNEXURE-1****A. Conservation of Energy :**

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

a) Energy Conservation measures taken by the Company : -

- 1) Installation of Waste heat recovery steam boiler to utilize waste heat from STM Boiler.
- 2) Shifting of power distribution system from 440 Volt to 11 KV to save power loss in transmission.
- 3) Optimisation in use of water pump, cooling tower pump and compressors.
- 4) Reduction of maximum demand by even distribution of daily load.
- 5) Stoppages of exhaust fan wherever not required.
- 6) Optimisation in process conditions for reduction in air flow and temperature.
- 7) Rationalisation of timers of lighting circuits in the entire plant.
- 8) Replacement of conventional tube light with LED tube light in the production area.
- 9) Installation of Vapour compressor chiller (VCC) / Electric Chiller in place of old de-rated VAM chillers
- 10) Optimisation in refrigeration load.

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

- 1) Installation of capacitor on secondary side of individual transformers for power factor improvement.
- 2) Installation of higher capacity of FDY Winders in place of old winders for more production and better operational efficiency.

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

- 1) Low energy consumption thereby reduction in cost of production
- 2) Reduction in steam consumption

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

FORM A

	<u>2012-13</u>	<u>2011-12</u>
A. Power and Fuel Consumption :		
1. Electricity :	NIL	NIL
(a) Purchased		
- Units		
- Total Amount		
- Rate/Unit (Rs.)		
(b) Own generation		
(i) Through diesel generator in Units (KWH)	6480	18840
Liters of HSD Consumed	1995	5568
Unit per Ltr. of Diesel	3.24	3.38
(ii) Through steam turbine/generator		
Unit Consumed	-	-
Unit per MT of Coal	-	-
(iii) Gas (Generated by Gas based Gen Set)		
Quantity (in units KWH)	78011216	59155370
Gas Consumed (in SM 3)	22029161	14898728
Unit per KWH / SM3	3.54	3.97
2. Gas :		
Quantity (in units)	24624322	17904415
Total amount	739173341	414516758
Average rate	30.01	23.15
3. Furnace oil :		
Quantity (in Ltrs.)	-	-
Total amount	-	-
Average rate	-	-
4. Diesel :		
Quantity (in Ltrs.)	2000	4400
Total cost	106020	203940
Cost/unit	53.01	46.35

B. Consumption per unit of production (in tons)

Product : Polyester/Polypropylene Multi Filament Yarn

	<u>Standards (if any)</u>	<u>2012-13</u>	<u>2011-12</u>
Electricity			
(a) Purchases	-	NIL	NIL
(b) Own Generation	-	848.60	865.01
(Through Gas based Genset & Diesel Generator)			

FORM B

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

I. Research and Development (R & D)

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

- a) New POY and FDY products introduced.
- b) Colour POY yarn were developed.
- c) Further development and indigenization of spares through local vendors.
- d) Improvement in power factor to reduce maximum demand level.
- e) Up-gradation of old winders by replacing with high speed winders.
- g) Packing cost reduction by increasing bobbin weight to 9.00 Kgs. from 7.00 Kgs.

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

- a) Reduction in wastage and energy / power consumption per unit of yarn.
- b) Opening up avenues for more business in future both from local and overseas markets
- c) Reduction in operating & maintenance cost thereby increase in margins.

3. Future plan of action :

- a) High tenacity industrial yarn development.
- b) Enhancement of productivity of spinning machines and take up machines.
- c) Purchase of power from grid under open access regulations.
- d) Lab-testing equipment's up-gradation.

4. Expenditure on R & D / product development

Capital and Recurring expenditure is incurred by the company regularly.

II. Technology absorption, adaptation and innovation

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

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

2. Benefits derived as a result of above efforts

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

3. Information regarding technology imported during the last five years

Technology Imported	Year of Import	Status
Gas based Genset Power Plant	2008 & 2011	Absorbed
Continuous Polymerization Plant (CP)	2008	Absorbed
POY and FDY Plant	2009 & 2011	Absorbed

III. Foreign Exchange Earning And Outgo

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

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

2. Total Foreign Exchange used and earned

(₹ in Lacs)

	2012-13	2011-12
[a] Foreign Exchange Earnings	12192.22	908.64
[b] Foreign Exchange Outgo	29977.71	50396.67

CORPORATE GOVERNANCE REPORT

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

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enable Companies to maximize shareholder's value by attracting financial and human capital and efficient performance. The Company believes that good corporate governance contemplates that corporate actions balance the interest of all shareholders and satisfy the tests of accountability and transparency.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

- i) To enhance shareholders' value
- ii) To excel in customer satisfaction
- iii) To ensure ethical corporate conduct

2. BOARD OF DIRECTORS

(A) SUMEET INDUSTRIES LTD. is having 6 Directors on its Board consisting of 3 Executive and 3 Non-Executive Independent Directors with Executive Chairman. None of the directors on the Board is a member of more than 10 committees and chairman of more than 5 committees, across all the Companies in which they are directors.

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

Sr. No.	Name of Directors	Category	Attendance of Board Meeting	Attendance Last AGM	No. of Other Directorships/ Committee Memberships/ Chairmanships		
					O.D.	C.M.	C.C.
1	Shankarlal Somani	Executive/ Non-Independent	23	Yes	4	-	-
2	Sumeet Kumar Somani	Executive/ Non-Independent	23	Yes	8	3	-
3	Dinesh Sharan Khare	Executive/ Independent	21	Yes	-	-	-
4	Bhagchand Chordia	Non-Executive/ Independent	22	Yes	-	3	3
5	Devi Prasad Saboo	Non-Executive/ Independent	19	Yes	-	3	-
6	Vinod Kumar Ladia	Non-Executive/ Independent	15	Yes	10	-	-
7	Rajkumar Somani*	Executive/ Non-Independent	10	Yes	11	-	-
8	Mangilal Lahoti*	Non-Executive/ Independent	8	Yes	2	-	-

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

* Mr. Rajkumar Somani and Mr. Mangilal Lahoti has resigned from the Board w.e.f. 21-08-2012.

Note : Transaction of Non-Executive with Company is paying Rs, 2,40,000/- P.A. as consultancy fees to Mr. B. C. Chordia.

(B) NO. OF BOARD MEETINGS HELD AND DATES

During the Financial Year 2012-13, the Board meeting has been held for 23 times.

The Dates of the Board Meetings are :

01.	10.04.2012	07.	23.07.2012	13.	09.11.2012	19.	31.01.2013
02.	30.04.2012	08.	06.08.2012	14.	03.12.2012	20.	05.02.2013
03.	14.06.2012	09.	14.08.2012	15.	12.12.2012	21.	11.02.2013
04.	19.06.2012	10.	21.08.2012	16.	20.12.2012	22.	18.03.2013
05.	16.07.2012	11.	05.09.2012	17.	28.12.2012	23.	30.03.2013
06.	18.07.2012	12.	24.09.2012	18.	29.01.2013		

3. AUDIT COMMITTEE

COMPOSITION, NAME OF MEMBERS AND CHAIRMAN

The Audit committee of the company has been constituted as per requirement of clause 49 of the Listing Agreement. The Audit committee was reconstituted in the year 2006-07 and 2010-11. The Audit Committee was again re-constituted due to induction of Shri Devi Prasad Saboo and resignation of Mr. Mangilal Lahoti during the year, who attended first two audit committee meeting of the year.

The Composition of Audit Committee and attendance of Directors at the Audit Committee is shown below :

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

*Mr. Mangilal Lahoti resigned from the Board and Audit Committee w.e.f 21/08/2012.

During the 2012-13, Audit Committee meeting was held 4 times. The necessary quorums were present in the meeting. The date of the meetings are as follows :-

01.	26.04.2012	02.	01.08.2012	03.	05.11.2012	04.	06.02.2013
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The terms of the reference regarding role of the Audit committee are as under :-

- Review of the company's financial reporting process, the financial statements and financial / risk management policies.
- Ensuring the adequacy and compliance of the internal control system in the company.
- Review of internal audit reports.
- Discussion with the auditors periodically and review of quarterly / half yearly and annual financial statements before submission to the Board.
- Review of the statutory and internal auditor's remuneration.
- Management discussion and analysis of financial condition and results of operation.
- Such other matters as stipulated from time to time by the listing agreement.

4. REMUNERATION COMMITTEE

The Company has a Remuneration Committee. The Remuneration committee was reconstituted during the year due to resignation of Mr. Mangilal Lahoti as Director during the year & Mr. Sumeet Kumar Somani has been appointed as Committee Member of remuneration committee in place of Mr. Mangilal Lahoti. Composition of Remuneration Committee and attendance of the Directors at the Remuneration Committee is shown below :

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

The following are the details of the remuneration paid to the Chairman, Managing / Executive Director(s) in the financial year 2012-2013.

Sr. No.	Name of the Director	Salary (₹ in Lacs)	Perquisites (₹)
1	Shankarlal Somani	30.00	-
2	Dinesh Sharan Khare	4.64	-
3	Sumeet Kumar Somani	3.00	-

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

Remuneration Committee meeting held on 27/03/2013 during the year.

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

- A) To frame company's policies for compensation and benefits for Executive Directors.
- B) To review HR Policies and initiatives.

5. INVESTOR'S GRIEVANCES COMMITTEE

The Company has an Investor's Grievances Committee. The committee was reconstituted due to induction of Mr. Sumeet Kumar Somani and resignation of Mr. Mangilal Lahoti during the year, who attended first nine Investor's Grievances Committee meeting of the year. Now, Investor's Grievances Committee consisting of two Non-Executive Directors and one Executive Director. The Committee is looking for redressal of Investors' complaints like Transfer of Shares, Issue of Duplicate/Replacement/Split Shares, and Non-receipt of rights, Bonus and Non-receipt of Balance Sheet/Dividends/Bonus Shares etc.

Composition of Investor Grievances Committee and attendance of the Directors at the Investor Grievances Committee is shown below :

Sr. No.	Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1	B. C. Chordia	Chairman	Non-Executive	29	29
2	Devi Prasad Saboo	Member	Non-Executive	29	24
3	Sumeet Kumar Somani	Member	Executive	29	20
4	Mangilal Lahoti	Member	Non-Executive	9	9

The dates of the Investors Grievances Committee meeting held during the year are :

01. 16/04/2012	07. 30/06/2012	13. 19/10/2012	19. 21/12/2012	25. 08/02/2013
02. 30/04/2012	08. 31/07/2012	14. 26/10/2012	20. 28/12/2012	26. 15/02/2013
03. 15/05/2012	09. 16/08/2012	15. 02/11/2012	21. 04/01/2013	27. 15/03/2013
04. 25/05/2015	10. 31/08/2012	16. 16/11/2012	22. 18/01/2013	28. 22/03/2013
05. 31/05/2012	11. 15/09/2012	17. 23/11/2012	23. 25/01/2013	29. 30/03/2013
06. 15/06/2012	12. 22/09/2012	18. 30/11/2012	24. 01/02/2013	

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

Received during the year 2012-2013 67

Pending as on 31/03/2013 NIL

During the year, the Company has constituted a Committee of its Executives for approval of Share transfers, transmissions and transpositions. Generally, the Committee meets once or twice in a month. All the requests for share transfer etc. were processed and the related share certificates were dispatched within 15 days from the date of receipt.

Number of pending Shares Transfer as on 31/03/2013 : NIL

6. 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	28/09/2012	Bombay Market Hall, Umarwada, Surat	10:00 A.M.
2	26/09/2011	Bombay Market Hall, Umarwada, Surat	10:00 A.M.
3	30/09/2010	Bombay Market Hall, Umarwada, Surat	10:00 A.M.

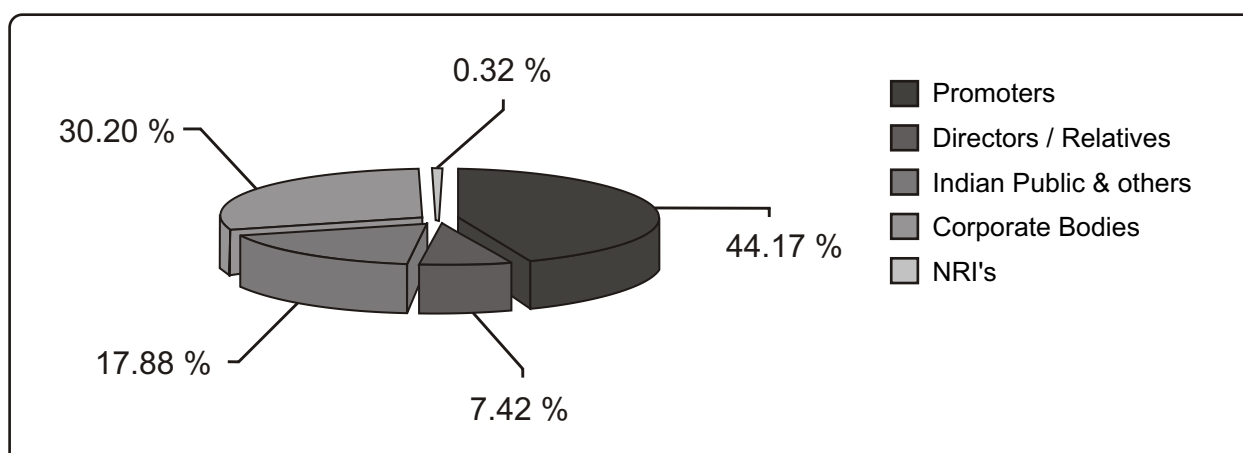
II) DISTRIBUTION OF SHAREHOLDING (IN SHARES) AS ON 31st MARCH, 2013

NO. OF SHARES	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF CAPITAL
1 To 500	24843	90.10	3934004	6.75
501 To 1000	1521	5.52	1210654	2.08
1001 To 2000	659	2.39	991718	1.70
2001 To 3000	172	0.62	434467	0.75
3001 To 4000	93	0.34	327330	0.56
4001 To 5000	49	0.18	227996	0.39
5001 To 10000	89	0.32	628890	1.08
10001 To 999999999	147	0.53	50534679	86.70
TOTAL	27573		58289738	100.00

III) SHAREHOLDING PATTERN OF THE COMPANY AS ON 31st MARCH, 2013

Description	Number of Share holders		Number of Shares	
	Nos.	%	Nos.	%
A) Promoter and Promoter Group Indian:				
Individuals / Hindu Undivided Family	10	0.04	9479389	16.26
Bodies Corporate	8	0.03	16267159	27.91
Total (A)	18	0.07	25746548	44.17
B) Public shareholding Institutions:				
Financial Institutions / Banks	2	0.01	455	0.00
Non-institutions:				
Bodies Corporate	310	1.12	17605455	30.20
Individuals	27132	98.40	10311753	17.69
Clearing Member	21	0.08	112636	0.19
Directors / Relatives	9	0.03	4327562	7.42
NRI	81	0.29	185329	0.32
Total (B)	27555	99.93	32543190	55.83
Grand Total (A+B)	27573	100.00	58289738	100.00

Category	Number of share held	Percentage of holding
Promoters	25746548	44.17
Directors/Relatives	4327562	7.42
Indian Public & others	10424844	17.88
Corporate Bodies	17605455	30.20
NRI's	185329	0.32
TOTAL	58289738	100.00



IV) MARKET PRICE DATA

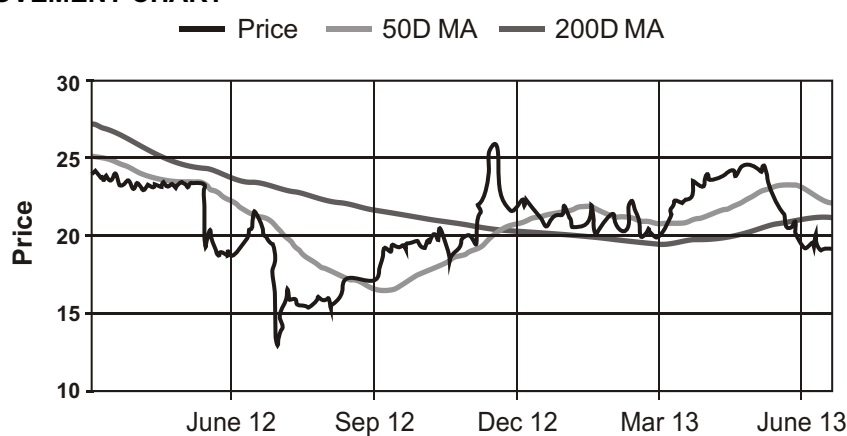
The data on price of Equity shares of the company are as under :

High & Low price during each month in the last financial year and volume of Shares at BSE & NSE :-

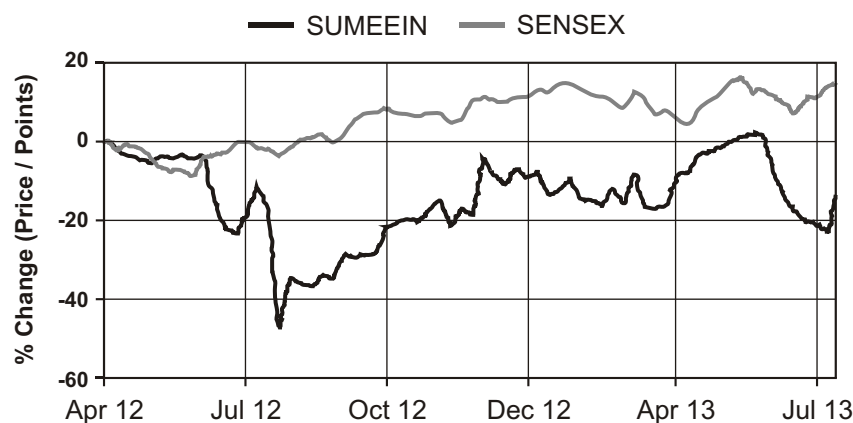
Month	BSE			NSE		
	High	Low	Total Volume	High	Low	Total Volume
April, 2012	24.90	23.00	538758	25.00	22.15	639845
May, 2012	24.00	22.05	526466	24.00	22.50	593724
June, 2012	24.00	18.10	1341478	24.15	18.10	2089970
July, 2012	22.20	12.45	2289345	23.90	12.35	2169593
Aug, 2012	16.95	14.00	1455797	16.80	14.00	1496041
Sep, 2012	18.00	15.00	1047935	17.70	15.20	1075696
Oct, 2012	20.40	17.35	618810	20.00	17.25	873787
Nov, 2012	22.00	18.50	1154352	21.85	16.50	1266351
Dec, 2012	26.90	20.00	2718052	26.90	20.05	3192743
Jan, 2013	24.50	20.30	258028	23.70	20.05	404173
Feb, 2013	24.75	20.00	323747	22.95	19.80	624690
Mach, 2013	22.35	17.30	325349	22.15	19.00	458603

V) STOCK PERFORMANCE INDEX

PRICE MOVEMENT CHART



INDEX COMPARISON CHART



VI) APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

Mr. Atmaram Ramjiwan Sarda, offer themselves for appointment as Director of the Company. Their details are mentioned below.

Name of the Director	Mr. Atmaram Ramjiwan Sarda
Date of Birth	01/07/1963
Date of Appointment on the Board	Proposed in the AGM
Qualification	Chartered Accountant
Expertise in specific functional areas	Finance
List of Other Directorship	-
Committees Memberships of the companies	-
No. of shares held in the Company	-

VII) ANNUAL GENERAL MEETING (TENTATIVE)

Date : 30/09/2013, Monday

Time : 10:00 A.M.

Venue : Bombay Market Hall, Umarwada, Surat

(VIII) FINANCIAL CALENDAR (TENTATIVE)

Annual General Meeting : September, 2013

Results for quarter ending June 30, 2013 : on or before 14th August, 2013

Results for quarter ending Sept 30, 2013 : on or before 14th November, 2013

Results for quarter ending Dec 31, 2013 : on or before 14th February, 2014

Results for quarter ending March 31 , 2014 : on or before 30th May, 2014

(IX) SHARE TRANSFER SYSTEM :

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

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

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

(X) DEMATERIALIZATION OF SHARES AND LIQUIDITY :

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

Shares of the company are compulsorily to be delivered in the demat form on Stock Exchange by all investors. As on 31st March, 2013 about 94.17% of the issued capital have already been dematerialized. Shares of the company are listed at Bombay Stock Exchange 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 held in physical form are requested to dematerialize the same at the earliest. Thus investor can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

(XI) BANK MANDATE FOR DIVIDEND :

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

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

Unit : Sumeet Industries Limited

Investor Correspondence : Bigshare Services Pvt. Ltd.

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

Ph. : 022- 40430200/28470652

(IXV) BOOK CLOSURE :

The books will be closed from Tuesday, 24th September, 2013 to Saturday, 28th September, 2013 (both days inclusive) as annual closure for the Annual General Meeting.

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

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

STOCK CODES :

BSE : 514211

NSE : SUMEETINDS

ISIN No. : INE235C01010

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

(XVII) BUILD UP OF EQUITY SHARE CAPITAL

Date of Allotment	Reason for Allotment	No. of Equity Shares Issued	Face Value (₹)	Cumulative Share	Cumulative Paid-up Capital (₹ In Lacs)
25.07.1988	Subscription to the MOA	20	10.00	20	200.00
12.12.1991	Further Allotment	1,99,980	10.00	2,00,000	20,00,000.00
13.05.1992	Further Allotment	7,95,000	10.00	9,95,000	99,50,000.00
07.07.1992	Further Allotment	10,55,000	10.00	20,50,000	2,05,00,000.00
20.07.1992	Further Allotment	9,50,000	10.00	30,00,000	3,00,00,000.00
08.08.1992 & 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

* Record Date

(XVIII) CORPORATE BENEFITS TO INVESTORS

A) BONUS ISSUE OF FULLY PAID UP EQUITY SHARES

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

B) DIVIDEND DECLARATION DURING THE LAST 5 YEARS

Financial Year	Dividend Declaration	Dividend per share
2007-08	27 / 01 / 2007	10%
2009-10	30 / 09 / 2010	10%
2010-11	26 / 09 / 2011	10%
2011-12	28 / 09 / 2012	4%

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

Company is the manufacturer and exporter of Polyester Chips, Polyester Filament Yarn (POY & FDY) and Polypropylene Multifilament Yarn.

(XX) REGISTERED OFFICE :

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

7. DISCLOSURES OF NON – COMPLIANCE BY THE COMPANY

The transactions with the companies, where the Directors of the Company are interested were in the normal course of business and there were no materially significant related party transactions that have potential conflict with the interest of the Company at large. There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.

8. MEANS OF COMMUNICATION

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

9. SECRETARIAL AUDIT REPORT

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

10. CEO AND CFO CERTIFICATIONS

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

11. COMPLIANCE CERTIFICATE OF THE AUDITORS

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

12. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

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

Mr. Anil Kumar Jain, Company Secretary is the Compliance Officer of the company.

13. DECLARATION UNDER CODE OF CONDUCT

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

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

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

TO,
THE MEMBERS of
SUMEET INDUSTRIES LIMITED
Surat.

We have examined the compliance of condition of Corporate Governance by **SUMEET INDUSTRIES LIMITED** for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement with Stock Exchange(s).

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

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

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

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

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612

FIRM NO. 108029W

Place : Surat

Date : 29th MAY 2013

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

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

- a) I have reviewed the financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief :
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by Sumeet Industries Limited during the year under review which are fraudulent, illegal or violative of the company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
- Significant changes in internal control over the financial reporting during the year 2012-13;
 - Significant changes in accounting policies during the year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.
- e) We further declare that all Board members and senior management have affirmed compliance with code of conduct for the year ended 31st March, 2013.

By order of the Board Directors

Sd/-

Sumeet Kumar Somani

Executive Director and

Chief Financial Officer

Place : Surat

Date : 29th MAY 2013

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**OVERVIEW OF THE ECONOMY****WORLD ECONOMY**

The financial year 2012-13 saw underperforming economies, sluggish growth and emergency rescue efforts by most governments across the world. As per IMF forecast Global economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012. The sovereign – debt crisis in Europe also impacting global economic growth. Japan's economy has shown signs of improvement on account of monetary and fiscal stimulus undertaken. The emerging economies were also impacted by global headwinds, with China registering economic slowdown, along with other BRICS nations. In the year 2012-13, China grew by only 7.8%, while India finished the race a close second at 5%.

INDIAN ECONOMY

India's economy has also been facing socio-economic challenges for the past two years, impacted by a combination of international and domestic factors. Indian economy faced many concerns such as moderation in GDP growth, high inflation, high fiscal deficit and widening Current Account Deficit. According to the Central Statistics Office's advance estimate of GDP growth, Indian economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12.

The Economic Survey 2012-13 has pegged the country's economic growth forecast at 6.1-6.7% in the coming financial year. The survey predicts that the global economy is also likely to recover in 2013 and various government measures will help in improving the Indian economy's outlook for 2013-14. Government initiative on increasing FDI limits on investments across major sectors will significantly improved capital inflow in Indian Economy. The Government of India is also taking various initiatives to keep the fiscal deficit within 5.2%.*

High inflation is another problem that has haunted the economy for last two financial years. In F.Y. 2013, inflation measured by Wholesale Price Index (WPI) remained stubbornly high at around 8% limiting the scope for reduction in interest rate. Similarly, inflation measured by Consumer Price Index (CPI) also remained mostly above 10% in F.Y. 2013. Unabated high price level throughout the financial year dampened overall demand condition in the economy.

*Economic Survey Report

WORLD TEXTILE INDUSTRY SCENARIO

The global textile and clothing trade marginally declined from USD 706 Billion in 2011 to USD 700 Billion in 2012. China's export in 2012 grew by 3% to an estimated USD 260 Billion and represented 37.7% of the global textile and clothing trade. India's export is estimated to decline to USD 31 Billion in 2012.

The production volume in the world textile industry in 2012 rose by 1.9% to 88.5 Million tonnes. This includes increase in man made fibre segments while natural fibres were down by 4.3% to 32.5 Million tonnes. Man made fibres went up by 6.0% to 56.0 Million tonnes.*

*The Fiber year, 2013

INDIA TEXTILE INDUSTRY SCENARIO

Indian Textile Industry has an overwhelming presence in the economic life of the country. It contributes about 14% to the industrial production, 4% to the GDP and 11% to the country's export earnings. The textile sector is the second largest provider of employment after agriculture.

Indian Textile Industry has the advantages of high operational efficiencies in spinning and weaving, low- cost skilled labour, availability of raw materials and design capabilities, strong consumption base as well but infrastructural bottlenecks like the transportation time at ports, inland transportation time, lack of initiative by India textile players etc. have been limiting the growth of the industry.

India is one of the few countries that has the complete supply chain, right from diverse fibres to a range of fabrics and made-ups. Today India supplies entire range of polyester, viscose, nylon, acrylic and blended textile items to the discerning international buyers.

According to the Technopak, India textile industry is expected to grow at an average annual rate of 11% between 2011 and 2020 to touch US \$ 140 Billion. India's share of global textile exports is expected to increase from current 4% to 7% over the next three years

India's fibre production declined by 2% to reach an estimated 9.6 Million tonnes in 2012-13 compared to 9.8 Million tonnes in 2011-12. Polyester fibre production has an estimated 3.30 Million tonnes, as against 3.26 Million tonnes in 2011, a marginal increase of 1.2%.

INDIAN POLYESTER INDUSTRY SCENARIO

Despite challenges, India holds out an enormous market potential. The per capita consumption of all fibre in India is around 6.86 kg per person, compared to the global per capita consumption of 12 kg per person. However, for polyester fibre and yarns, India's per capita consumption is 2.45 kg per person, as against the global per capita consumption of 5.85 kg. Polyester accounts for 36% of per capita fibre consumption in India. On the back of India's burgeoning population, rapid urbanization, enhanced industrialization, increasing cotton prices and insignificant cotton production growth, resulting that polyester consumption will likely to increase substantially in the coming years.

In fact, Polyester fibre outlook will remain to be positive and demand is estimated to increase by 6% to 7% from 2013 to 2016. The capacity grew around 15% to 3.67 Million tonnes in 2012-13 from 3.18 Million tonnes in 2011-12. Export declined by 22% to estimated 0.18 Million tonnes in 2012-13 from 0.23 Million tonnes in 2010-11. PFY is estimated to grow 7-8% due to higher growth in home textiles, women's wear and automotive segment.

OVERALL VIEW OF THE COMPANY

In the previous year, while analyzing and discussing the performance of the Company and the Industry in general, the Management anticipated certain threats and challenges like, over capacity in Polyester POY, imports of Polyester Yarn / Fabrics, increasing Fuel Oil and Natural Gas prices, depreciation of rupee against dollar etc. In the year under review, as expected, it happened and remained throughout the year and impacted the performance of the Company. Overall, the performance was satisfactory due to efficient use of raw materials, over head cost cuttings, better management of working capital and energy conservation.

During the year under review your company has successfully commissioned Polyester Filament yarn (POY & FDY) a direct spinning unit through MEG and PTA, thereby total capacity of the spinning has been increased from 53000 TPA to 82800 TPA. The commercial production of the same has been commenced since month of May, 2012 A host of new products have been introduced through close co-operation between Quality Control (R & D), Production and Marketing departments.

In the current financial year, the company is sourcing power through open access purchase under open access regulation has helped to substantially reduce our power cost by restricting the use of expensive natural gas based gen-set power plants.

The company's manufacturing units have a locational advantages being situated in the Surat area. Its location gives it proximity to both raw material suppliers as well as end users.

FINANCIAL OVERVIEW

Turnover : Sumeet Industries Limited has achieved a turnover of Rs. 115933.78 Lacs in the year 2012-13 as against Rs. 82447.64 Lacs during the previous year recording a impressive increase over 40% in comparison to previous year due to completion of expansion of spinning capacity both POY and FDY.

Other Operating Income : Other operating income consists of Export Incentives, Vat refund etc. Other Operating Income for the year 2012-13 amounted to Rs. 265.13 Lacs as against Rs. 48.95 Lacs during the previous year showing a remarkable increase of more than 400% in comparison to last year.

Other Income : Other income consisting receipt of Dividend, Discounts and Interest on Fixed Deposit and Profit/(Loss) from Forex Transactions. Other income for the year 2012-13 is amounting of Rs. (1130.36 Lacs) against Rs. (541.95 Lacs) in the previous year. Losses from foreign transactions was incurred amounting to Rs. 1727.14 Lacs due to sharp depreciation in the value of rupees against dollars.

Consumption of Raw material : Consumption of raw material increased from Rs. 49721.82 Lacs to Rs. 71989.19 Lacs due to increase in capacity expansion of POY and FDY spinning Plant.

Employee Cost : Employees cost were increased from Rs. 741.52 Lacs to Rs. 1069.54 Lacs. This increase is mainly due to higher increments given to employees and recruitment of employees in new POY and FDY spinning division.

Interest Cost : Interest cost were increased from Rs. 1081.19 Lacs to Rs. 2171.88 Lacs due to enhanced working capital being expansion of spinning capacity of the plant.

Depreciation : Depreciation was increased by Rs. 788.10 Lacs due to addition in Fixed Asstes of completed expansion project of POY & FDY.

EBIDTA : The Company's EBIDTA stood at Rs. 7067.39 Lacs against Rs. 5817.92 Lacs in previous year reflecting an increase of 21.5 % over previous year.

PAT : The profit after tax (PAT) were decreased from Rs. 2412.00 Lacs (2011-12) to Rs. 1915.93 Lacs (2012-13) mainly due to forex losses incurred due to sharp depreciation in the value of rupees against dollars.

STRATEGY

As a business strategy, we believe in specialization in our core business segments and to become a vertically integrated player in the Polyester Industry to remain cost-efficient & competitive in the market with its peer group. With strategically planned balanced capacity at each level, we are ensuring an optimum utilization, self-sufficiency and better margins. We are gradually moving up the value chain by increasing the proportion of higher value add products that will further improve the realizations.

Over the years, we have developed capabilities to customize and improve our product designs by absorbing, adapting and improving the acquired technology from both national and international suppliers. In each and every operation we innovate, learn, adapt and deliver quality products with enhanced values to our customers.

INFORMATION TECHNOLOGY

The company always endeavors to use the latest applications in the area of information technology to maximize advantages as per its business requirement.

The Company has implemented ERP Platforms across all its divisions and offices covering entire value chain making online real time basis data recording and retrieving. System access controls are being augmented to minimize risk of unauthorized intrusion in the business system.

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.

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 i.e. reducing leakages, improving power factor, optimizing process controls etc. resulting in energy savings.

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

Sumeet Industry's Edge

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

RISK MANAGEMENT

In the current financial year, the company has been able to maintain the increasing risk of energy cost by sourcing of power from open access purchase through grid under open access regulation.

The industry is dependent on the international price of crude oil which directly impacts the price of both our key raw materials PTA & MEG . The PTA industry is presently in distress both globally and in India. There are signs that owing to the poor margins in PTA business, suppliers possibly curtaining supplies resulting in temporary shortages.

The company follows a conservative policy in managing its foreign exchange liabilities to minimize the risks associated with fluctuations in exchange rates. This has limited the losses resulting from the large fluctuations in the rupee during the year.

THREAT, RISKS AND CONCERNS

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

a) RISK AGAINST FIRE, FLOOD AND ACCIDENTS

Risk against fire, flood, accident, health related problems and accidents of workforce are common risks attached to the working of any plant/company. Management has taken reasonable steps to counter the risk. 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 staff and through regular monitoring and supervision. All the employees of the company are also insured under Group Insurance Policy of Life Insurance Corp. of India.

b) ECONOMIC RISK

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

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.

d) STRATEGIC RISK

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

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

e) PRICE RISK

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

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

f) LIQUIDITY RISK

Liquidity risk (i.e., the risk of not being able to fulfill current or future payment obligations because of unavailability of adequate cash) is efficiently managed by the company. 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.

Though interest cost has gone up during the year largely on account of additional borrowings for the new projects, but with better working capital management maintained lower interest costs in spite of higher working capital utilization.

g) MARKET RISK

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

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

The volatility witnessed in the global markets has reiterated the need for robust forex management systems and prudent investment practices. All forex exposures are hedged immediately upon the occurrence of an exposure. The company uses only forward contracts to hedge both its imports and exports and continues to maintain the philosophy of protecting cash flows.

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 using Enterprise Resources Planning package (ERP) supported by in-built various modules that ensure reliable and timely financial reporting. It provides a comprehensive data warehouse with analytical capability that helps in better and speedier decisions.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The company has strong Management Information System (MIS) which is an integral part of control mechanism. Internal audit also checks the internal controls for its effectiveness and necessary changes arising out of inadequacies, if any, are incorporated in to the system with an objective of matching its process and controls with global best practices.

WASTE MANAGEMENT

We have adopted various methods and practices for solid and hazardous waste management. Solid waste like polymer are sold to authorized parties for re-use. Fibre waste are used as captive material through recently set up waste re-cycling plant. The company has setup state of art 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 happened in 2012-13.

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

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

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

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

b) PERFORMANCE APPRAISAL SYSTEM

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

c) PERSONNEL TRAINING

The company from time to time fosters a culture of training, people development and meritocracy to ensure that the maximum efficiencies are derived from its human capital. The newly recruited employees under go a comprehensive induction program. Safety training is given on regular basis to all employees including temporary employees.

d) LABOUR RELATIONS

On the labour front, during the year, there were no incidents of labour unrest or stoppage of work on account of labour issues and relationship with them continues to be cordial.

CORPORATE SOCIAL SERVICE

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

CAUTIONARY STATEMENT

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

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

**Anil Kumar Jain
Company Secretary**

Surat, 29th May, 2013

AUDITOR'S REPORT

TO,
THE MEMBERS
SUMEET INDUSTRIES LIMITED,
SURAT.

We have audited the accompanying financial statements of **SUMEET INDUSTRIES LIMITED**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of the Balance sheet, of the state of affairs of the company as at **31st March 2013**,
- (ii) In the case of the Profit and Loss account, of the profit of the company for the year ended on the date.

And

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

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

(2) Further to our comments in the Annexure referred to in paragraph 1 above, we report that :

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of accounts as required by Law have been kept by the company, so far as it appears from our examination of the books.
- c. The Balance Sheet, Profit & Loss Account and cash flow referred to in the report are in agreement with the books of accounts.
- d. In our opinion the Balance sheet and Profit & Loss Account complies with the requirements of the mandatory accounting standard referred to in Section 211(3C) of the Companies Act, 1956.
- e. On the basis of written representation received from the directors of the company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March 2013** from being appointed as a director under section 274(1)(g) of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section,

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612

FIRM NO. 108029W

Place : Surat

Date : 29th MAY 2013

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

ANNEXURE 'A' TO THE AUDITOR'S REPORT

(i) Fixed Assets :-

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

(ii) Inventory :-

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

(iii) Loans & Advances :-

- (a) The company has taken unsecured loans from companies, firms or other parties listed in the register maintained U/s. 301 of the Companies Act, 1956. There are Seven Such Parties Covered u/s 301 of the Companies Act. 1956. Total amount Credited is ₹ 34.11 Crore and Debited ₹ 29.54 Crore.
- (b) The company has granted unsecured loans to companies, Firms or other parties mentioned under the register maintained u/s. 301 of the companies Act, 1956. There are Two such Parties Covered u/s 301 of the companies Act. 1956. Total amount Debited is ₹ 7.58 Crore and Credited is ₹ 52.33 Lacs.
- (c) As per information and explanations given to us, the rate of interest is 6% P.A. on the loan taken by the company. Other terms and conditions, if applicable on loan taken are not prima facie prejudicial to the interest of the company.
- (d) As per information and explanations given to us, the rate of interest is 6% P.A. on the loan granted by the company wherever applicable. Other terms and conditions, if applicable on loan given are not prima facie prejudicial to the interest of the company.
- (e) The parties to whom advances in the nature of loans have been given are repaying the principle amounts as stipulated wherever applicable.
- (f) There is no overdue amount of loans taken or granted by the company.

(iv) Internal control procedure :-

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

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

(a) The transaction made in pursuance to contracts or arrangements that need to be entered in to the register maintained U/s. 301 of the Companies Act, 1956 have been recorded in register.

(b) In our opinion and according to the information and explanations given to us, the transaction exceeding ₹ 5 lacs each have been made at price, which are reasonable having regards to prevailing market price at the relevant time.

(vi) Public Deposits :-

The company has not accepted deposits which are exempted / excluded from the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

(vii) Internal Audit System :-

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

(viii) Cost Records :-

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

(ix) Statutory Dues :-

(a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including P.F. & E.S.I.C., Income-tax, Wealth-tax, Sales-tax, Custom duty, Excise duty, Cess and any other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which has remained outstanding as at **31st March, 2013** for a period more than six months from the date they became payable.

(b) According to information and explanation given to us, there is no disputed amounts payable in respect of such statutory dues.

(x) Accumulated / Cash Losses :-

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

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

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

(xii) Granting of Loan & Advances :-

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

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

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

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

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

(xv) Guarantee Given by Company :-

As explained to us by the management, the company has not given guarantee for loans taken by others from banks or financial institution.

(xvi) Utilization of Term Loans :-

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

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

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

(xviii) Allotment of Bonus Shares :-

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

(xix) Increase in Authorized Share-Capital :-

The company has raised its authorized share-capital by Rs. 10 crores by 1 crore Equity shares of Rs. 10/- each, during the financial year. After the addition, the authorized share capital of the company amounts to Rs. 100 crores (divided into 9 crores Equity shares of Rs. 10/- each and 1 crore, 6% Non-Convertible Redeemable Preference shares of Rs. 10/- each.

(xx) Creation of Securities for Debenture Issued :-

The Company has not issued any Debenture during the year.

(xxi) Preferential Allotment of Shares :-

The company has not made preferential allotment of shares.

(xxii) Fraud noticed or Reported :-

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

(xxiii) Domestic Transfer Pricing :-

Provision of Specified domestic transfer pricing, introduced by the finance act, 2012 w.e.f 1st April, 2012 is applicable to the company, as transaction between related party specified in Section 40(A)(2)(b) (i.e) related party, exceeds Rs. 5 crores. There is one such party where the expenditure exceeds Rs. 5 crores.

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612

FIRM NO. 108029W

Place : Surat

Date : 29th MAY 2013

Note : 1

Corporate information :-

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

Note : 2

Significant Accounting Policies :

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

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

Cost of inventories is ascertained on the "First-in-First-Out" basis.
- (f) **Retirement Benefits (AS 15) :** Provision for gratuity has been made in the accounts, only in case of those employees who have become eligible for the retirement benefits. Leave encashment, LTA, Medical Assistance are accounted as and when paid. The Company is a member of recognized Provident Fund scheme established by the regional Government of Gujarat. The Company is contributing 12% of Salary & Wages of eligible employees under the scheme every month. The amount of contribution is being deposited each and every month well within the time under the rules of EPF Scheme.
- (g) **Foreign Currency Transactions (AS 11) :** In the case of liabilities in respect of foreign currency loans obtained for acquisition of fixed assets, the variation in the liabilities arising out of exchange rates at the year end are capitalized w. e. f. F.Y. 2007-08 as per Notification NO. G.S. R. 225(E) of Companies (Accounting Standard) Amendment Rules, 2009.

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

- (h) **Excise duty:** The liability of excise duty amounting to ₹ 6,43,04,055/- has been provided for the goods manufactured but not cleared as on 31.03.2013, the effect of which on profit and loss account of the year is Nil.
- (j) **Revenue Recognition (AS 9) :** Expenses and incomes, not specifically referred to otherwise consider payable and receivable respectively are accounted for on accrual basis.
- Sales :** Sales include packing and forwarding charges, octroi & sales-tax but excludes excise duty wherever applicable and a sale of goods is recognized on transfer of property of goods as per agreed terms.
- Export Sales :** These are accounted at the exchange rate prevailing on the date of invoice. These are gross of commission and include freight wherever applicable as per the terms of the sales contract.
- (k) **Cenvat on Inputs :** The purchase cost of raw materials is shown net of excise duty and utilized amount of CENVAT on raw material consumed has been debited to CENVAT Account.
- (l) **Borrowing cost (AS 16) :** Borrowing costs that are directly attributable to the acquisition or construction of fixed assets are capitalized as a part of the cost of asset. Other borrowing costs are recognized as an expense in the period in which they are accrued / incurred.
- (m) **Income Tax : (AS 22) :** Tax expenses for the year, comprising current tax and deferred tax is included in determining the net profit for the year. Deferred tax asset and liabilities are recognized for the future tax consequences of temporary difference between the carrying value of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary difference are expected to be reviewed or settled.
- (n) **Segment Accounting (AS 17) :** The requirement of segment reporting is not applicable to the company both in respect of geographical segment and product wise segment.
- (o) Quantity discount, Rate difference, Rebate and interest are accounted as and when settled. It is general practice prevailing in this type of industry.

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612

FIRM NO. 108029W

Place : Surat

Date : 29th MAY 2013

AUDITED BALANCE SHEET AS AT 31st MARCH, 2013

	Note No.	As At 31.03.13	As At 31.03.12
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	682,897,380	682,897,380
(b) Reserves and Surplus	4	1,257,422,571	1,092,811,015
(c) Money received against Share Warrants		-	-
(2) Share Application Money pending allotment		87,000,000	87,000,000
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	2,368,672,275	2,264,034,067
(b) Deferred Tax Liabilities (Net)		327,726,121	233,255,966
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	6	1,668,762,348	1,565,208,499
(b) Trade Payables	7	1,239,568,001	199,144,943
(c) Other Current Liabilities	8	116,639,288	56,988,398
(d) Short-Term Provisions	9	68,225,107	78,933,590
TOTAL		7,816,913,091	6,260,273,859
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		3,836,604,988	1,905,676,998
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		101,611,209	1,731,889,394
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	11	7,795,571	5,913,894
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	12	39,531,495	29,243,289
(e) Other Non-Current Assets		-	-
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	13	1,819,886,462	1,258,672,327
(c) Trade Receivables	14	1,159,448,025	669,480,533
(d) Cash and Cash Equivalents	15	239,443,235	58,570,077
(e) Short-Term Loans and Advances	16	266,117,949	158,960,297
(f) Other Current Assets	17	346,474,157	441,867,050
TOTAL		7,816,913,091	6,260,273,859

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

PRADEEP KUMAR SINGHI
Proprietor
M. NO. 200/24612

Place : Surat
Date : 29-05-2013

For and on behalf of Board of Directors

Shankarlal Somani Chairman

Sumeet Kumar Somani Director

Anil Kumar Jain Company Secretary

Place : Surat
Date : 29-05-2013

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	Note No.	As At 31.03.13	As At 31.03.12
I. Revenue from Operations	18	11,593,378,438	8,244,764,040
II. Other Incomes	19	(113,035,550)	(54,195,558)
III. Share of profits/losses in a Partnership firm/AOP		-	-
IV. Share of profits/losses in a Limited Liability Partnership		-	-
V. Total Revenue (I + II+III+IV)		<u>11,480,342,888</u>	<u>8,190,568,481</u>
VI. Expenses:			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	20	8,181,199,294	5,490,588,589
Purchases of Stock-in-Trade		2,945,112,507	1,973,521,245
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(590,795,858)	(147,656,234)
<u>Administrative & Selling Expenses</u>			
Employee Benefit Expenses	22	106,953,953	74,152,384
Other Expenses	23	131,133,627	218,170,528
Finance Costs	24	217,188,043	108,119,290
Depreciation and Amortization Expense	10	198,985,555	120,175,082
VII. Total Expenses		<u>11,189,777,121</u>	<u>7,837,070,884</u>
VIII Profit before Exceptional and Extraordinary Items and Tax (V - VII)		290,565,767	353,497,597
IX Exceptional Items		-	-
X Profit before Extraordinary Items and Tax (VIII - IX)		<u>290,565,767</u>	<u>353,497,597</u>
XI Extra Ordinary Items		-	-
XII Profit before Tax (X - XI)		290,565,767	353,497,597
XIII Tax Expense:			
(1) Current tax		58,134,846	70,617,268
(2) Deferred Tax		94,470,155	17,598,565
(3) MAT credit		(58,134,846)	16,728,820
Profit After Tax		<u>196,095,612</u>	<u>248,552,944</u>
Less: Taxation for previous year		<u>4,502,286</u>	<u>7,352,861</u>
XIV Profit/ (Loss) for the period from Continuing Operations		191,593,326	241,200,083
<u>Appropriation:</u>			
Prov. for Dividend & Dividend Dist. Tax (F.Y. 2011-12)		26,981,770	-
Short Prov. for Dividend & Dividend Dist. Tax for (F.Y. 2010-11)		-	20,816,565
		<u>26,981,770</u>	<u>20,816,565</u>
Profit/(loss) from the period from continuing operations		164,611,556	220,383,518
XV Profit/Loss from Discontinuing Operations		-	-
XVI Tax Expense of Discontinuing Operations		-	-
XVII Profit/ (Loss) from Discontinuing Operations (after Tax)_(XV + XVI)		-	-
Profit/ (Loss) for the Period (XIV + XVII)		164,611,556	220,383,518
Earnings Per Equity Share			
(1) Basic		3.29	4.14
(2) Diluted		3.29	4.14

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

PRADEEP KUMAR SINGHI
Proprietor M. NO. 200/24612

Place : Surat
Date : 29-05-2013

For and on behalf of Board of Directors
Shankarlal Somani Chairman
Sumeet Kumar Somani Director
Anil Kumar Jain Company Secretary

Place : Surat
Date : 29-05-2013

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As At 31.03.13	As At 31.03.12
NOTE # 3		
SHARE CAPITAL :		
Authorised Capital:		
900,00,000 Equity Shares of Rs.10/- each &	900,000,000	800,000,000
100,00,000 6% Non-convertible Redeemable	100,000,000	100,000,000
Preference Shares of Rs.10/- each	<u>1,000,000,000</u>	<u>900,000,000</u>
Issued, Subscribed and Paid up		
5,82,89,738 Equity Shares of Rs.10/- each fully paid up (out of which 76,05,930 shares are issued for consideration other than cash)	582,897,380	582,897,380
100,00,000 6% Non-convertible Redeemable	100,000,000	100,000,000
Preference shares of Rs.10/- each	<u>682,897,380</u>	<u>682,897,380</u>

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

Authorised Share Capital

Previous Year	90,000,000	90,000,000
Increased by	10,000,000	-
Current Year	<u>100,000,000</u>	<u>90,000,000</u>

Number of shares at the beginning of the year	68,289,738	49,995,160
Add : Addition during the year	-	18,294,578
Number of shares at the end of the year	<u>68,289,738</u>	<u>68,289,738</u>

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

Name	No. of Shares	% of Holding
Somani Overseas Private Limited	7,455,084	12.79
Sitaram Prints Private Limited	3,338,075	5.73
Shankarlal Sitaram Somani	3,706,183	6.36
Raghuvir Texturisers Pvt. Ltd.	5,580,362	9.57

NOTE # 4

Reserves and Surplus :

(a) Capital Reserve As per last Balance Sheet	2,500,000	2,500,000
(b) Securities Premium As per last Balance Sheet	488,166,355	117,701,150
Addition during the year	-	370,465,205
	<u>488,166,355</u>	<u>488,166,355</u>
(c) Other Reserve		
General Reserve	6,208,052	6,208,052
(d) Surplus i.e. Balance in the Statement of Profit & Loss :		
As per last Balance Sheet	595,936,608	442,050,779
Profit during the year	164,611,556	220,383,518
Less: Deferred Tax Asset of Previous Year Adjusted	-	66,497,689
	<u>760,548,164</u>	<u>595,936,608</u>
Total (a + b + c + d)	<u>1,257,422,571</u>	<u>1,092,811,015</u>

NOTE # 5

Long-Term Borrowings

Term Loans

	As At 31.03.13	As At 31.03.12
- From Banks	2,158,373,076	2,160,560,371
- From Others	14,281,269	17,167,233
Loans and advances from Corporates	194,916,305	77,779,764
Loans From Directors- Unsecured in nature	1,101,625	8,526,699
	<u>2,368,672,275</u>	<u>2,264,034,067</u>

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

Term Loan From Banks :

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

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

Term Loan From Others :

Vehicle Loans are secured by hypothecation of vehicles itself.

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

Loans & Advances from Corporates :

Loans taken here are unsecured in nature.

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

Name of Directors / Others

Mr. Shankarlal Sitaram Somani

Mr. Rajkumar Sitaram Somani

Mr. Sumeetkumar Shankarlal Somani

Smt. Gangadevi Shankarlal Somani

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

**113 Crores Fund Based,
208 Crores Non Fund Based
&
USD 30 Million.**

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 10441142.30 for loan taken from KBC Bank Deutschland AG.

NOTE # 6

Short-Term Borrowings

Cash Credit facilities	699,922,463	120,262,533
Buyer's Credit	860,210,817	1,444,945,966
Inland LC(Union Bank)	27,058,260	-
Term Loan (GBPP)	1,856,040	-
Inland LC(IDBI)	79,714,768	-
	<u>1,668,762,348</u>	<u>1,565,208,499</u>

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

Classification of secured borrowings and Nature of security :

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

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

Name of Directors / Others	
Mr. Shankarlal Sitaram Somani	113 Crores Fund Based, 208 Crores Non Fund Based & USD 30 Million.
Mr. Rajkumar Sitaram Somani	
Mr. Sumeetkumar Shankarlal Somani	
Smt. Gangadevi Shankarlal Somani	
Corporate Guarantee of M/s. Sitaram Prints Private Limited.	
Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 10441142.30 for loan taken from KBC. Bank Deutschland AG.	

	As At 31.03.13	As At 31.03.12
NOTE # 7		
Trade Payables		
Sundry Creditors for Goods	1,239,568,001	199,144,943
	<u>1,239,568,001</u>	<u>199,144,943</u>

NOTE # 8

Other Current Liabilities

Trade Payables for expenses	27,772,372	23,066,529
Advance from Customers	3,661,661	1,350,392
Vat & Additional Vat Account	2,928,203	2,527,099
Agency Deposits	1,994,396	1,994,396
CST Payble A/c	1,779,873	1,112,853
Outstanding Interest Payable	14,578,345	13,036,592
TCS Payable	30,952	7,590
TDS Payable	844,552	426,309
TDS Payable(salary)	145,690	852,725
Unpaid Dividend	1,291,978	1,296,578
Other Liabilities	61,611,266	11,317,335
	<u>116,639,288</u>	<u>56,988,398</u>

NOTE # 9

Short-Term Provisions

Provision For Employees Benefit

Gratuity Payable	2,843,038	1,069,099
	<u>2,843,038</u>	<u>1,069,099</u>

	As At 31.03.13	As At 31.03.12
Others		
Provision for Taxation A.Y 2012-13	-	70,617,268
Provision for Taxation A.Y 2013-14	58,134,846	-
Provision for Dividend & Dividend Distribution Tax	7,247,223	7,247,223
	65,382,069	77,864,491
	68,225,107	78,933,590

NOTE # 10

Depreciation	198,106,708	119,296,235
Preliminary Expenses W/O	878,847	878,847
	198,985,555	120,175,082

FIXED ASSETS

Schedules To And Forming Part of Accounts

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2012	Addition	Deletion	As At 31.03.2013	As At 01.04.2012	For the Year	Adjust- ment	As At 31.03.2013	As At 31.03.2013	As At 31.03.2012
1	Land	2,356,255	-	-	2,356,255	-	-	-	-	2,356,255	2,356,255
2	Building	185,143,844	74,743,809	-	259,887,653	73,794,539	16,112,704	-	89,907,243	169,980,410	111,349,305
3	Plant & Machinery	2,371,966,844	2,052,134,332	-	4,424,101,176	608,839,523	175,327,228	-	784,166,751	3,639,934,425	1,763,127,321
4	Furniture, Fixture & Equipments	18,623,525	1,453,094	-	20,076,619	10,186,049	1,801,381	-	11,987,430	8,089,189	8,437,476
5	Vehicle	44,077,469	703,463	-	44,780,932	23,670,828	4,865,395	-	28,536,223	16,244,709	20,406,641
	TOTAL	2,622,167,937	2,129,034,698	-	4,751,202,635	716,490,939	198,106,708	-	914,597,647	3,836,604,988	1,905,676,998
	PREVIOUS YEAR	2,487,873,622	141,519,475	7,225,160	2,622,167,937	600,113,861	119,296,235	2,919,157	716,490,939	1,905,676,998	1,887,759,761

NOTE # 11

Non-Current Investments

Investments in Equity Instruments	7,295,571	5,413,894
Investments in Preference Shares	-	-
Investments in Mutual Funds	500,000	500,000
	7,795,571	5,913,894

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

Particulars	As At 31.03.13	As At 31.03.12
Investment in Equity shares : At Cost		
Other Than Trade - Quoted Investments :		
10000, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. IFCI Ltd.	545,005	545,005
500, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Rajasthan Petro Synthetics Ltd.	16,250	16,250
169, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Tata Steel Ltd.	33,705	14,905
1000, Fully Paid-up Equity Shares of Rs. 1/- Each of M/s. Paras Petrofils Ltd.	1,000	1,000
700, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Chandra Synthetics Ltd.	5,075	5,075
400, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Haryana Petrochemicals Ltd.	6,200	6,200
5000, Fully Paid-up Equity Shares of Rs. 1/- Each of M/s. Paras Petro Chemicals Ltd.	17,000	17,000
100, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Parasrampur Ind. Ltd.	1,050	1,050
100, Fully Paid-up Equity Shares of Rs. 10/- Each of M/s. Shree Rajasthan Syntex Ltd.	2,025	2,025
20000, Fully Paid-Up Equity Shares of Rs. 10/- Each of M/s. Questfin Ltd.	137,543	137,543
30000, Fully Paid-up Equity Shares of Rs. 2/- Each of M/s. United Phos Ltd.	4,649,041	4,649,041
Union KBC Capital Protection Oriental Fund	500,000	-
20000, Fully Paid-up Equity Shares of Rs. 5/- Each of M/s. Zylog Systems Ltd.	1,381,677	-
	7,295,571	5,395,094
TSL Right Issue	-	18,800
Investment in Mutual funds (Relaince Vision)	500,000	500,000
Total	7,795,571	5,913,894

	As At 31.03.13	As At 31.03.12
Aggregate Book Value Of Investments		
Unquoted Cost	2,566,820	708,553
Quoted Cost	5,228,751	5,209,951
Market Value *	4,704,530	4,389,900

NOTE # 12

Long-Term Loans and Advances

Security Deposits

a) Secured, Considered good	39,531,495	29,243,289
Other Deposit		
	<u>39,531,495</u>	<u>29,243,289</u>

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

NOTE # 13

Inventories

Raw Materials	509,209,130	570,743,551
Work-in-Progress	458,544,158	354,765,486
Finished Goods	566,376,794	79,359,608
Stores and Spares	285,756,380	253,803,682
	<u>1,819,886,462</u>	<u>1,258,672,327</u>

Mode of Valuation.

Raw Materials, Stores & Spares have been valued at Cost or net realisable value whichever is lower.

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

NOTE # 14

Trade Receivables

Unsecured, Considered Good

- Outstanding for a period exceeding six months	-	-
- Others	1,159,448,025	669,480,533
Less: Allowance for Bad & Doubtful Debts	-	-
	<u>1,159,448,025</u>	<u>669,480,533</u>

NOTE # 15

Cash and Cash Equivalents

Cash-in-Hand	269,762	413,480
Balance with Banks	2,535,334	12,956,597
Fixed deposits / Margin Money / Security against borrowings	236,638,139	45,200,000
	<u>239,443,235</u>	<u>58,570,077</u>

	As At 31.03.13	As At 31.03.12
NOTE # 16		
Short-Term Loans and Advances		
Advance to Suppliers	83,383,607	88,444,813
Capital WIP including advances and net of creditors	16,100,285	-
Others	166,634,057	70,515,484
	<u>266,117,949</u>	<u>158,960,297</u>

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

NOTE # 17

Other Current Assets (Residual Head)

Accrued Interest	-	246,752
Advance Tax (A.Y. 2013-14)	15,000,000	-
Advance Tax (A.Y. 2012-13)	-	5,000,000
Advance for Exp (Godown-Delhi)	20,000	-
Cenvat Receivable	18,906,557	116,885,753
Claim Receivable	82,948,349	97,466,726
Custom duty refund receivable	4,334,930	2,080,467
DEPB Purchase	37,738,255	92,286,296
Excise duty refund	2,453,348	8,434,321
Export Incentive receivable	44,346,181	18,000,359
Mat credit	122,045,397	63,910,551
Balance with Excise dept. PLA a/c.	8,763	8,763
Preliminary Expenses	148,176	1,027,023
Prepaid Expenses	947,214	1,162,211
Service tax receivable	671,014	2,041,514
TCS Receivable	170,846	-
TDS Receivable	15,196,247	23,932,451
Insurance Claim receivable	1,538,880	9,383,863
	<u>346,474,157</u>	<u>441,867,050</u>

NOTE # 18

Revenue From Operations

Domestic sales	11,450,452,451	8,805,447,174
Export sales	1,222,372,061	90,863,884
Total sales	12,672,824,512	8,896,311,058
Less:Excise duty	1,105,958,947	656,442,919
	11,566,865,565	8,239,868,139
Export Incentives	26,512,873	4,895,901
	<u>11,593,378,438</u>	<u>8,244,764,040</u>

NOTE # 19

Other Incomes

	As At 31.03.13	As At 31.03.12
Dividend received	4,128	548,028
Commission received	31,432,394	33,179,114
Profit/(loss) on sale of fixed assets	400,000	(1,206,003)
Discount received	239,076	265,338
Int. on FDR'S (Net of Int. on Buyers credit & LOU Commission)	10,320,857	129,901,100
Profit from forex transaction	(172,713,646)	(222,470,735)
Others - Interest	15,442,728	8,709,278
Profit/(loss) on trading of shares & commodity	338,913	(3,121,678)
Survey fees received	1,500,000	-
	<u>(113,035,550)</u>	<u>(54,195,558)</u>

NOTE # 20

Cost of Materials Consumed

a) Purchases of Raw Materials and Stores

Opening stock	570,777,151	448,873,319
Add:Purchase(net)	7,137,351,479	5,094,085,835
	<u>7,708,128,630</u>	<u>5,542,959,154</u>
Less:Closing Stock	509,209,130	570,777,151
Sub Total (a)	<u>7,198,919,500</u>	<u>4,972,182,003</u>

b) Direct/Production expenses

Labour & Security	556,198	507,258
Power & Fuel	705,584,526	401,634,610
Freight & Octroi	20,086,051	3,082,067
Stores & Spares	49,227,500	14,970,927
Factory Expenses	694,404	1,520,557
Job Charges	1,828,280	-
Job Charges(Packing)	76,684	22,515
Repair & Maintenance : Factory Building	387,867	470,463
Repair & Maintenance : Plant & Machinery	9,005,986	6,249,659
Packing	194,832,298	89,948,530
Sub Total (b)	<u>982,279,794</u>	<u>518,406,586</u>

Total (a + b)

<u>8,181,199,294</u>	<u>5,490,588,589</u>
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NOTE # 21

Change in inventories

Opening Stock	434,125,094	286,468,860
Less:Closing Stock	1,024,920,952	434,125,094
	<u>(590,795,858)</u>	<u>(147,656,234)</u>

NOTE # 22

Employment Benefit Expenses

	As At 31.03.13	As At 31.03.12
Salary	94,544,665	65,192,625
Bonus	6,323,708	3,333,742
P.F.	536,322	587,528
Leave Encashment	1,821,567	1,054,462
Rent for staff accomodation	8,000	44,000
Directors Remuneration	3,000,000	3,600,000
Staff Welfare/ESI	719,691	340,027
	<u>106,953,953</u>	<u>74,152,384</u>

NOTE # 23

Other Expenses

Electricity Expenses	363,645	354,122
Vehicle Expense	12,498,919	12,855,381
Travelling & Conveyance	2,767,245	1,210,702
Repairs Office Building	153,834	-
Repairs Other	848,698	118,050
Brokerage & Commission	13,557,121	11,396,366
Office & General Expenses	1,448,162	2,580,054
Insurance Expenses	4,256,523	3,382,930
Books & Periodicals	9,945	9,658
Legal & Professional	8,448,504	33,356,618
Postage, Telegram & Telephone	1,602,029	1,458,598
Membership & Subscriptions	381,540	255,495
Printing & Stationery Expenses	1,110,692	939,697
Auditors Remuneration	1,085,000	733,549
Rates & Taxes	34,165,648	26,513,411
Rate difference & Discounts	11,678,068	91,016,938
Sales Promotion Expenses	-	101,986
Advertisement & Publicity	2,833,614	6,125,908
Carraige Outward	33,315,044	25,168,987
Donation	608,511	380,303
Securities Transaction Tax Paid	-	198,658
Demat Charges	885	13,117
	<u>131,133,627</u>	<u>218,170,528</u>

NOTE # 24

Financial Cost

Interest paid to Banks	165,700,222	87,648,697
Interest paid to others	9,430,797	3,741,755
Bank Charges & Guarantee commission	41,510,727	16,598,302
Overseas Bank Charges	546,296	130,536
	<u>217,188,043</u>	<u>108,119,290</u>

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

PRADEEP KUMAR SINGHI
Proprietor M. NO. 200/24612

Place : Surat
Date : 29-05-2013

For and on behalf of Board of Directors
Shankarlal Somani Chairman
Sumeet Kumar Somani Director
Anil Kumar Jain Company Secretary

Place : Surat
Date : 29-05-2013

Other Notes to Accounts:

- (1) Advances include ₹ 758 Lacs to companies in which directors are interested.
- (2) **Contingent Liabilities (AS 29) :**
- (a) Letter of credit outstanding (92,19,840 Yen & 12,300 \$USD) as on 31.03.2013.
- (b) Excise duty of ₹ 3,52,429/-, was demanded by the department, which has been paid; but for which appeal has been filed.
- | | Current year
₹ | Previous year
₹ |
|--|-------------------|--------------------|
| (3) Payment to Auditors: | | |
| (i) As Auditors : | 7,25,000 | 4,85,000 |
| (ii) As Advisor or in any other capacity in respect of : | | |
| Company Law matter | Nil | Nil |
| Taxation matter | 25,000 | 15,000 |
| Others | Nil | Nil |
| (4) Managerial Remuneration : | | |
| Salary | 30,00,000 | 36,00,000 |
| Perquisite | Nil | Nil |
| (5) Earnings Per share (AS 20) : | | |
| Net profit attributable to share holder | 19,15,93,326 | 24,12,00,082 |
| Number of equity shares | 5,82,89,738 | 5,82,89,738 |
| Earning per share of Rs 10 each | 3.29 | 4.14 |
| (6) Related Party Transaction (AS 18) : | | |

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

(₹ in '000)

Name of the related parties Key management Personnel	Nature of Relationship	Nature of Transactions	Amounts
Shankarlal Somani	Chairman	Remuneration	3000
Sumeet Somani	Relative of Key Management Personal (Director)	Salary	300
Dinesh Khare	Director	Salary	464
Vibha Khare	Relative of Director	Salary	400
Somani Overseas (P) Ltd.	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	108000 NIL
National Poly Yarn (P) Limited	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	2988 170
Sitaram Prints Pvt. Ltd.	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	5710 492
Priyanshi Creations Pvt. Ltd.	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	2681 179

(₹ in '000)

Name of the related parties Key management Personnel	Nature of Relationship	Nature of Transactions	Amounts
Sanya Fashions	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	1676 NIL
Shankarlal Somani	Chairman	Loan Outstanding (Cr.) Interest Paid	1101 161
Dhanvirdhi Financial Consultants Pvt. Ltd.	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	2642 150
Bajrang Processors Pvt. Ltd	Relative of Key Management Personal (Director)	Loan Outstanding (Cr.) Interest Paid	796 45

(7) Deferred Tax (AS 22) :

The movement of deferred tax account is as follows :

(₹ in '000)

Opening Balance	233255
Provision for current year deferred tax liability (Net)	94470
Total	327725

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

The following amounts are shown in the balance sheets

(₹ in '000)

Deferred Tax liabilities	444069
Deferred Tax Assets	116343
Balance of DTL	327726

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

Deferred tax liabilities :

(₹ in '000)

Particulars	Opening	Charged/ Credited to P & L	Closing
Tax impact of difference between carrying amount of fixed asset in the financial statements and the income tax return (A)	234719	209350	444069

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

(₹ in '000)

Provision for gratuity	347	575	922
Provision for Bonus	649	649	1298
C/f. Speculation Loss	467	0	467
Unabsorbed Depreciation	0	113655	113655
Total (B)	1463	114879	116342
Net Deferred Tax liability (A-B)	233256	94471	327727

Pursuant to Accounting Standards (AS) 22 Accounting for taxes on income, the impact of deferred tax liability of ₹ 94,470/- for the year-ended 31.3.2013 have been debited to Profit and Loss account.

(8) Additional Information's :

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

A. Capacity :	Units	2012-2013	2011-2012
a) Polypropylene/ Polyester POY / FDY			
i) Licensed Capacity	* TPA		
ii) Installed Capacity	** TPA	82800	82800
b) PET CHIPS			
c) Twisted			
i) Installed Capacity	** TPA	2500	2500
d) Texturised	** TPA	3300	3300
e) Draw twisted	** TPA	700	700

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

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

B. Production :	Unit	2012-13	2011-12
C.P.Plant & Spinning Unit	Ton	91936.934	68408.420

(₹ in '000)

C. Turnover :	Unit	2012-13		2011-12	
		Quantity	Value	Quantity	Value
C.P.Plant & Spinning Unit	Ton	86875.80	9915620	67630.95	6259163
Sales on High-Seas	Ton	-	1499864	-	1973521
Wastage	Kgs.	1576.05	151381	1025.37	7186
	Total		11566865		8239870

(₹ in '000)

D. Raw Materials Consumed	Unit	2012-13		2011-12	
		Quantity	Value	Quantity	Value
C.P.Plant & Spinning Unit	Ton	110559.09	7179817	82451.55	6945703
	Total		7179817		6945703

(₹ in '000)

E. Purchase :	Unit	2012-13		2011-12	
		Quantity	Value	Quantity	Value
Purchase on High Seas (Coal/PTA)		-	659499	-	1973521
	Total		659499		1973521

(₹ in '000)

F. Finished Stock	Unit	2012-13		2011-12	
		Quantity	Value	Quantity	Value
a. Opening Stock :					
*PPMFY/ Polyester /FDY	Kgs.	805133	79359	609708	67721
Menthol	Kgs.	-	-	18806	26328
b. Closing Stock :					
*PPMFY/ Polyester /FDY	Kgs.	4361644	513260	805133	79359
Menthol	Kgs.	-	-	-	-

* Excluding Wastage of Poly Yarn and PPMF Yarn

(₹ in '000)

G. Value of Raw Materials Consumed :	2012-13		2011-12	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	2770137	38.58	4841788	69.71
Indigenous	4409680	61.42	2103915	30.29
Total	7179817	100.00	6945703	100.00

(₹ in '000)

H. Value of Stores & Spares Purchased :	2012-13		2011-12	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	3329	3.92	3495	8.11
Indigenous	81544	96.08	39614	91.89
Total	84873	100.00	43109	100.00

(₹ in '000)

I. Expenditure in Foreign Currencies on account of (on Accrual Basis) :	2012-13	2011-12
Interest	67183	54490
Commission to selling Agent	0	336
Foreign Traveling	2092	196
Overseas Banking Charges	546	130

(₹ in '000)

J. C.I.F. Value of import	2012-13	2011-12
i) Raw Material	2862880	3940450
ii) Stores and Spares	3418	3495
iii) Capital Goods	39268	1095722
iv) Coal	92205	-

(₹ in '000)

K. Earnings in Foreign Currency (FOB Value of Exports)	2012-13	2011-12
PET Chips / POY / FDY / PP	1219222	90863.88

- (9) Figures of previous year have been regrouped and / or recast wherever necessary.
- (10) There are no sundry creditors due to small-scale industrial undertakings to whom the company owe a sum exceeding ₹ 1.00 lacs, which is outstanding for more than 30 days for the year, ended **31st March 2013**. This disclosure is on the basis of information available with the company regarding the status of suppliers.
- (11) Cash Flow statement is as per Annexure "A"
- (12) **Signature** to notes "1" to "24"

As per our report of even date

For PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

PRADEEP KUMAR SINGHI

PROPRIETOR

M. No.200/24612

FIRM NO. 108029W

Place : Surat

Date : 29-05-2013

For and on behalf of Board of Directors

Shankarlal Somani Chairman

Sumeet Kumar Somani Director

Anil Kumar Jain Company Secretary

Place : Surat

Date : 29-05-2013

ANNEXURE "A"

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	2012-2013		2011-2012	
	₹	₹	₹	₹
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before tax and Extraordinary Items		290,565,767		353,497,597
Adjustment For :				
Depreciation	198,106,708		119,296,235	
Interest Income	(25,763,585)		(138,610,378)	
Dividend Income	(4,128)		(548,028)	
Miscellaneous expenditure written off	-		-	
Profit / Loss on Sale of Fixed Assets	(400,000)		1,206,003	
Profit / Loss on Sale of Investments	(338,913)		3,121,678	
Dividend Declared	-		(20,816,565)	
Interest Paid	175,131,020	346,731,102	91,390,452	55,039,397
Operating Profit before Working Capital Changes		637,296,869		408,536,994
Adjustment For :				
Trade & Other Receivables	(512,020,457)		(210,720,637)	
Inventories	(561,214,135)		(343,152,221)	
Trade Payables and Other Liabilities	1,089,365,465	16,130,873	31,629,634	(522,243,225)
Cash Generated From Operations		653,427,742		(113,706,231)
Interest Paid	(175,131,020)		(91,390,452)	
Provision for Dividend and Div. Dist.Tax	(26,981,770)			
Provision for Taxation	-		(87,346,088)	
Previous Year Taxation	(4,502,286)	(206,615,076)	(7,352,861)	(186,089,401)
NET CASH FLOW FROM OPERATING ACTIVITIES(A)		446,812,666		(299,795,632)
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Income Form sale of investments:				
Loss from Forex Transaction	-		-	
Interest Income	25,763,585		138,610,378	
Dividend Income	4,128		548,028	
Purchases of Fixed Assets	(498,756,513)		(1,846,844,615)	
Sale of Fixed Asset	400,000		3,100,000	
Purchases of Investment	(57,878,269)		(101,906,838)	
Sale of Investment	56,335,505		105,543,773	
Adjustment For Exchange Difference				
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(474,131,564)		(1,700,949,274)
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
Increase/Decrease in borrowings	109,711,467		(124,979,222)	
Increase in Term Loan	98,480,590		1,529,546,897	
Increase in share capital	-		182,945,780	
Increase in Share Premium	-		370,465,205	
Increase in Share Application Money	-			
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		208,192,057		1,957,978,660

	2012-2013		2011-2012	
	₹	₹	₹	₹
Net Increase in Cash & Cash equivalents (A+B+C)		180,873,159		(42,766,245)
Cash and Cash equivalents as on 1st April, 2012		58,570,077		101,336,322
Cash and Cash equivalents as on 31st March, 2013		239,443,236		58,570,077

Note : Figures in Negative (-) Indicate cash outflows.

As per our report of even date

For PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

PRADEEP KUMAR SINGHI

PROPRIETOR

M. No.200/24612

FIRM NO. 108029W

Place : Surat

Date : 29-05-2013

For and on behalf of Board of Directors

Shankarlal Somani Chairman

Sumeet Kumar Somani Director

Anil Kumar Jain Company Secretary

Place : Surat

Date : 29-05-2013

AUDITORS' REPORT

We have examined the above cash flow statement of the SUMEET INDUSTRIES LIMITED for the year ended **31st March 2013**. The Statement has been prepared by the company in accordance with the requirements of Listing Agreement as per clause 32 with Bombay stock Exchange Ltd. and is based on and is in agreement with the corresponding Profit and Loss Account and Balance sheet of the company covered by our report dated **29th May, 2013** to the members of the company.

For, **PRADEEP SINGHI & ASSOCIATES**

Chartered Accountants

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 200/24612

FIRM NO. 108029W

Place : Surat

Date : 29th MAY 2013

To,
Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai 400 072

SUB. : REQUEST FOR ECS / MANDATE

Unit : _____

Folio No. : _____

I do hereby authorise Bigshare Services Pvt. Ltd. to credit my Dividend amount directly to my Bank Account by Electronic Clearing System (ECS) as per details given below:

Name of the holder : _____

Securities held in : _____
(Name of the Company)

DPID : _____

Client ID : _____

I wish to record my mandate instruction as given below :

Type of instruction	<input type="checkbox"/> ECS	<input type="checkbox"/> MANDATE
Bank Name		
Bank Address		
9 DIGIT MICR CODE (If ECS)		
A/c Type		
A/c Number		

Tel No. (with STD code) : _____

Email ID : _____

I, hereby, declare that particulars given above are correct and complete. If the ECS is delayed or not effected at all for reason of incomplete or incorrect information given as above, I shall not hold Company/Registrar responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

Thanking you.

Yours faithfully

(Signature of the First holder)

(Signature of the Second holder)

Please Note :

- 1) In case you are having Electronic holding of shares this form needs to be submitted to your **Depository Participant. Quoting ... DPID / Client ID.**
- 2) All the holder(s) sign is compulsory.
- 3) Proof should be enclosed **ANY** of the following:
 - a. Cancelled MICR cheque, **or**
 - b. Confirmation certificate from the Banker

Sumeet

INDUSTRIES LIMITED

Registered office : 504, Trividh Chambers, 5th Floor, Opp. Fire Brigade Station, Ring Road, Surat-2 (Guj.) India.

ATTENDANCE SLIP

ANNUAL GENERAL MEETING - 30.09.2013

(Please complete the slip and hand it over at the entrance to the meeting hall)

Name & Address of the Member

Folio No / DP ID & Client ID

I/We hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company at Conference Hall, Bombay Market, Umarwada, Surat - 395 010 on Monday, 30th September, 2013

Number of Shares Held

Signature of the Member / Proxy
(Strike out whichever is not applicable)

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

Sumeet

INDUSTRIES LIMITED

Registered office : 504, Trividh Chambers, 5th Floor, Opp. Fire Brigade Station, Ring Road, Surat-2 (Guj.) India.

PROXY FORM

ANNUAL GENERAL MEETING - 30.09.2013

I/We
of in the District
of being a member/members of
the above named Company hereby appoint
or failing to him/her
of in the District of
as my/our proxy to vote for me/our behalf at the 25th ANNUAL GENERAL MEETING of the company to be held on
Monday, 30th day of September, 2013 at 10:00 A.M. any adjournment(s) thereof.

Signed this day of 2013.

Folio No./ DP ID & Client ID

Number of Shares held

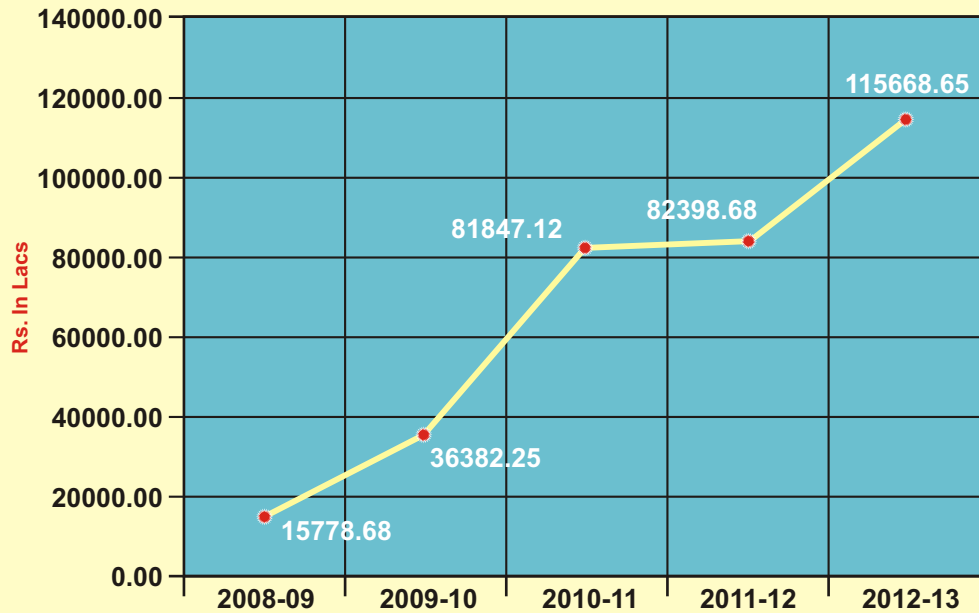
Signature of the Proxi

Affix
1 Rupee
Revenue
Stamp

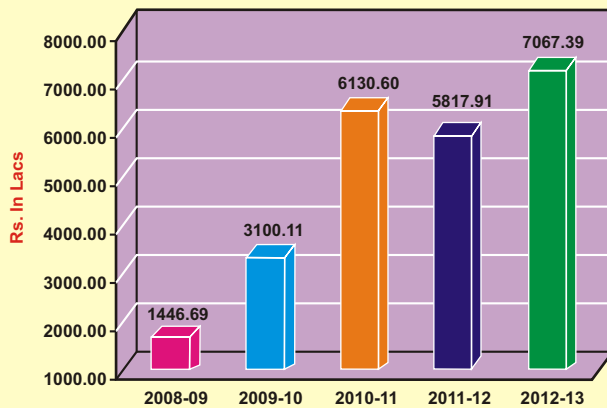
Signature

- Notes : 1. This form in order to be effective should be duly stamped, completed and signed and must be deposited the Registered office at 504, Trividh Chambers, 5th Floor, Opp. Fire Brigade Station, Ring Road, Surat-2 (Guj.) India. atleast 48 hours before the meeting.
2. In the case of a body corporate, the proxy form should be signed by the authorised person duly enclosing thereto, a certified copy of the resolution of the Board under Section 187 of the Companies Act, 1956.

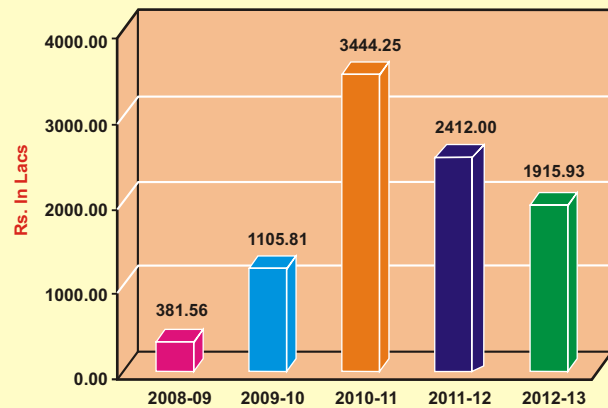
SALES



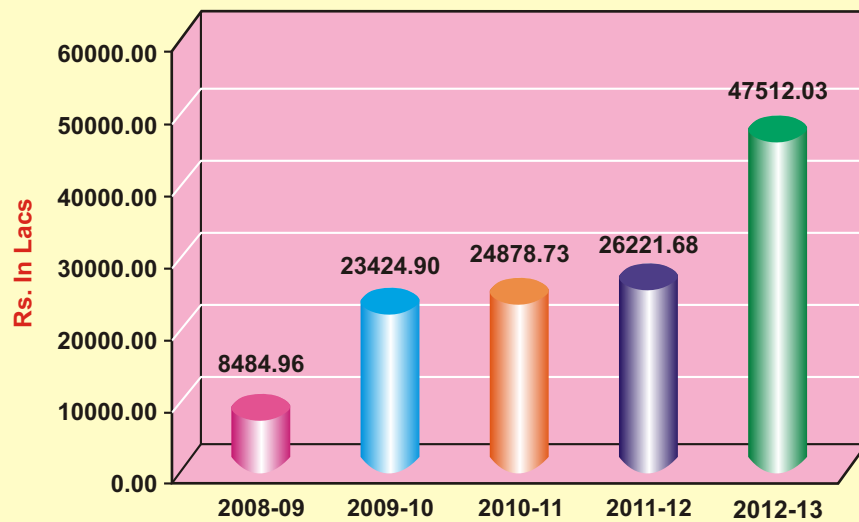
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PAT

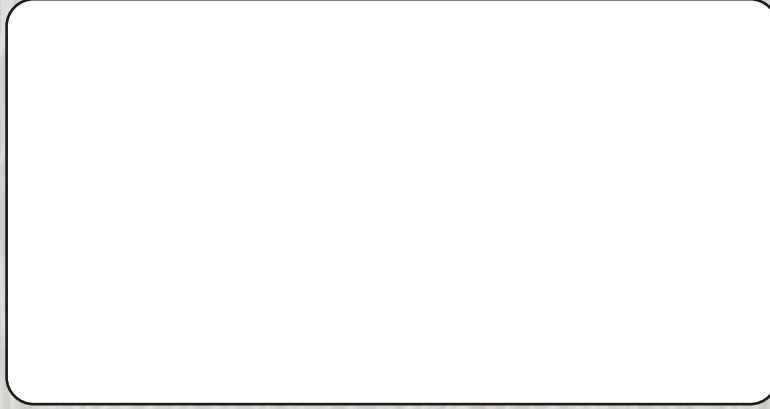


FIXED ASSETS



Book - Post

To,



if undelivered please return to:





SUMEET INDUSTRIES LIMITED

504, Trividh Chambers, 5th Floor, Opp. Fire Station,
Ring Road, Surat-2 [Guj] India.

Ph. : 0261 2328902

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	SUMEET INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be Signed by	<p>• MANAGING DIRECTOR</p> <p>For SUMEET INDUSTRIES LIMITED</p> <p></p> <p>SHANKARLAL SOMANI MANAGING DIRECTOR</p> <p>• CHIEF FINANCIAL OFFICER (CFO)</p> <p>For SUMEET INDUSTRIES LIMITED</p> <p></p> <p>SUMEET SOMANI CHIEF FINANCIAL OFFICER</p> <p>• Auditor of the Company</p> <p>For PRADEEP SINGHI & ASSOCIATES PRADEEP SINGHI & ASSOCIATES CHARTERED ACCOUNTANTS</p> <p></p> <p>(Proprietor) M. No. 200/24612 PRADEEP KUMAR SINGHI (FIRM NO. 108029W)</p> <p>• Audit Committee Chairman</p> <p>SUMEET INDUSTRIES LIMITED</p> <p></p> <p>B. C. CHORDIA CHAIRMAN, AUDIT COMMITTEE</p>

