

Sumeet INDUSTRIES LIMITED

CIN: L45200GJ1988PLC011049

REGD.OFF.: 504, TRIVIDH CHAMBER, 5TH FLOOR, OPP. FIRE BRIGADE STATION, RING ROAD, SURAT-395002, INDIA
Phone (91-261) 2328902 · E-Mail: corporate@sumeetindustries.com · Visit us at: www.sumeetindustries.com

Date : 04/09/2023

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

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

Scrip Code - 514211

Symbol - SUMEETINDS

Sub. : Submission of Annual Report of the Company for the year ended as on March 31, 2023

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, we are enclosing herewith Annual Report of the company for the financial year 2022-23 and is also available on the website of the company at <http://www.sumeetindustries.com/wp-content/uploads/2015/05/Download-Annual-Report-2022-23-PDF.pdf>

Kindly take the same on record.

Thanking you.

For Sumeet Industries Limited

Anil Kumar Jain

Company Secretary

(Sumeet Industries Limited is under Corporate Insolvency Resolution Process vide Hon'ble National Company Law Tribunal, Ahmedabad Bench order dated December 20, 2022 and Mr. Satyendra P. Khorania (Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002) is appointed as Resolution Professional ("RP"). Pursuant to the order and the provisions of Insolvency & Bankruptcy Code, 2016, the powers of the Board of Directors have been suspended and such powers are vested with Mr. Satyendra P. Khorania, in the capacity of RP.)



Sumecet
INDUSTRIES LIMITED

35TH

**ANNUAL
REPORT**

2022-23

THIRTY FIFTH ANNUAL REPORT

BOARD OF DIRECTORS (SUSPENDED)

Mr. Shankarlal Somani	Chairman
Mr. Sumeet Kumar Somani	Managing Director
Mr. Manojkumar Jain	Non-Executive Director
Ms. Zeel S Modi	Non-Executive Director
Mr. Vikashkumar Chandaliya	Non-Executive Director
Mr. Saurav Santosh Dugar	Non-Executive Director

RESOLUTION PROFESSIONAL

Interim Resolution Professional (IRP)

Mr. Kuresh Khambati

Reg No :IBBI/PA-001/IP-P01521/2018-2019/12454 (20.12.2022 to 14.02.2023)

Resolution Professional (RP)

Mr. Satyendra P. Khorania

Reg. No.: IBBI/PA-002/IP-N00002/2016-17/10002
(Vide order dated 15.02.2023 of Hon'ble NCLT, Ahmedabad)

COMPANY SECRETARY

Mr. Anil Kumar Jain

CHIEF FINANCIAL OFFICER (CFO)

Mr. Abhishek Prasad

STATUTORY AUDITORS

H. TOSNIWAL & CO.

Chartered Accountants, Surat

INTERNAL AUDITOR

ARVP & CO.

Chartered Accountants, Surat

SECRETARIAL AUDITOR

Dhirren R. Dave & Co.

Company Secretaries, Surat

BANKERS

Bank Bank of Baroda

IDBI Bank Ltd.

Union Bank of India

Canara Bank

Central Bank of India

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD.

Office No. S6-2 6th Floor, Pinnacle Business Park,

Next to Ahura Centre, Mahakali Caves Road,

Andheri (E) Mumbai-400093

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

E-mail : info@bigshareonline.com

35TH ANNUAL GENERAL MEETING

DATE: WEDNESDAY, 27TH SEPTEMBER, 2023

TIME : 05:00 P.M.

**THROUGH VIDEO CONFERENCE (VC) OR
OTHER AUDIO VISUAL MEANS (OAVM)**

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REGISTERD OFFICE

504, Trividh Chamber, Opp. Fire Station,

Ring Road, Surat - 395 002. (Gujarat)

Ph. : (0261) 2328902

E-mail : corporate@sumeetindustries.com

Web : www.sumeetindustries.com

FACTORY

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

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

Ph.: 0997s89 25038

NOTICE

NOTICE is hereby given that the 35th Annual General Meeting (AGM) of the members of SUMEET INDUSTRIES LIMITED will be held on Wednesday, 27th September, 2023 at 05:00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt;
 - i) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 together with the reports of Board of Directors and the Auditors thereon.
 - ii) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 together with the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Shankarlal Sitaram Somani (00165238), who retires by rotation and being eligible, offer himself for re-appointment.

3. APPOINTMENT OF AUDITORS

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time M/s. H.Tosniwal & Co., Chartered Accountants (FRN: 111032W) be and are hereby appointed as Statutory Auditors of the Company to conduct the statutory audit for a period of three years commencing from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company to be held for the Financial Year 2025-26 at the same terms and conditions (Statutory Audit Fees Rs.6,50,000/- and Tax Audit Fees Rs. 1,00,000/-) which was existing in their previous appointment plus out of pocket expenses and applicable GST, if any."

"RESOLVED FURTHER THAT RP and the Company Secretary be and are hereby severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution."

SPECIAL BUSINESS**4. RATIFICATION OF RE-APPOINTMENT OF COST AUDITOR**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.40,000/- (Rupees Forty Thousand only) be paid to M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 101519), the Cost Auditors, re-appointed by the Board in which RP was chaired the

meeting of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, be and is hereby ratified.”

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

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

By order of the Board of Directors

**Sd/-
Anil Kumar Jain
Company Secretary**

Place: Surat

Date: 2nd September, 2023

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 10/2022 dated December 28, 2022 read with General Circular No. 20/2020 dated May 5, 2020, and General Circular No. 02/2022 dated May 5, 2022 (collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 have granted certain relaxations to Body Corporates and thus permitted the holding of Annual General Meeting(s) (“AGM”) of the companies upto September 30, 2023 through VC/OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA /SEBI Circulars, as applicable, the AGM of the Company is being held through VC / OAVM (viz. e-AGM).
2. In terms of SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023, the requirement of sending Annual report and Proxy forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of SEBI LODR, has been dispensed with. Therefore, the facility to appoint proxy by the members will not be available and consequently, Annual Report, Proxy Form, Attendance Slip and Route Map are not annexed to this Notice conveying the 35th AGM of the Company.
3. Since the AGM will be held through VC / OAVM (viz. e-AGM), the Route Map for venue of AGM is not annexed to the Notice. The Deemed Venue of the 35th .AGM of the Company shall be its Registered Office
4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorise their representatives to participate and vote at the AGM are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the AGM.

7. The Members can join AGM in the VC/OAVM mode 15 (Fifteen) minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis.
8. Members desirous of seeking information in respect of Accounts of the Company are requested to send their queries to corporate@sumeetindustries.com on or before 25th September, 2023 before 2.00 P.M.
9. The Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Act, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in the electronic mode upto the date of AGM of the Company. Members seeking to inspect such documents can send the e-mail to corporate@sumeetindustries.com.
10. The Register of Members of the Company will remain closed from Thursday, 21st September 2023 to Wednesday , 27th September 2023 (both days inclusive).
11. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Bigshare i-Vote E-Voting System in respect of the business to be transacted at 35th AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by E-Voting portal (i-vote) by Bigshare Services (P) Ltd. Members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-Off date i.e. 20th September 2023, may cast their vote either by remote e-voting as well as e-voting system as on date of AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
12. The information with respect to voting process and other instructions regarding e-voting are detailed in Note no. 23.
13. In compliance with the aforesaid MCA Circular dated December 28, 2022 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, Notice of the AGM along with Annual Report (comprising Financial Statements) for the Financial Year 2022-23, is being sent only through electronic mode to those Members whose email address(es) are registered with the Company / Depositories / R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2022-23 will also be available on the Company's website www.sumeetindustries.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Bigshare, CDSL and NSDL.
14. The Company has appointed Dhirren R. Dave & Co., Company Secretaries (UIN No. P1996GJ002900) as the Scrutinizer to scrutinize the voting during the meeting and remote e-voting process, in a fair and transparent manner.
15. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.

16. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. The Company has uploaded the information in respect of the unclaimed dividends/Shares on its website www.sumeetindustries.com.
17. In the year 2018-19, the Company has transferred 1296302 equity shares to the demat account of IEPF Authority.
18. The Securities and Exchange Board of India (SEBI) vide circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, inter alia mandated furnishing of PAN, email address, mobile number, bank account details, specimen signatures and nomination by shareholders holding shares in physical form and also mandated that any service request shall be entertained only upon registration of the PAN, Bank details and the nomination. SEBI has further directed that the folios wherein any one of the above cited document/details are not available on or after October 01, 2023, shall be frozen by the RTA. It is further directed that the dividend, if any, shall be paid only through electronic mode w.e.f. April 01, 2024.

Bigshare Services Pvt Ltd, Registrar of the Company has sent reminder physical letters/e-mail to all the shareholders of the Company holding shares in physical form in this regard on May 31, 2023 requesting them to furnish the required documents/details within due timelines.

19. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation/variation in nomination in the prescribed Form SH-14 with the Company's RTA. Format of Forms are available on the website of the company and be accessed at <https://www.sumeetindustries.com/index.php/investor-forms>.

In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.

20. With a view to conserve natural resources, we request Members to update and register their email addresses and Mobile Number with their Depository Participants (DPs) or with the Company, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically. Members holding shares in Physical mode may register their email id by providing necessary details like Folio Number, Name of Member(s) and self-attested scanned copy of PAN card or Aadhar Card by email to info@bigshareonline.com or by clicking the link: <https://www.bigshareonline.com/ForInvestor.aspx>.
21. Members holding shares in Physical mode have to update in Bank Account Details by clicking the link: <https://www.bigshareonline.com/ForInvestor.aspx>

- a. Name and Branch of the Bank in which you wish to receive the dividend
 - b. Type of Bank Account
 - c. Bank Account Number
 - d. 9 digit MICR Code Number
 - e. 11 digit IFSC Code
 - f. Scanned copy of the cancelled cheque bearing the name of the first shareholder.
22. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800 22 54 22.
23. Voting process and instruction regarding remote e-voting:
- i. The voting period begins on Sunday, 24th September, 2023 at 9:00 A.M. IST and ends on Tuesday, 26th September, 2023 at 5:00 P.M. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off date (Record date) of Wednesday, 20/09/2023 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
 - ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
 - iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

1. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given under:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS

	<p>“Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>

- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
 - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
 - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

***Note** If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).*

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>

- Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with “**User id and password will be sent via email on your registered email id**”.

NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**CUSTODIAN LOGIN**’ tab and further Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**RESET**’.
(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
 - Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
 - Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or board resolution for respective investor and click on “**UPLOAD**”.

Note: The power of attorney (POA) or board resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)

- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under

download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

4. Procedure for joining the AGM through VC/ OAVM:

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to attend the AGM under the dropdown option.
- For joining virtual meeting, you need to click on “VC/OAVM” link placed beside of “**VIDEO CONFERENCE LINK**” option.
- Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM are as under:-

- The Members can join the AGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

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

As the members are aware, in terms of Section 148 of the Companies Act, 2013 and Rule 3A and Rule 4 of Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct Audit of the cost records of the Company.

M/s. V.M. PATEL & ASSOCIATES, Cost Auditor (Firm Registration No. 101519) have been appointed as the Cost Auditors of the Company for the Financial Year 2023-24 by the Board in which RP was Chaired the meeting on dated 30th May, 2023 and has fixed remuneration of Rs. 40,000/- (Rupees Forty Thousand only) exclusive of applicable Tax/GST and out-of-pocket expenses. In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the proposed remuneration of the Cost Auditors as fixed by the Board is required to be ratified by the members.

None of the Directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested, financially or otherwise, in this Resolution.

Additional information as required under Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013 are as under:

Name of the Director	Mr. Shankarlal Sitaram Somani
Category	Executive Director
DIN	00165238
Date of Birth & Age	20-01-1954, Age:69
Nationality	Indian
Date of first appointment	01-08-1988
Qualifications	B.Com
Experience & Nature of expertise in specific functional areas	Management
Remuneration last drawn	Nil
Relationship with other Directors & KMP	Father of Mr. Sumeet Somani, Director of the Company
Number of Board meetings attended during the year	7 (Seven)
Directorship in other Public Limited companies	Nil
Chairman/member of the committee of the Board	Nil
Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board along with listed entities from which the person has resigned in the past three years	Nil
Number of Equity Shares held in the company as on March 31, 2023	5500000

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

Place: Surat
Date: 2nd September, 2023

By order of the Board of Directors (under CIRP)

**Sd/-
Anil Kumar Jain
Company Secretary**

DIRECTORS' REPORT**Dear Shareholders,**

The Hon'ble National Company Law Tribunal, ("NCLT"), had vide its order dated December 20, 2022 admitted the application for the initiation of the corporate insolvency resolution process ("CIRP") against Sumeet Industries Limited ("Company") ("Admission Order") in terms of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder, as amended from time to time ("Code"). Mr. Kuresh Hatim Khambati (having registration number IBBI/IPA-001/IP-P-01521/2018-19/12454) had been appointed as an Interim Resolution Professional under the provisions of Code vide the admission Order. As per Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of the Company stand suspended and the same have been vested with Mr. Kuresh Hatim Khambati as the Interim Resolution Professional.

Subsequently, vide NCLT order dated 15th February, 2022 appointed Mr. Satyendra P. Khorania (Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002) as Resolution Professional ("RP") to act Resolution Professional in place of Mr. Kuresh Hatim Khambati in terms of the provisions of the Code.

The powers of Board of Directors of the Company stand suspended effective from the CIR Process commencement date and such powers along with the management of affairs of the Company are vested with the RP in accordance with the provisions of Section 17 and 23 of the Insolvency Code read with Regulation 15(2A) & (2B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The financial performance of the Company (Standalone and Consolidated) for the financial year ended 31st March, 2023 is summarized below :-

FINANCIAL RESULTS :

(Rs. in Lakh)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Sales & Income from operation	103312.41	89350.44	103312.41	89350.44
Other Income	1022.58	2099.88	1022.58	2099.64
Profit (Loss)before Financial cost, Depreciation and Exceptional items & Tax (EBITDA)	(2920.35)	5529.20	(2920.35)	5519.52
Interest	705.57	2654.51	705.57	2654.51
Depreciation	2749.24	3140.99	2749.24	3140.99
Profit/(Loss) before Exceptional and Extraordinary items	(6375.16)	(266.30)	(6375.16)	(275.98)
Exceptional & Extraordinary items	(1.80)	(3.55)	(1.80)	(3.55)
Profit/(Loss) before Tax	(6376.96)	(269.85)	(6376.96)	(279.53)
Provision for Taxation				
Current tax				
Mat Credit				
Deferred Tax	(504.81)	(570.91)	(504.81)	(570.91)
Profit after Tax	(5872.15)	301.06	(504.81)	291.38
Taxation for previous year				

profit available for appropriation				
Dividend on Equity & Pref. Shares				
Transfer to General Reserve	(5872.15)	301.06	(5872.15)	291.38

OPERATIONS

During the year under review, the Company witnessed uptrend in demand coupled with rising power and fuel and raw material & other costs that impacted the overall profitability. Despite the challenges, the Company ensured continuous supply of products in the markets and sales has been achieved more than 15% in comparison to the previous year.

The Company has produced 97530.09 Tons of Pet Chips/Polyester and Texturized Yarn and dispatched 100500.89 Tons of Pet Chips / Polyester and Texturized yarns.

Income from operation (Consolidated) of the company has increased from Rs. 893.50 Crores to Rs.1033.12 Crores. The Company has incurred Consolidated Loss of Rs. 58.72 Crores against profit of Rs. 2.91 Crores in previous year. We are reassessing our strategies in line with the larger macro picture and have made some significant changes to drive our growth focussed and opportunity driven strategies.

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

DIVIDEND

The Board of directors do not recommended dividend for the year under review due to loss incurred by the company.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

A petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code, 2016 filed by IDBI Bank Ltd. (Financial Creditor) has been admitted against the Company vide Honorable National Company Law Tribunal, Ahmedabad bench order dated 20.12.2022 and Mr. Mr. Kuresh Hatim Khambati has been appointed as Interim Resolution Professional by Hon'ble bench of NCLT, Ahmedabad under section 13(1)(c) of the Insolvency and Bankruptcy Code, 2016.

Later on petition moved by the Lead Bank i.e. Bank of Baroda, for replacement of RP and the Hon'ble Bench of NCLT vide order dated 15th February, 2023 appointed Mr. Satyendra P. Khorania (Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002) as Resolution Professional ("RP") to act Resolution Professional in place of Mr. Kuresh Hatim Khambati in terms of the provisions of the Code.

MATERIAL CHANGES AND COMMITMENTS

The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements.

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year as on 31st March, 2022 and the date of this report, i.e.10.08.2023.

OVERSEAS SUBSIDIARY COMPANY

The company has a wholly owned subsidiary company named “**Sumeet Global Pte Limited**” incorporated at Singapore in the year 30.09.2012 registered with Registrar of Companies and Business, Singapore. Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with Stock Exchanges, the company has prepared Consolidated Financial Statements of the Company and its subsidiaries are included in the Annual Report. There were no any business activities is going on at Singapore Branch.

M/s. S. Renganathan & Co, Chartered Accountants, Singapore address at 101, Cecil Street, #23-06 Tong Building, Singapore -069533 has been appointed as Statutory Auditor of the overseas subsidiary company on dated 13.10.2022.

Pursuant to Section 129(3) of the Act, a statement containing salient features of the Financial Statements of the subsidiary in the prescribed Form AOC-1 as **Annexure:2** forms part of the Annual Report.

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

EXPORTS

The company has been exploring all the possibilities for exporting its products. During the year under review, your company has exported products worth of Rs. 454.21 Lakhs (P.Y. Rs. 4488.90 Lakhs).

DEPOSITORY SYSTEM

As members are aware, the company's shares are compulsorily tradable in the electronic form. As on March 31, 2022 almost 97.78% of the Company's total paid-up capital representing 10,13,36,411 shares were in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the Depositories.

FIXED DEPOSITS

The Company has invited deposits from public in accordance with the Section 73 and 74 of the Companies Act, 2013 (corresponding Section 58 A of the Companies Act, 1956) to the tune of Rs. 396.14 Lakh during the financial year 2013-14. No fresh deposits have been invited and nor any deposits have been renewed in the financial year 2022-23. Total outstanding deposits after repaying on maturity as on 31.03.2023 has been remained Rs.2,90,000.00. There were no deposits, which were claimed but not paid by the Company as on date.

DIRECTORS APPOINTMENT

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

The Board recommends the re-appointment of Mr. Shankarlal Somani as Director for the consideration of the members of the Company at the ensuing Annual General Meeting. The brief resume of the Director and other related information has been provided in the notes to the Notice convening 35th Annual General Meeting (AGM) of the Company.

AUDITORS**a) Statutory Auditors**

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 32nd Annual General Meeting of the Company held on 17th day of September, 2020 has appointed M/s. H. Tosniwal & Co., Chartered Accounts (Firm Registration no. 111032W), as a Statutory Auditors of the Company to hold the office until the conclusion of the 35th Annual General Meeting of the Company.

The present term of the Statutory Auditors will be completed on the conclusion of 35th Annual General Meeting of the Company scheduled to be held on September 27, 2023. The Board of Directors at their meeting held on 30th Day of May, 2023 has decided to continue to appoint M/s. H. Tosniwal & Co., Chartered Accounts (Firm Registration no. 111032W), as a Statutory Auditors of the Company who holds office upto the conclusion of this Annual General Meeting, be and are hereby re-appointed as Statutory Auditors of the Company for the period of three (3) consecutive financial years commencing from the conclusion of 35th Annual General Meeting till the conclusion of 38th Annual General Meeting subject to the approval of Shareholders at ensuing Annual General Meeting.

The Company has received a certificate from them to the effect that their appointment as Statutory Auditors of the Company, would be within the limit prescribed u/s 139 & 141 of the Companies Act, 2013 & also received a peer review certificate issued by the ICAI 'Peer Review Board', as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There have been no instances of fraud reported by the Statutory Auditors under Section 143 (12) of the Act and Rules framed there under.

In the Report dated 30th May,2023 of the company, M/s. H. Tosniwal & Co, Chartered Accountant has given a qualified opinion in relation to the Financial Statements of the company for the Financial year ended 31st March 2023. Statement on Impact of Audit Qualifications for the year under review is annexed as **Annexure - 6**. The Board's response in relation to the said opinion is as under:-

SI. No	Audit-Qualification	Board's Response
1.	1) The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2023 and had paid only interest of Rs.5,75,16,938/- for 3 months out of the total period. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing.	<p>In the meeting held on 19th February 2022 of Joint Consortium Lenders, it was proposed that on continuing sustainable debts of Rs. 376.42 Crores, interest to be charged as per rate proposed in the meeting. Accordingly, the company has booked interest amount of Rs. 5.75 Crores in the books of accounts for three months (01.04.2022 to 30.06.2022) shown under Finance cost on the basis of interest proposed as per plan approved in JLM meeting. From 01.07.2022 onwards, the company has not made any provision for interest being NPA status of the company.</p> <p>The Interest is not provided on balance amount of unsustainable debts as mentioned in the audit qualification.</p>

	<p>2) The company has not created provision for Interest amounting to Rs. 69, 83, 207/- on delayed payment of MSME dues resulting in overstatement of profit.</p>	<p>Pursuant to the Order dated 20th December, 2022 of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated against the Company</p> <p>Provision for Interest on delayed payment to MSME has not been provided because most of payment is delayed due to disputes standing with parties in terms of quality issue, rate differences, discounts etc which were remained unresolved from the parties. Management is taking clarification from the department concerned and instructed to clear the dues to concerned MSME parties after settle the issues.</p>
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Emphasis of matter in Audit Report:

Sl. No.	Emphasis of matter	Board's Response
1.	<p>As mentioned in point no. 31 of the Standalone Financial Statement, Creditors were called upon to submit the financial claims., The Resolution Professional has examined and admitted the claims from Secured Financial Creditors amounting to Rs. 583.48 Cr, Unsecured Financial Creditors amounting to Rs. 107.61 Cr and from Operational Creditors (other than Workmen, Employees and Government dues) amounting to Rs. 36.64 Cr. The variations between balances as per books and amount claimed by the Secured financial creditors is due to charging of interest and other charges claimed by the financial creditors and by unsecured financial creditors amounting is due to claim by Bank of Baroda against Corporate Guarantee by Company to overseas subsidiary</p>	<p>1) Due to pending outcome of the Crip, no accounting impact in the books of accounts has been given in respect of excess, short, or non-receipts of claims for operational and financial creditors. Hence consequential impact, if any, on the financial statements is currently unascertainable.</p> <p>2) We have been informed by Resolution Professional that the certain information including the minutes of the meeting of the Committee of Creditor and the outcome of certain procedures carried out as a part of the CIRP are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, we are unable to comment on the possible financial impact, presentation and disclosure, if any, that may arise if we have been provided access to those information.</p>

b) Cost Auditors

The Company has been maintaining cost accounting records in respect of manufacture of Polyester yarns pursuant to directives of the Central Government. The company has appointed M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 10519) as Cost Auditors, for conducting the audit of cost records

for the financial year 2023-24 and approval of the members is being sought for ratification of their appointment and remuneration.

c) Internal Auditors

The Board has appointed M/s. A R V P & Co., Chartered Accountants (ICAI Registration Number: 101482W) as Internal Auditors of your company for the financial year 2023-24. The report prepared by the Internal Auditors is to be reviewed by the Statutory Auditors & Audit Committee of the company.

d) Secretarial Auditors

M/s. Dhirren R. Dave, Practising Company Secretaries (CP No. 2496, Membership No. 4889) were appointed as Secretarial Auditor, to conduct secretarial audit of the company for the financial year 2022-23. The Secretarial Audit Report for the financial year ended 31st March, 2023 is annexed herewith and forms part of the Annual Report as **Annexure-1**. The Secretarial Audit Report contains qualification, reservation or adverse remark.

The Board has re-appointed Dhirren R. Dave & Co., Company Secretaries, as Secretarial Auditor of the Company for the financial year 2023-24.

CREDIT RATING

During the year under review, no credit rating has been obtained from any credit rating agency.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CONSOLIDATED FINANCIAL STATEMENTS

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

PERSONNEL AND RELATED DISCLOSURES

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

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure-3** forming part of the Annual Report.

INTERNAL CONTROL SYSTEM

Your Company has put in place adequate internal financial controls with reference to the financial statements. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. During the year, such controls were tested and no reportable material weaknesses in design or operation and fraud were observed. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the Internal Auditor, the respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an integral part of the Company's ethos and policy and it has been pursuing on a sustained basis. The Company has assisted schools situated at nearby villages by distributing dresses & books among poor students and computers nearby situated primary schools etc. Technical education and training are imparted to the employees through Industrial Training and Workshops. Emphasis was laid on creation of awareness amongst the villagers about the need to protect the environment. CSR activities carried out by the Company have strengthened the relationship with local people. The main focus areas taken in the policy are Education, Health Care, Animal Care, Environment safety, contribution to any relief fund set up by Government, Semi-Governments etc. The brief outline of the Corporate Social Responsibility (CSR) Policy of the company and the initiatives undertaken by the company on CSR activities during the year are set out in Annexure of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules 2014 as provided in **Annexure- 4**. The Policy is available on the website of the Company. Since the company has been making losses since last 4 years so it is not participating much in CSR activities.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

We continued imparting team building and collaboration training to our workmen to enhance the team cohesiveness. The total employee strength was 614 as on 31st March, 2023.

We continue to step up efforts to accelerate our value-based growth strategy and the overall development of human capital. We nurture our people by investing in their empowerment through learning and development, wellness, and safety besides providing contemporary workplace facilities.

PREVENTION OF SEXUAL HARASSMENT POLICY

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

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

RISK MANAGEMENT

Risk Management is the systematic process of understanding, measuring, controlling and communicating organization's risk exposures while achieving its objectives. Risk Management is an important business aspect in the current economic environment and its objective is to identify, monitor

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

The key risks identified by the Company include, cyber security and data protection risk, financial & economic risk, competition risk, operational risk and compliance of all applicable statutes and regulations.

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. A detailed report on significant risks and mitigation is forming part of Management's Discussion and Analysis.

SAFETY, HEALTH & ENVIRONMENT

Safety & Health of the employees have always assumed the highest importance in your company. The management is committed to ensure zero harm to its employees and to all persons within the Company premises. Safety and occupational health responsibilities are integral to the Company's business processes, as spelt out in the Company's Safety, Health and Environment Policies and Procedure.

INSURANCE

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

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

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

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

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in Director's Report.

EMPLOYEE STOCK OPTION

The company has not issued any equity shares under Employee Stock Option during the year.

FOREIGN EXCHANGE TRANSACTIONS

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

have been capitalized during the year as per Companies (Accounting Standard) Amendment Rules, 2009.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the **Annexure- 5**, forming part of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

The Hon'ble National Company Law Tribunal, ("NCLT"), had vide its order dated December 20, 2022 admitted the application for the initiation of the corporate insolvency resolution process ("CIRP") against Sumeet Industries Limited ("Company") ("Admission Order") in terms of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder, as amended from time to time ("Code").

RELATED PARTY TRANSACTIONS:

All revised related party transactions that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There are no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company at large. During the year, the Company has not entered into related party transactions which could be considered as material in accordance with the Policy on Related Party Transactions of the Company.

Accordingly, the disclosure of related party transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC -2 is not applicable to your Company. All related party transactions for the year are placed before the Audit Committee as well as before the Board for approval. The transactions entered into with related parties are reviewed on a quarterly basis by the Audit Committee.

The Policy on Related Party Transactions as approved by the Audit Committee and Board is uploaded on the Company's website at the link [https:// www.sumeetindustries.com](https://www.sumeetindustries.com). Members can refer to Note (24) Related parties transactions under Notes to Financial Statements to the Standalone Financial Statements which sets out related party disclosures.

CORPORATE GOVERNANCE

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

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in Form MGT-7 has been placed on the Company's website link: http://www.sumeetindustries.com/wp-content/uploads/2023/07/Form_MGT_7_2023.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODE OF CONDUCT

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

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

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

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

In terms of SEBI (Prohibitions of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading (Insider Code) as approved by the Company's Board. Any Insiders (as defined in Insider Code) including designated employees & persons and their relatives are, inter-alia, prohibited from trading in the shares and securities of the Company or counsel any person during any period when the "unpublished price sensitive information"

are available with them. The Insider Code also requires pre-clearance for dealing in the Company's shares and prohibits dealing in Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

A structured digital database is being maintained by the company under guidance with Registrar and Transfer Agents (RTA) of the Company, which contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the Prohibition of Insider Trading Regulations. We have also adopted an automated tracking system to monitor insider trading, generating reports and sending reminders to employees about prohibited transactions, if any occurs.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India which have mandatory application during the year under review.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

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

WHISTLE BLOWER MECHANISM

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

DISCLOSURE RELATED TO BOARD, COMMITTEES AND POLICIES

A) BOARD MEETINGS:

The Board of Directors met 8 times during the financial year ended 31st March, 2023 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report forming part of the Annual report.

B) COMMITTEE MEETINGS:

AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the Listing Regulation read with Section 177 of the Companies Act, 2013. All members of the Audit Committee are financially literate and have relevant experience in financial matters. During the year the Audit Committee of the Company consisted of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Sumeet Shankarlal Somani, Mr. Saurav Santosh Dugar, consisting of 1 Executive Director and 2 Non-

Executive and Independent Directors. Mr. Manojkumar Ganeshmal Jain is the Chairman of the Audit Committee.

All recommendations made by the Audit Committee were accepted by the Board during the year 2022-23. Pursuant to the Order dated 20th December, 2022 of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated against the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder and thereby powers of the Board/Committee stand suspended w.e.f. 20.12.2022 and be exercised by IRP/RP.

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee and the Policy are in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Regulations (as may be amended from time to time). Emphasis is given to persons from diverse fields or professionals. The Nomination and Remuneration Committee comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Vikashkumar K Chandaliya and Mr. Saurav Santosh Dugar, consisting of 3 Non-Executive Directors. Mr. Manoj kumar Ganeshmal Jain is the Chairman of the Nomination and Remuneration Committee.

Pursuant to the Order dated 20th December, 2022 of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated against the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder and thereby powers of the Board/Committee stand suspended w.e.f. 20.12.2022 and be exercised by IRP/RP.

The Nomination and remuneration Committee has framed the "nomination & Remuneration and Evaluation Policy" can be accessed <http://www.sumeetindustries.com/wp-content/uploads/2016/04/Nomination-Remuneration-and-Evaluation-Policy.pdf> and "Policy on Board Diversity" can be accessed <http://www.sumeetindustries.com/wp-content/uploads/2016/04/Policy-on-Board-Diversity.pdf>

The brief details of the Nomination and Remuneration Committee are given in Corporate Governance Report forming part of the Annual report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.. The Stakeholders Relationship Committee now comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Sumeet Shankarlal Somani and Mr. Vikashkumar K Chandaliya, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Manojkumar Ganeshmal Jain is the Chairman of the Stakeholders Relationship Committee.

Pursuant to the Order dated 20th December, 2022 of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated against the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder and thereby powers of the Board/Committee stand suspended w.e.f. 20.12.2022 and be exercised by IRP/RP.

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has laid down the Company's policy on Corporate Social Responsibility (CSR) and the CSR activities of the company are carried out as per the instructions of the Committee. The CSR Committee now comprises of three members viz; Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, Mr. Vikashkumar K Chandaliya, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Sumeet Shankarlal Somani is the Chairman of the CSR Committee.

Pursuant to the Order dated 20th December, 2022 of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated against the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder and thereby powers of the Board/Committee stand suspended w.e.f. 20.12.2022 and be exercised by IRP/RP.

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

BOARD EVALUATION

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

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

This evaluation is led by the Chairman of the Board Governance, Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

FAMILIAZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirements of Listing Regulations, the Company has put in place a Familiarization Programme for Independent Directors to familiarize them with the workings of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the company operates, business model etc. along with updating on various amendments in the Listing Regulations and the Companies Act, 2013. The policy on Familiarization Programme is uploaded on the

website of the Company and can be accessed through web link <http://www.sumeetindustries.com/wp-content/uploads/2016/04/Familirisation-of-Independent-Director.pdf>

KEY MANAGERIAL PERSONNEL

In terms of Section 203 of the Companies Act, 2013 & section 2(51) of the Companies Amendment Act, 2017, the following are designated as Key Managerial Personnel of your Company by the Board:

SL No.	Name	Designation
1.	Sumeet Kumar Somani	Mg. Director (Suspended)
2.	Anil Kumar Jain	Company Secretary
3.	Abhishek Prasad	C.F.O.

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.

SUMEET INDUSTRIES LIMITED (Under CIRP)

Shankarlal Somani

Director

(Member of Suspended Board of Directors)

DIN:00165238

Noted By

Mr. Satyendra P. Khorania

Resolution Professional

(Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002)

Place: Surat

Date: 10/08/2023

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 1****Secretarial Audit Report****For the financial year ended March 31, 2023****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members

M/s SUMEET INDUSTRIES LIMITED

504, TRIVIDH CHAMBERS,

OPP FIRE STATION, RING ROAD

SURAT GJ 395002 IN

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2023 according to the provisions of:
 - (i) The Companies Act, 2013 (**the Act**) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;- There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;- There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;- There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;- There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
- d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
- e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Factories Act, 1948
- (vii) Industrial Disputes Act, 1947
- (viii) The Payment of Wages Act, 1936
- (ix) The Minimum Wages Act, 1948
- (x) Employees State Insurance Act, 1948
- (xi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (xii) The Payment of Bonus Act, 1965
- (xiii) The Payment of Gratuity Act, 1972
- (xiv) The Contract Labour (Regulation and Abolition) Act, 1970
- (xv) The Maternity Benefit Act, 1961
- (xvi) The Child Labour (Prohibition and Regulation) Act, 1986
- (xvii) The Industrial Employment (Standing Orders) Act, 1946
- (xviii) The Employees Compensation Act, 1923
- (xix) The Apprentices Act, 1961
- (xx) Equal Remuneration Act, 1976
- (xxi) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- (xxii) The Environment (Protection) Act, 1986 (read with The Environment (Protection) Rules, 1986)
- (xxiii) The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.
- (xxiv) The Water (Prevention and Control of Pollution) Act, 1974 (read with Water (Prevention and Control of Pollution) Rules, 1975)
- (xxv) The Air (Prevention and Control of Pollution) Act, 1981 (read with Air (Prevention and Control of Pollution) Rules, 1982)

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- iii) During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above subject to the following observation:

1. Company has received final order dated 14.02.2022 with regard to Show Cause Notice dated 28.08.2018 from Adjudicating Officer SEBI under Regulations 3(a),(b), (c), (d) and 4(1) of PFUTP Regulations read with Section 12(A)(a), (b), (c) of SEBI Act and Clause 35 of Listing Agreement read with SEBI Circular No. SEBI/CFD/DIL/LA/2006/13/4 dated 13.04.2006 and Section 21 of SC('R) Act, 1956 imposing penalty of Rs. 5.00 Lacs to company and promoter and promoter group and Rs. 25.00 Lacs to promoter and promoter group. Penalty paid on 16.06.2022.
2. Order dated 30.09.2019 from Whole-Time Member of SEBI Under Sections 11(1), 11(4) and 11B of the SEBI Act to Promoters and Promoters Group to pay an amount equal to Unlawful gains for disgorgement with interest @12% per annum from 12.03.2007 till date of payment. In this regard, Company has filed an application with SAT against the said order, on hearing, an interim order dated 25.10.2019 was passed by SAT to pay Rs. 2 Crore to be payable by the promoters and promoter group. The Promoters and promoter group have paid the amount to SEBI vide letter dated 03.03.2020 to be kept the same in Escrow Account. Upon Aggrieved by the SAT order 21.12.2021, the Promoters and promoter group have an appeal with Hon'ble Supreme Court and Hon'ble Supreme Court vide order dated 07.02.2022 stayed the coercive recovery proceedings on the condition of depositing of Rs. 3 Crores with SEBI and they have deposited the amount. Matter is under subjudice with Supreme Court. No correspondence received from authorities after payment of Rs. 3 Crore.
3. Advisory Letters issued by both Exchanges on 14.03.2022 and 15.03.2022 for Non-submission/delay of disclosure in C1 and C2 format under SEBI circular and material events under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said were placed before Board in the meeting held on 26.03.2022 and Board directed the concerned persons/departments to take utmost care in disclosures.
4. NSE (National Stock Exchange of India Limited) has Imposed Fine of Rs. 4,90,000/- vide notice dated 08.09.2020. Company has applied for waiver and Exchange has rejected the request for waiver of fine of Rs. 4,90,000/- for non-compliance of Regulation 17(1)(b) vide letter dated 19.03.2021. No communication received from exchange after company letter dated 26.03.2021. In between company NCLT order came on dated 20.12.2022 and NSE file claim with RP.
5. BSE (Bombay Stock Exchange of India Limited) has Imposed Fine of Rs.1,88,800/- and Rs.3,89,400/- vide notice dated 08.09.2020 and 20.08.2020 respectively. Company has applied for waiver and Exchange has accepted the request for waiver of fine of Rs.1,88,800/- and Rs.3,89,400/- vide email letter dated 05.07.2021 and 27.10.2021 for non-compliance of Regulation 17(1) vide email dated letter dated 05.07.2021 and 27.10.2021. Matter closed due to waiver accepted by the exchange.

2. We further report that:

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

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

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

3. We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. We further report that during the audit period the company has not taken any major steps and enter into any events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

This report is to be read with our letter dated 10.08.2023 which is annexed and forms an integral part of this report.

Date: 10.08.2023

Place: Surat

For DHIRREN R. DAVE & CO.,

Company Secretaries

UIN:P1996GJ002900

P/R No.:2144/2022

PINAL KANDARP SHUKLA

Principal Partner

Company Secretary

ACS:28554 CP:10265

UDIN: A028554E000781449

To,
The Members
M/s SUMEET INDUSTRIES LIMITED
504, TRIVIDH CHAMBERS ,
OPP FIRE STATION,RING ROAD
SURAT GJ 395002 IN

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

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

Date: 10.08.2023
Place: Surat

For DHIRREN R. DAVE & CO.,
Company Secretaries
UIN:P1996GJ002900
P/R No.:2144/2022

PINAL KANDARP SHUKLA
Principal Partner
Company Secretary
ACS:28554 CP:10265
UDIN: A028554E000781449

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SUMEET INDUSTRIES LIMITED
504 Trividh chambers,
Opp Fire Station,
Ring Road, Surat-395002,
Gujarat, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SUMEET INDUSTRIES LIMITED having CIN L45200GJ1988PLC011049 and having registered office at 504 Trividh chambers, Opp Fire Station, Ring Road, Surat-395002, Gujarat, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Initial Date of appointment
1.	Shankarlal Sitaram Somani	00165238	11/03/1991
2.	Sumeet Shankarlal Somani	00318156	01/10/2015
3.	Manojkumar Ganeshmal Jain	03546851	29/06/2017
4.	Zeel Sureshkumar Modi	08290608	30/11/2018
5.	Vikashkumar Kamalsingh Chandaliya	08751436	06/06/2020
6.	Saurav Santosh Dugar	08937448	28/10/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Note: This certificate forms part of Annexure-1.

Date: 10.08.2023
Place: Surat

For DHIREN R. DAVE & CO.,
Company Secretaries
UIN:P1996GJ002900
P/R No.:2144/2022

PINAL KANDARP SHUKLA
Principal Partner
Company Secretary
ACS:28554 CP:10265
UDIN: A028554E000781460

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 2****FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries

PART A : SUBSIDIARIES

(In Lakhs)

SL No.	Particulars	Details
1.	Name of the subsidiary	Sumeet Global Pte Limited
2.	Date of becoming subsidiary of the company	30/11/2012
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2022 to March 31, 2023
4.	Share capital	US \$ 30.00
5.	Reserves & surplus	US \$ (108.27)
6.	Total assets	Nil
7.	Total Liabilities	US \$ 78.27
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	US \$ (0.27)
11.	Provision for taxation	Nil
12.	Profit after taxation	US \$ (0.27)
13.	Proposed Dividend	Nil
14.	Percentage of Shareholding	100%
15.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	US Dollar (\$) = Rs. 82.17

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 3**

The information required under Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2023 are given below:

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March, 2023:

(Rs. in Lakh)

Name of the Director / KMP & Designation	Remuneration	% increase in Remuneration in F.Y. 2020-22	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
Mr. Sumeet Kumar Somani Managing Director	-	-	-	The company has incurred profit / (losses) (Standalone) of Rs. (5872.15) Lakh during the year and EBITDA (Standalone) is Rs. (2920.35) Lakh.
Mr. Anil Kumar Jain Company Secretary and Compliance Officer	18.01	10%	5.41	
Mr. Abhishek Prasad CFO	8.65	10%	2.58	

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

- Percentage increase in the median remuneration of employees in the FY 2022-23: NIL**
- Number of permanent employees on the rolls of the Company as on 31/03/2023: 614**
- The explanation on the relationship between average increase in remuneration and company performance:**

On an average, employees received an increase in remuneration between 8.5% to 10%. During the year company has incurred Profit /(Loss) (Standalone) of Rs. (5872.15) Lakh.

The increase/decrease in remuneration is not solely based on the Company's performance but also includes various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. besides the Company performance. There are no exceptional circumstances for increase in the managerial remuneration.

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

Particulars of Remuneration	Key Managerial Personnel		
	Mg. Director	C.F.O.	Company Secretary
Remuneration (Rs. in Lakh)	-	8.65	18.01
Revenue (Standalone) (Rs. in Lakh)	103312.41	103312.41	103312.41

Remuneration (As a % of Revenue)	-	0.008	0.017
Profit (Loss) before Tax (PBT) (Standalone) (Rs. in Lakh)	(6375.16)	(6375.16)	(6375.16)
Remuneration (As a % of PBT)	-	-	-

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

Date	Closing Market Price per Share (Rs.)	Earnings Per Share (Rs.)	Price Earnings Ratio	Market Capitalization (Rs. in Crore)
31.03.2022	7.46	0.28	-	77.32
31.03.2023	2.20	0.00	-	22.80
% Change	-70.51	0.00	-	-70.51

The Company made its Initial Public Offer (IPO) in 1993. An amount of Rs.1000 invested in the IPO towards 100 shares of Rs.10 each was worth Rs. 495/- (100 shares of Rs. 4.95 each) as on 31st March, 2023, excluding dividend. After considering Rights shares offered and Bonus issue of shares from time to time, 100 shares of Rs.10 each issued in 1993 have become 588 shares of Rs.10 each.

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

Average Percentile increase in Remuneration of employees other than Managerial Personnel was 9 % and average increase in remuneration of Managerial personnel was around 10%.

- 8. Key parameters for any variable component of remuneration availed by the Directors:**

Key result areas of the managerial personnel are broadly to achieve Company's growth and performance target, achieving the same against various adverse externalities globally, devising sustained strategy to combat global forces like competition, exchange rate etc, which, in turn, enhance shareholders' value. There are no variable component of remuneration to the Directors during the financial year 2022-23 and 2021-22. Remuneration of the managerial personnel is based on the Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

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

- 10. Affirmation that the remuneration is as per Remuneration policy:**

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

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

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 4****Report on CSR Activities for FY. 2022-23**

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

1. Brief outline on CSR Policy of the Company:

The Board of Directors has adopted a CSR policy to enable the Company to carry-out CSR activities in all the activities that are mentioned in the Schedule VII to the Companies Act, 2013. The CSR initiatives of the Company are mainly focused in hunger, poverty, education, healthcare, environment, relief, disaster management, animal welfare etc. and Covid-19 related activities as permitted by the law. The projects undertaken during the Financial Year 2022-23 were within the broad framework of Schedule VII to the Companies Act, 2013.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. Sumeet Kumar Somani	Chairman (Executive Director)	1	1
2.	Mr. Manojkumar G. Jain	Member (Non- Executive Director)	1	1
3.	Mr. Vikaskumar K. Chandaliya	Member (Non- Executive Director)	1	1

3. The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**Composition of CSR Committee:**

<http://www.sumeetindustries.com/wp-content/uploads/2021/08/CSR-Composition.pdf>

CSR Policy:

<http://www.sumeetindustries.com/wp-content/uploads/2015/09/NEW-CSR-POLICY.pdf>

CSR Projects:

<http://www.sumeetindustries.com/wp-content/uploads/2023/08/CSR-Projects.pdf>

4. The details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable**5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: 0.48 Lacs****1. Average net profit of the Company as per Section 135(5):**

Year	Net profit as per Section 198 of the Companies Act, 2013 (Rs. in Crore)
2019-20	(53.07)
2020-21	(12.06)
2021-22	(02.66)
Average net profits of last three years	-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. Nil
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year 2022-23 (7a+7b-7c): Rs. Nil
8. (a) CSR amount spent or unspent for the financial year:

(Rs. In Lakhs)

Total Amount spent for the Financial Year (Rs. In Lakhs)	Amount Unspent			
	Total Amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	
	Amount	Date of Transfer	Amount	Date of Transfer
0.48	Nil		Nil	

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Amount spent for the Project (Rs. in Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Reg.No.
NIL									

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Amount spent for the Project (Rs. in Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Reg. No.
2.	Gau Seva Kendra	Animal Welfare	Yes	-	-	0.48	No (Through Shree Gau Seva Samiti)	-	-
Total :						0.48			

- (d) Amount spent in Administrative Overheads : Nil
 (e) Amount spent on Impact Assessment, if applicable : Nil
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 0.48 Lakhs
 (g) Excess Amount for set off, if any : Nil

Sr. No.	Particulars	Amount
1	Two percentage of average net profit of the company as per section 135(5)	Nil
2	Total amount spent for the Financial Year	Rs.0.48 Lakhs
3	Excess amount spent for the financial year [(ii)-(i)]	Rs.0.48 Lakhs
4	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Rs.5.65 Lakhs
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 6.13 Lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (Rs. in Lakhs)	Amount spent in the Reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs. in Lakhs)
				Name of the Fund	Amount (Rs. in Lakhs)	Date of Transfer	
1.	2019-20	-	9.53		-	-	-
2.	2020-21	-	3.93	-	-	-	3.93
3.	2021-22	-	1.72	-	-	-	5.65

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project Duration	Total Amount allocated for the project (Rs. In Lakhs)	Total Amount spent in the reporting Financial year (Rs. in Lakhs)	Cumulative amount spent at the end of reporting Financial year (Rs. in Lakhs)	Status of the Project - completed / Ongoing
NIL								
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

- (a) Date of creation or acquisition of the capital asset(s) : Not Applicable
- (b) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable
- (c) Amount of CSR spent for creation or acquisition of capital asset : Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of Sumeet Industries Limited (under CIRP)

Sd/-

Mr. Shankarlal Somani
Director (Suspended)

Sd/-

Mr. Sumeet Kumar Somani
Chairman (CSR Committee-Suspended)

Sd/-

Mr. Abhishek Prasad
Chief Financial Officer

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 5****PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988****A. Conservation of Energy:**

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

a) Energy Conservation measures taken by the Company:

- 1) Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- 2) Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment (i.e. motors, fans, pumps and motors etc.) continuously.
- 3) Overall power factor was improved by fine tuning individual distribution transformer loads.
- 4) Recovering the heat from pre poly condenser of CP plant to hot water vapour absorption for chiller Air conditioning system 400 TR.

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

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

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

FORM A

A. Power and Fuel Consumption:

	<u>2022-23</u>	<u>2021-22</u>
1. Electricity		
(a) Purchased		
- Units	95257449	90998519
- Total Amount	857191557.26	721011760.52
- Rate/Unit(Rs.)	9.00	7.92

B. Consumption per unit of production (in tons)

Product: Pet Chips / POY / FDY / Texturised Yarn

	<u>2022-23</u>	<u>2021-22</u>
Electricity:		
Purchases and Own Generation (Own Generation Through F.O. based Gen Set)	976.70	913.25

FORM B**(Forms for disclosure of particulars with respect to Technology Absorption)****I. Research and Development (R & D)****1. Specific areas in which R & D carried out by the company**

- a) Modification in CP Plant for increasing CP Plant capacity from 240 TPA to 340 TPA
- b) Up -gradation and modification in yarn spinning lines

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

- a) Reduction in wastage
- b) Reduction in cost of power
- c) Improved process reliability

3. Future plan of action

- 1) Process optimization & design change for energy Conservation
- 2) Improving the output / input ratio to gain maximum finished products from per kg. Raw material

4. Expenditure on R & D / Product Development

Capital and recurring expenditure is incurred by the company regularly.

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

- a) Modification in Continuous Polymerization Plant for enhancement in capacity
- b) Up gradation of PUMPS

2. Benefits derived as a result of above efforts

- a) Improvement in process reliability and reduction in wastage
- b) Reduction in energy cost & other costs.
- c) Enhancement in production capacity

3. Information regarding technology imported during the last five years

Technology Imported	Year of Import	Status
Nil		

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 6**

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated) for the Financial Year ended March 31, 2023.

[Under Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. In Lakhs)				
1.	SL No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	104334.99	104334.99
	2.	Total Expenditure	110186.81	110256.64
	3.	Total Comprehensive Net Profit/(Loss)	(5851.82)	(5921.65)
	4.	Earnings Per Share	(5.67)	(5.67)
	5.	Total Assets	48206.79	48276.62
	6.	Total Liabilities	48206.79	48276.62
	7.	Net Worth	(3278.22)	(3348.05)
	8.	Any other financial item(s)	Not Applicable	Not Applicable
2.	Audit Qualification :			
	a. Details of Audit Qualifications :			
	As mentioned in Note no. 2 (Basis for Qualified opinion)			
	i) The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2023 and had paid only interest of Rs. 5,75,16,938/- for 3 months out of the total period. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing.			
	ii) The company has not created provision for Interest amounting to Rs 69, 83, 207/- on delayed payment of MSME dues resulting in overstatement of profit.			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification : Point No. i) : Fourth time Point No. ii) : Second Time			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :			
	i) Nil			
	ii) Provision for Interest on delayed payment to MSME has not been provided because most of payment is delayed due to disputes standing with parties in terms of quality issue, rate differences, discounts etc which were remained unresolved from the parties. However, the company is under Crip process and various vendors pertaining to MSME also filing the Claim before IRP/RP.			

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i) Management's estimation on the impact of audit qualification : NA

(ii) If management is unable to estimate the impact, reasons for the same

The Company has paid Cut Back amount for the period from April, 2022 to June, 2022 to the Consortium Bankers as per decisions held in JLM Meeting and out of Cut back given an amount of Rs. 5,75,16,938/- has been provided for interest for that period.

The Bank has not provided and charged any interest during the period under review. As such in absence of actual data we are unable to quantify the actual impact.

The Hon'ble National Company Law Tribunal Bench, Ahmedabad vide order dated 20.12.2022 ('Insolvency Commencement Date') has initiated Corporate Insolvency Resolution Process ('CIRP') U/S.7 of the Insolvency and Bankruptcy Code, 2016 ('The Code') based on the application filed by IDBI Bank Limited, Secured Creditor of the Company.

(iii) Auditor's' Comments on :

With the required materials provided by the management, the quantum of provision could not be ascertained however, we have stated the payment actually done during the year and hence our opinion is modified with this respect.

(iv) N. A.

For Sumeet Industries Limited (under CIRP)

Shankarlal Somani
Director (Suspended)

Abhishek Prasad
CFO

Note:

Refer our Independent Auditor's Report dated 30th May, 2023 on the Standalone and Consolidated Financial Statements of the Company.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
CA. HARISHANKAR TOSNIWAL
PARTNER
FRN : 0111032W
M.NO. 055043

Place: Surat

Date: 30.05.2023

CORPORATE GOVERNANCE REPORT

INITIATION OF INSOLVENCY PROCEEDINGS (CIRP)

The Hon'ble National Company Law Tribunal, ("NCLT") Ahmedabad Bench had vide its order dated December 20, 2022 admitted the application for the initiation of the corporate insolvency resolution process ("CIRP") of Sumeet Industries Limited ("Company") ("Admission Order") in terms of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder, as amended from time to time ("Code"). Mr. Kuresh Hatim Khambati (having registration number IBBI/IPA-001/IP-P-01521/2018-19/12454) had been appointed as an Interim Resolution Professional under the provisions of Code vide the admission Order. As per Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended and the same have been vested with Mr. Kuresh Hatim Khambati as the interim resolution professional.

Subsequently, vide NCLT order dated 15th February, 2022 appointed Mr. Satyendra P. Khorania (Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002) as Resolution Professional ("RP") in place of Mr. Kuresh Hatim Khambati in terms of the provisions of the Code.

The powers of Board of Directors of the Company stand suspended effective from the CIR Process commencement date i.e. 20.12.2022 and such powers along with the management of affairs of the Company are vested with the RP in accordance with the provisions of Section 17 and 23 of the Insolvency Code read with Regulation 15(2A) & (2B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

CORPORATE GOVERNANCE

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

- i) To enhance shareholders' value
- ii) To comply applicable law, guidelines, rules and regulations
- iii) To excel in customer satisfaction

- iv) To ensure ethical corporate conduct
- v) To maintain high degree of disclosure levels
- vi) To concern for environment and sustainable development

2. BOARD OF DIRECTORS (SUSPENDED)

COMPOSITION OF DIRECTORS

Sumeet Industries Ltd is having 6 (Six) Directors on its Board consisting of 2 (Two) Executive and 4 (Four) Non-Executive Independent Director. None of the directors on the Board is a member of more than 10 (Ten) committees and Chairman of more than 5 (Five) committees, across all the Companies in which they are directors.

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

Name of Directors & DIN No.	Category of the Director	No. of Board Meetings attended during the year	Attendance of Last AGM	Total No. of Directorships, C.C. and C.M. of public limited companies including this listed entity as on 31/03/2023 *		
				O.D.	C.C. *	C.M. *
Mr. Shankarlal Sitaram Somani DIN: 00165238	Executive Director	7	Yes	1	-	-
Mr. Sumeet Shankarlal Somani DIN: 00318156	Executive Director	8	Yes	1	-	2
Mr. Manojkumar Ganeshmal Jain DIN: 03546851	Non-Executive Independent Director	5	Yes	1	3	-
Ms. Zeel Sureshkumar Modi DIN: 08290608	Non-Executive Independent Director	2	No	1	-	-
Mr. Vikashkumar Kamalsingh Chandaliya DIN: 08751436	Non-Executive Independent Director	4	Yes	1	-	2
Mr. Saurav Santosh Dugar DIN: 08937448	Non-Executive Independent Director	6	Yes	1	-	2

* (C.C.) - Committee Chairmanship (C.M.) - Committee Membership. Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committees.

As on 31st March, 2023, out of 6 Directors, Mr. Shankarlal Sitaram Somani and Mr. Sumeet Shankarlal Somani are promoter director and are related to each other. Apart from this, there is no inter-se relationship among other directors.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors.

INFORMATION GIVEN TO THE BOARD

The dates for the Board Meetings for the ensuing year are decided well in advance and communicated to the Directors. Additional meetings of the Board are held when deemed necessary. Board members are given agenda papers with necessary documents and information in advance of each meeting for the Board and Committee(s). The Board periodically review compliance reports with respect to laws and regulations applicable to the Company.

INDEPENDENT DIRECTORS

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

TRAINING OF INDEPENDENT DIRECTORS

Whenever new Independent Director is inducted on the Board, he/she is introduced to the Company's Policies and procedures through appropriate orientation session, Company's organization structure, business, constitution, board procedures, major risks and management strategy. The appointment letters of Independent Directors are issued to each Independent Director upon his/her appointment once approved by Members.

PERFORMANCE EVALUATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

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

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

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority

shareholders etc. The performance evaluation of each Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors are required to meet at least once in every financial year without the presence of Executive Directors or management personnel. Independent Directors meeting conducted on dated 26th November, 2022. Independent Directors discussed on matters pertaining to the Company's affairs and proposed various suggestions for improving the performance of the Company. All the Independent Directors were present in the meeting except Zeel Sureshkumar Modi.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

PURPOSE

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

OVERVIEW OF THE FAMILIARISATION PROCESS

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

- At the time of appointment, new Independent Director is provided with Annual Report of the Company, Code of Conduct for Directors, Code of Conduct for Prevention of Insider Trading, detailed information regarding products of the Company, Memorandum & Articles of Associations, policies of the company framed by the board or its committees, compositions of board and its committees, terms of references of the Committee in which the Director is inducted.
- The Executive Directors / Senior Management personnel make presentations to the inductees about your Company's strategy, operations, products, markets, finance, human resources, technology, quality, facilities and risk management.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration, Code of Conduct and obligations on disclosures, is issued to the Independent Director at the time of appointment.
- When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairman and Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- The Independent Directors of the Company are given every opportunity to familiarize themselves with the Company, its management and its operations so as to understand the Company, its operations, business, industry and environment in which it functions.

- Quarterly information is presented to the Board on business performance, operations, market conditions, financial parameters, debtor's positions, working capital management, fund flow position, senior management changes, investment, regulatory compliances, related party transactions, risk management framework, area of concern in Internal Audit, formation of various policies etc.
- The Independent Directors has complete access to the information within the company. They may seek any information pertaining to matter laid before the Board.
- The Company may circulate news and articles related to the industry on a regular basis and may provide specific regulatory updates from time to time;
- The details regarding the independent Directors' familiarization programmes can be accessed at <http://www.sumeetindustries.com/wp-content/uploads/2023/06/Familirisation-of-Independent-Directors.pdf>

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 2023 IS AS FOLLOWS:

Sr. No.	Name of Director (Suspended)	No. of Equity Shares
1.	Mr. Manojkumar Ganeshmal Jain	Nil
2.	Ms. Zeel Sureshkumar Modi	Nil
3.	Mr. Vikashkumar Kamalsingh Chandaliya	Nil
4.	Mr. Saurav Santosh Dugar	Nil

THE BOARD (SUSPENDED) HAS IDENTIFIED THE FOLLOWING SKILLS / EXPERTISE / COMPETENCIES FUNDAMENTAL FOR THE EFFECTIVE FUNCTIONING OF THE COMPANY WHICH ARE CURRENTLY AVAILABLE WITH THE BOARD:

Sr. No.	Name of Director	Designation	Special Knowledge / Practical Experience
1.	Mr. Shankarlal Sitaram Somani	Chairman (Suspended)	Entrepreneur Strategic Thinking Visionary Motivation General Management
2.	Mr. Sumeet Shankarlal Somani	Mg. Director (Suspended)	Administration Business Management Operational Expertise
3.	Mr. Manojkumar Ganeshmal Jain	Independent Director	Finance & Accounts Auditing Corporate law & Governance
4.	Ms. Zeel Sureshkumar Modi	Independent Director	Environment / Social initiatives /General Management
5.	Mr. Vikashkumar Kamalsingh Chandaliya	Independent Director	Legal & Social Work / Taxation / Human Resource
6.	Mr. Saurav Santosh Dugar	Independent Director	Finance & Accounts Audit /Taxation/Corporate Law

CODE OF CONDUCT

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

NO. OF BOARD MEETINGS HELD AND DATES

During the Financial Year 2022-23, the Board meeting has been held for 8 times.

THE DATES OF THE BOARD MEETINGS ARE:

1.	11.04.2022	5.	10.08.2022
2.	22.04.2022	6.	13.10.2022
3.	26.05.2022	7.	14.11.2022
4.	30.05.2022	8.	14.02.2023

3. COMMITTEES OF THE BOARD

Establishing Committees is one way of managing the work of the Board, thereby strengthening the Board's governance role. These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities. The Board has constituted a set of Committees with specific terms of reference/scope, to focus effectively on the issues and ensure expedient resolution of diverse matters. These Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the Meetings of all Committees are placed before the Board for discussions/noting. After initiation of CRIP, powers of the Board and Committees has been suspended and all powers of the Board has been vested with RP as per IBC Code and so, all Committee has been dissolved w.e.f 20.12.2022 till the completion of CRIP. The details of committee(s) are as under.

I) AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the Listing Regulation read with Section 177 of the Companies Act, 2013. All members of the Audit Committee are financially literate and have relevant experience in financial matters. During the year the Audit Committee of the Company consists of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Sumeet Shankarlal Somani, Mr. Saurav Santosh Dugar, consisting of 1 Executive Director and 2 Non-Executive and Independent Directors. Mr. Manojkumar Ganeshmal Jain was the Chairman of the Audit Committee.

Date of Audit Committee meetings were held during the financial year 2022-23 are as under:

1.	11.04.2022
2.	27.05.2022
3.	08.08.2022
4.	11.11.2022

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

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1.	Mr. Manojkumar G Jain	Chairman	Non-Executive	4	4
2.	Mr. Sumeet Shankarlal Somani	Member	Executive	4	4
	Mr. Saurav Santosh Dugar	Member	Non-Executive	4	4

Note:- During the year CRIP proceeding has been initiated on the company pursuant to NCLT order on dated 20.12.2022. After CRIP initiation powers of the Board and Committees has been suspended and all powers of the Board has been vested with RP as per IBC Code and so, Audit Committee has been dissolved w.e.f 20.12.2022 till the completion of CRIP.

II) NOMINATION AND REMUNERATION COMMITTEE

A) Composition

The Nomination and Remuneration Committee comprised of three members viz; Mr. Manoj Kumar Ganeshmal Jain, Mr. Vikashkumar K Chandaliya and Mr. Saurav Santosh Dugar, consisting of 3 Non-Executive Directors. Mr. Manojkumar Ganeshmal Jain was the Chairman of the Nomination and Remuneration Committee.

B) Meetings and attendance during the year

Date of Nomination and remuneration Committee meetings were held during the financial year 2022-23 are as under :

1.	08.04.2022
2.	08.08.2022

Composition of Nomination and Remuneration Committee and number of meetings held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1.	Mr. Manojkumar G Jain	Chairman	Non-Executive	2	2
2.	Mr. Vikashkumar K Chandaliya	Member	Non-Executive	2	2
3.	Mr. Saurav Santosh Dugar	Member	Non-Executive	2	2

Note :- During the year CRIP proceeding has been initiated on the company pursuant to NCLT order on dated 20.12.2022. After CRIP initiation powers of the Board and Committees has been suspended and all powers of the Board has been vested with RP as per IBC Code and so, Nomination and Remuneration Committee has been dissolved w.e.f 20.12.2022 till the completion of the CRIP.

C) Remuneration policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Nomination, Remuneration and Board Diversity Policy of the Company can be accessed at <http://www.sumeetindustries.com/index.php/investors-relations/policies/>

D) Details of Remuneration of Executive Directors for the Financial Year 2022-23

The following are the details of remuneration paid to the Executive Director (Suspended) for the financial year 2022-23.

Sr. No.	Name of the Director	Salary (Rs.)	Commission (Rs.)	Perquisites Rs.
01.	Mr. Shankarlal Sitaram Somani	Nil	Nil	Nil
02.	Mr. Sumeet Kumar Somani	Nil	Nil	Nil

E) Details of Remuneration of Non-Executive Directors for the Financial Year 2022-23

The following are the details of remuneration paid to Non-Executive Director for the financial year 2022-23.

Sr. No.	Name of Non-Executive Director	Sitting Fees (In Rupees)
1.	Mr. Manojkumar G Jain	1,20,000.00
2.	Ms. Zeel Sureshkumar Modi	30,000.00
3.	Ms. Vikashkumar K Chandaliya	90,000.00
4.	Ms. Saurav Santosh Dugar	1,50,000.00

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

F) Terms of reference

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

- i) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

- ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- iii) Devising a policy of the Board diversity Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- iv) To frame company's policies for compensation and benefits for Executive Directors and Key Managerial persons.
- v) To review HR Policies and initiatives.
- vi) To develop and recommend to the Board, a set of Corporate Governance Guidelines.
- vii) To assess the Company's policies and processes in key areas of Corporate Governance, other than those explicitly assigned to other Board Committees, with a view to ensuring the Company is at the forefront of good corporate governance.
- viii) Review key corporate governance processes not specifically assigned to other committees, and recommend changes needed to ensure that the company is at best practice;
- ix) Examine the impact of significant regulatory and statutory changes applicable to the governance practices of the Company and to recommend measures to implement the same;
- x) To review and recommend annual increments for employees of the company.
- xi) To identify persons who are qualified to be appointed in senior management in accordance with the policies of the company and recommend their appointment or removal to the HR Department and the Board.

III) STAKEHOLDERS RELATIONSHIP COMMITTEE

A) Composition

The Stakeholders Relationship Committee were comprised of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Sumeet Shankarlal Somani and Mr. Vikashkumar K Chandaliya, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Manojkumar Ganeshmal Jain is the Chairman of the Stakeholders Relationship Committee. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the Stakeholders Relationship Committee.

B) Terms of Reference

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee, inter alia, is primarily responsible for considering and resolving grievances of security holders of the Company.

The additional terms of reference of the Committee are as follows:

- i. Rematerialisation, etc. and other shares related formalities.
- ii. Review and oversee the process of resolving of shareholders/ investors / security holders grievances in the matter of transfer, transmission, issue of duplicate /replacement /split shares etc.

- iii. Oversee compliances in respect of dividend payments and matters related thereto.
- iv. Advise the Board of Directors on matters which can facilitate better investor services and relations.
- v. Review movements in shareholding and ownership structures of the Company.
- vi. Ensure setting up proper controls and oversee the performance of the Registrar and Share Transfer Agent.
- vii. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable,

C) Meetings and attendance during the year

Date of Stakeholders Relationship Committee meetings were held during the financial year 2022-23 are as under:

1.	01.06.2022	2.	29.09.2022
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Composition of Stakeholders Relationship Committee and number of meetings held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1.	Mr. Manojkumar G Jain	Chairman	Non-Executive	2	2
2.	Mr. Sumeet Shankarlal Somani	Member	Executive	2	2
3.	Mr. Vikashkumar K Chandaliya	Member	Non-Executive	2	2

Note :- During the year CRIP proceeding has been initiated on the company pursuant to NCLT order on dated 20.12.2022. After CRIP initiation powers of the Board and Committees has been suspended and all powers of the Board has been vested with RP as per IBC Code and so, Stake holders Relationship Committee has been dissolved w.e.f. 20.12.2022 till the completion of the CRIP.

D) Compliant Status

Number of complaints/requests received from the shareholders during the financial year 2021-22 and the number of pending complaints is given below:

Compliant received during the year 2022-23	: 0
Complaint pending as on 31/03/2023	: NIL
Number of pending shares transfer as on 31/03/2023	: NIL

IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

A) Composition

The Corporate Social Responsibility Committee (CSR Committee) were comprised of three members viz; Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, Mr. Vikashkumar K Chandaliya, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Sumeet Shankarlal Somani was the Chairman of the CSR Committee.

B) Meeting and attendance during the year

During the year, one meetings of CSR Committee was held on 27th June 2022. The number of meeting held and number of meeting attended by the members during the year are as given below:

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
1.	Mr. Sumeet Kumar Somani	Chairman	Executive	1	1
2.	Mr. Manojkumar G Jain	Member	Non-Executive	1	1
3.	Mr. Vikashkumar K Chandaliya	Member	Non-Executive	1	1

Note:- During the year CRIP proceeding has been initiated on the company pursuant to NCLT order on dated 20.12.2022. After CRIP initiation powers of the Board and Committees has been suspended and all powers of the Board has been vested with RP as per IBC Code and so, Corporate Social Responsibility Committee has been dissolved w.e.f. 20.12.2022 till the completion of the CRIP.

4. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters. After initiation of Crip proceedings vide NCLT order dated 20.12.2022, the power of the Board now vested with Resolution Professional (RP) as per IBC Code..

5. GENERAL INFORMATION TO THE SHAREHOLDERS

I) GENERAL BODY MEETING

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

Sr. No.	AGM Date	Location	Time
1.	15/09/2022	Through Video Conference (VC) or Other Audio Visual Means (OAVM)	03:30 P.M.
2.	14/09/2021	Through Video Conference (VC) or Other Audio Visual Means (OAVM)	03:30 P.M.
3.	17/09/2020	Through Video Conference (VC) or Other Audio Visual Means (OAVM)	03:30 P.M.

II) Special Resolution passed at the last three Annual General Meetings**YEAR 2021-22**

- 1) Re-appointment of Mr. Shankarlal Sitaram Somani (DIN:00165238) as an Executive Director
- 2) Approval of Material Related Party Transactions with M/s Durga Transport Company

YEAR 2020-21

- 1) Re-appointment of Ms. Zeel Sureshkumar Modi (DIN:08290608) as an Independent Director
- 2) Re-appointment of Mr. Saurav Santosh Dugar (DIN:08937448) as an Independent Director

YEAR 2019-20

- 1) Re-appointment of Mr. Manojkumar Ganeshmal Jain (DIN:03546851) as an Independent Director
- 2) To enter Related Party Transaction

III) Following resolution were passed through Postal Ballot during the year under review:

- 1) Ratification of appointment of Mr. Sumeet Shankarlal Somani (DIN:00318156) as a Managing Director of the company
- 2) Approval of Material Related Party Transactions with M/s. Somani Overseas Private Limited
- 3) Approval of Material Related Party Transactions with M/s. Sumicot Limited

IV) SHAREHOLDING AS ON 31ST MARCH, 2023**A) DISTRIBUTION OF SHAREHOLDING (IN SHARES) AS ON 31ST MARCH, 2023**

Distribution Range		No. of Shareholders	% of Total	No. of Shares	% of Total
1	To 500	29163	65.9692	4960862	4.7865
501	To 1000	5104	11.5457	3965003	3.8257
1001	To 2000	4141	9.3673	6048238	5.8357
2001	To 3000	1672	3.7822	4213197	4.0651
3001	To 4000	902	2.0404	3214389	3.1014
4001	To 5000	726	1.6423	3438946	3.3181
5001	To 10000	1265	2.8615	9382961	9.0532
10001	To 9999999999	1234	2.7914	68418793	66.0143
TOTAL		44207		103642389	100.0000

B) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2023

Sr. No.	Category	No. of Shares Held	% of Shareholding
(A)	Shareholding pattern of the Promoter and Promoter Group		
(a)	Individuals	11795436	11.38
(b)	Body Corporate	10663855	10.29
	Sub-Total (A)	22459291	21.67

(B) Shareholding pattern of the Public Shareholder			
(1) Institutions (Domestic)			
(a)	Mutual Funds	0	0.00
(b)	Venture Capital Funds	0	0.00
(c)	Bank	562	0.00
(d)	Insurance Companies	0	0.00
(e)	Provident Funds/ Pension Funds	0	0.00
(f)	Other Financial Institutions	0	0.00
Sub-Total (B)(1)		562	0.00
(2) Institutions (Foreign)			
(a)	Foreign Direct Investment	0	0.00
(b)	Foreign Venture Capital Investors	0	0.00
(c)	Foreign Portfolio Investors	0	0.00
Sub-Total (B)(2)		0	0.00
(3) Non-institutions			
(a)	Investor Education and Protection Fund (IEPF)	1273677	1.23
(b)	Individuals holding nominal share capital up to Rs. 2 lakhs	41476313	40.02
(c)	Individuals holding nominal share capital in excess of Rs. 2 lakhs	28731989	27.72
(d)	Non Resident Indians (NRIs)	2509651	2.42
(e)	Bodies Corporate	3477486	3.36
(f)	Clearing Members	237995	0.23
(g)	HUF	3475425	3.35
(i)	Associate companies / Subsidiaries	0	0.00
(j)	Directors and their relatives	0	0.00
(k)	Key Managerial Personnel	0	0.00
Sub-Total (B)(3)		81182536	78.33
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		81183098	78.33
Total (A+B+C)		103642389	100.00

V) MARKET PRICE DATA

Month wise High, Low price and volume data for the FY 2022-23 at BSE & NSE are as under:

Month	BSE			NSE		
	High	Low	Total Volume	High	Low	Total Volume
Apr-22	13.14	7.72	2540097	13.00	7.60	10962989
May-22	11.75	7.63	1363012	11.65	11.65	4582107
Jun-22	8.53	5.93	867524	8.55	8.00	3644467
Jul-22	7.37	6.03	593882	7.35	7.35	2097788
Aug-22	7.45	5.75	1749544	7.45	6.60	5950067
Sep-22	6.7	5.65	2131674	6.90	6.20	7638418
Oct-22	6.5	5.58	1185915	6.50	5.70	2744302
Nov-22	5.89	4.75	765443	5.90	5.75	4347698
Dec-22	7.5	5	3255968	7.40	5.20	13209355
Jan-23	4.77	3.6	2184798	4.80	4.80	3650102
Feb-23	3.9	3.05	440966	3.85	3.75	2201216
Mar-23	3.25	1.98	1409551	3.20	3.10	2644469

VI) ANNUAL GENERAL MEETING (TENTATIVE)

Date	:	27/09/2023, Wednesday
Time	:	05:00 P.M.
Through	:	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

VII) FINANCIAL CALENDAR (TENTATIVE)

Annual General Meeting	:	September, 2023
Results for quarter ending June 30, 2023	:	on or before 14th August, 2023
Results for quarter ending Sep 30, 2023	:	on or before 14th November, 2023
Results for quarter ending Dec 31, 2023	:	on or before 14th February, 2023
Results for quarter/year ending March 31, 2024	:	on or before 30th May, 2024

VIII) SHARE TRANSFER SYSTEM

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

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

IX) DEMATERIALIZATION OF SHARES AND LIQUIDITY

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

Shares of the company are compulsorily to be delivered in the demat form on Stock Exchange by all investors. As on 31st March, 2023 about 97.78% of the issued capital have already been dematerialized. Shares of the company are listed at 'BSE Limited' & 'National Stock Exchange of India Limited' and being trading regularly.

Demat ISIN number of the Equity Share of the Company is INE235C01010.

Those shareholders whose shares are still held in physical form are requested to dematerialize the same at the earliest. Thus investor can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

X) BANK MANDATE FOR DIVIDEND

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

XI) OUTSTANDING GDRS/ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS : NIL**XII) BOOK CLOSURE & CUT OFF DATE FOR E-VOTING**

The Register of Members of the company will be closed from 21st September 2023 to 27th September, 2023 (both days inclusive) as annual closure for the purpose of Annual General Meeting. Cut off date for E-voting is Wednesday, 20th September, 2023.

XIII) DIVIDEND DATE: NIL**XIV) LISTING:**

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

SCRIPT CODE / SYMBOL:

BSE : 514211
NSE : SUMEETINDS
ISIN No. : INE235C01010

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

XV) BUILD UP OF EQUITY SHARE CAPITAL

Date of Allotment	Reason for Allotment	No. of Equity Shares Issued	Face Value (Rs.)	Cumulative Share	Cumulative paid-up Capital (Rs.)
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
01.04.2005	Bonus in the ratio of 1:2	57,99,300	10.00	1,73,99,300	17,39,93,000.00
13.04.2007	Preferential Allotment to Bennett Coleman & Co. Ltd.	6,67,000	10.00	1,80,66,300	18,06,63,000.00
13.04.2007	Preferential Allotment to Vishvas Infrastructure Ltd.	2,50,000	10.00	1,83,16,300	18,31,63,000.00

21.01.2008	Bonus in the ratio of 1:10	18,06,630	10.00	2,01,22,930	20,12,29,300.00
17.01.2009	Right Issue 1:1	1,98,72,230	10.00	3,99,95,160	39,99,51,600.00
28.04.2011	Allotment to "QIBs" under QIP Placement	1,82,94,578	10.00	5,82,89,738	58,28,97,380.00
04.12.2013	Reduction of Capital by cancelling shares allotted to Vishvas Infrastructure Ltd as per High Court order.	(2,50,000)	10.00	5,80,39,738	58,03,97,380.00
24.01.2018	Right Issue 3:7	24874173	10.00	8,29,13,911	82,91,39,110.00
07.08.2018	Bonus in the ratio of 1:4	20728478	10.00	10,36,42,389	103,64,23,890.00

XVI) Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid / unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, dividend etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules. The Company had sent out individual communication to the concerned Members whose shares were liable to be transferred to IEPFA, to take immediate action in the matter. As required under the IEPF Rules, the Company also published a Notice informing the Members' who have not claimed their shares for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

Detail of unclaimed/unpaid dividend transferred to IEPF has been posted on Company's website i.e. www.sumeetindustries.com.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has transferred 12,96,302 Equity Shares of Rs.10/- each of the Company held by various Investors, physical as well as dematerialized form, whose dividend amount is unclaimed/unpaid for seven years to Suspense Account of the Investor Education and Protection Fund (IEPF) Authority during the FY 2018-19. Detail of Equity Shares transferred to IEPF Suspense Account has been posted on Company's website i.e. www.sumeetindustries.com.

Therefore, it is in the interest of shareholders to regularly claim the dividends, if declared by the Company.

XVII) PERMANENT ACCOUNT NUMBER (PAN) FOR TRANSFER OF SHARES IN PHYSICAL FORM MANDATORY

SEBI has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of share transfer of shares.

XVIII) NOMINATION

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

XIX) NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS)

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

XX) BSE CORPORATE COMPLIANCE & LISTING CENTRE (THE 'LISTING CENTRE')

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

XXI) SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

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

XXII) PLANT LOCATION

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

Sumeet Industries Limited is the Manufacturer and Exporter of Polyester Chips, Polyester Filament Yarn (POY & FDY) and Texturized Yarns.

XXIII) REGISTERED OFFICE

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

Phone : 0261-2328902

E-mail : corporate@sumeetindustries.com

Website: www.sumeetindustries.com.

XXIV) REGISTRARS AND SHARE TRANSFER AGENTS

M/S. Bigshare Services Pvt. Ltd.
Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road,
Andheri (E) Mumbai-400093
Ph.: (022) 62638200 Fax: (022) 62638299
E-mail: info@bigshareonline.com
Website: www.bigshareonline.com

XXV) MEANS OF COMMUNICATION

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

XXVI) ADDRESS FOR CORRESPONDENCE

Bigshare Services Pvt. Ltd.
Unit: Sumeet Industries Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road,
Andheri (E) Mumbai-400093

Ph.: (022) 62638200

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

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

Sumeet Industries Limited

504, 5th Floor, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat-395002

Phone: 0261-2328902

E-mail: corporate@sumeetindustries.com

6. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

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

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

7. CEO AND CFO CERTIFICATIONS

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

8. COMPLIANCE CERTIFICATE OF THE AUDITORS

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

9. COMPLIANCE CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Certificate of Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority and Secretarial Audit report for the year 2022-23, is annexed as a part of the Annual Report. Annual Secretarial Compliance Certificate received from practicing company secretary is available on the website of the company and can be accessed weblink: http://www.sumeetindustries.com/wp-content/uploads/2023/06/Annual-Secretarial-Compliance-Report_FY-2023.pdf

10. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

The Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 2015. The Code is applicable to all the Directors and Designated Employees. The Code also aims to prevent dealing in the shares by persons having access to unpublished price sensitive information. This policy also provides for periodical disclosures from the designated person as well as pre-clearances of transactions by such persons. In compliance with the provisions of SEBI (Prohibition of Insider Trading Regulations) 2015, as amended from time to time, to preserve the confidentiality and prevent misuse of unpublished price sensitive information (UPSI)/link of UPSI, the Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Codes are available on the website of the Company at www.sumeetindustries.com.

11. CODE OF CONDUCT

The Company has adopted a Code of Conduct for Board Members and Senior Management Executives and the same has been amended from time to time in view of the amendments to the Acts/Regulations. The same is applicable to all Directors and Senior Management Executives of the Company in the grade above Senior Managers (Senior Management Executives). The Code of Conduct for Board Members and Senior Management has been posted on the website of the Company.

12. OTHER DISCLOSURES

- I) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the Audit Committee in summary form including transactions for which omnibus approval of the Audit Committee was taken. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the Audit Committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis. Transactions with related parties as per requirements of IND AS-'Related Party Disclosures' are disclosed in Notes to the Financial Statements.
- II) The Company has established a Vigil mechanism/ whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud etc. and the same has been disclosed on the website of the Company.
- III) Web-links:
 1. Familiarization programme for Independent Directors:
<http://www.sumeetindustries.com/wp-content/uploads/2023/06/Familirisation-of-Independent-Directors.pdf>
 2. Related party Transaction Policy:
<http://www.sumeetindustries.com/wp-content/uploads/2016/04/Policy-on-Materiality-Related-Party-Transaction.pdf>
 3. Material subsidiary:
<http://www.sumeetindustries.com/wp-content/uploads/2016/04/Material-Subsidiaries-Determination-Policy.pdf>
- IV) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except mentioned in Secretarial Compliance Report for the year 2022-23 issued by the Dhirren R. Dave & Co., Practising Company Secretaries is available on the website of the company and can be accessed weblink: http://www.sumeetindustries.com/wp-content/uploads/2023/06/Annual-Secretarial-Compliance-Report_FY-2023.pdf
- V) DISCLOSURE IN RELATION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention

and redressal of complaints of sexual harassment at workplace. The details of complaints are as under:

- a) No. of Complaints filed during the year ended 31.03.2023 : NIL
 b) No. of Complaints disposed of during the financial year : NIL
 c) No. of pending Complaints as on 31.03.2023 : NIL

VI) Detail of fees paid to the Statutory Auditors, Internal Auditor and all entities in the network firm/network entity of which the Statutory Auditors and Internal Auditor are as follows:

Payment made to H. Tosniwal & Co., Statutory Auditor of the Company:

Sr. No.	Particulars	Amount Paid during the year 2022-23 (In Rs.)
1.	Audit fees	6,50,000.00
2.	Tax Audit Fees	1,00,000.00
	Total	7,50,000.00

Payment made to Gaurav V. Singhvi & Co. LLP, Internal Auditor of the Company:

Sr. No.	Particulars	Amount Paid during the year 2022-23 (In Rs.)
1.	Internal Audit fees	4,00,000.00
	Total	4,00,000.00

VII) The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as applicable, with regard to corporate governance.

VIII) No money was raised by the Company through public issue, rights issue or debt issue etc. in the last financial year.

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

14. DISCLOSURE OF COMPLIANCES

The Company has disclosed about the compliance of regulations in respect of Corporate Governance as per Listing Regulations on its website www.sumeetidudtries.com.

15. DECLARATION UNDER CODE OF CONDUCT

As required under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board members and senior management personnel have complied with code of conduct of the Company for the financial year ended on 31st March, 2023.

16. Filing of Cost Audit Report

As per Section 148 of the Companies Act, 2013, read with Rule 6 of the Companies (Cost Records and Audit) Rules, 2014, Cost Auditors have to forward Cost Audit Report to the Board of Directors of the Company within a period of 180 days from the closure of financial year and the said report is required to be filed within a period of 30 days from the date of receipt with the Ministry of Corporate Affairs.

In compliance with the requirements under General Circular 15/2011 dated 11 April, 2011 of Ministry of Corporate affairs, the details of Cost Audit Report filed with Ministry of Corporate Affairs during the year is as below:

Financial Year	Name of Cost Auditor	Date of filing
2021-22	M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 10519), Cost Accountants	30.08.2022

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

This is to certify that as provided under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2023.

For Sumeet Industries Limited (under CIRP)

Place: Surat

Dated: 30/05/2023

**Sumeet Shankarlal Somani
Mg. Director (Suspended)**

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Sumeet Industries Limited

We have examined the compliance of conditions of Corporate Governance by Sumeet Industries Limited ("the Company") for the year ended on 31st March 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of my 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 SEBI Listing Regulations, 2015/Listing Agreements, to the extent applicable to the Company during the year under report.

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

**For H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FRN:0111032W**

**CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. 055043
DIN:23055043BGUZLF5036**

**Place: Surat
Date: 11.07.2023**

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

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

To the Board of Directors of Sumeet Industries Limited

Dear Sirs,

Sub. MD / CFO Certificate

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

- (a) We have reviewed the financial statements, and the cash flow statement of Sumeet Industries Limited for the year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
- (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there are no significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (iii) there are no instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sumeet Industries Limited (under CIRP)

Sumeet Shankarlal Somani
Managing Director (Suspended)
(DIN : 00318156)

Abhishek Prasad
Chief Financial officer

Place: Surat

Dated: 30/05/2023

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The recent reopening of economies has fuelled a faster-than anticipated recovery. Global growth is forecast to change from 3.2 percent in 2022 and 2.7 percent in 2023. However, economic activity continues to be affected by the increase in interest rates aimed at combating inflation and financial market turbulence.

The global economy is gradually recovering from the impact of pandemic and at the same time facing new challenges emerging from Russia's invasion of Ukraine. Tightening of monetary policy by most Central Banks is expected to have a positive impact. Despite monetary tightening, inflation is persistent in many key economies and it is anticipated that global inflation will fall from 8.7% last year to 7% this year and settle at around 5% in the year 2024

A stronger boost from pent-up demand in numerous economies or a fall in inflation is expected in the course of 2023. The emerging and developing economies of the world are likely to play a major role in accelerating global economic growth. Another silver lining is the fact that global inflation is likely to decline from *8.8% in C.Y. 2022 to 6.6% in C.Y. 2023 and 4.3% in C.Y. 2024.

*Source: IMF World Economic Outlook January, 2023

INDIAN ECONOMY

The Indian Economy continues to show resilience amid global uncertainties and experienced a significant surge over the past nine years, elevating it from the 10th to the 5th position in the global rankings, thereby establishing its position as a major economic powerhouse on the world stage.

Despite significant challenges in the global environment, India was one of the fastest growing economies in the world. India's overall growth remains robust and is estimated to be 6.9% for the financial year 2022-23. Growth was driven by strong investment activity augmented by the government's capex push and buoyant private consumption.

India's economy primarily thrives on domestic demand, with consumption and investments accounting for 70% of economic activity. The Union Government's financial performance in the fiscal year 2022-23 has remained strong due to the revival of economic activity, an increase in gross tax revenues from direct taxes and Goods & Services Tax (GST), and realistic assumptions in the Budget. As the economy recovers from the Covid-19 pandemic, investments have been made across various sectors, boosted by government PLI schemes.

Despite external headwinds, the International Monetary Fund (IMF) has projected India's growth at 6.1% for FY 2022-23 and 6.8% for FY 2023-24 in its January 2022 update of the 'World Economic Outlook.' India's domestic demand has been a key factor contributing to its resilience. The economic Survey 2022-23, presented by the Hon'ble Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman, forecasts India's GDP growth to remain robust in FY24, expected to be in the range of 6.0-6.8%. This growth is anticipated to create new business opportunities. The Union Budget 2023-24 builds on the vision set out in previous budgets and provides a blueprint for steering the economy towards sustained high-growth. The budget allocates increased capital spending on infrastructure and asset-building projects, which is expected to generate positive growth multipliers in the medium term.

GLOBAL TEXTILE INDUSTRY

The global textile market grew from about \$573 billion in 2022 to about US\$ 610 billion in 2023 at a compound annual growth rate (CAGR) of 6.6%. The Russia- Ukraine war has led to an increase in commodity prices and supply chain disruptions, causing inflation across goods and services impacting economies across the globe. The textile market is however expected to grow to about US\$ 755 billion in 2027 at a CAGR of 5.5%.

The textile industry is an ever-growing market, with key competitors being China, the European Union, the United States, and India. China is the world's leading producer and exporter of both raw textiles and garments. India is among the top five textile manufacturing country and is responsible for more than 6% of the total textile production, globally.

INDIAN TEXTILE INDUSTRY

India is the 3rd largest exporter of textiles & apparel in the world and has a share of 4.6% of the global trade in textiles and apparel and is one of the largest producers of cotton and jute in the world, 2nd largest producer of silk in the world and 95% of the world's hand-woven fabric comes from India. The domestic apparel & textile industry in India contributed to 2.3% to the country's GDP, 7% of industry output in value terms and the industry is expected to reach \$250 billion business size by 2025. (Source: Annual Report-Ministry of Textiles and www.investindia.gov.in)

Cut to 2023, the industry continues to contribute immensely to the exchequer – 4.% to the global trade in textiles and apparel, 2% to the GDP (approx. \$70 billion), and constitutes 7% of industry output in terms of value. As India strives to become Atmanirbhar, textiles assume higher significance in helping the country expand its global footprint and achieve the mission of Make in India for the world. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. Total textile exports are expected to reach US\$ 65 billion by FY26.

POLYESTER (MMF) INDUSTRY

India is the second largest producer of manmade fibres after China. The manmade fibre value chain is vertically integrated with upstream and downstream linkages from raw materials to finished goods. Globally MMF consumption is dominant whereas India has been traditionally focusing on Cotton textiles. Hence, in order to move towards higher Global MMF share, it has become important to focus on man-made textiles along with cotton textiles. Ministry has set up Textile Advisory Group on MMF- an informal body vide OM dated 17th January 2023 to deliberate and recommend on the issues pertaining to entire value chain of manmade fibres. India's export of MMF textiles and apparel was USD 9.56 bn for FY: 2021-22 and have further potential to grow. MMF segment and technical textiles is envisaged to enhance India's manufacturing capabilities and enhancing exports with an approved financial outlay of Rs. 10,683 Crore over a five year period.

The demand for MMF products is increasing consistently due to its versatility and scope for further development. The MMF sector is responsible for 17% of India's textile exports, making it the world's sixth-largest exporter of MMF textiles. Weavers and spinners in India are increasingly favouring manmade fibres, which are extensively utilised to produce non-cotton and blended fabrics. The demand is particularly growing for the millennial generation who prefers light weight fabrics with low cost and low maintenance. More and more demand for fitness apparel (active wear), requirement of low cost and

high-performance material for automotive and industrial use have increased the demand for synthetic and MMF products.

The MMF segment is expected to be highly lucrative in the future, as India has eliminated anti-dumping duty on important raw materials like Purified Terephthalic Acid, Spandex, and Viscose staple fibres. Furthermore, rationalising GST on the value chain of man-made fibres will help in stimulating the growth of the manmade fibre industry. The government has also launched the National Technical Textiles Mission with a budget of \$194 million for implementation over four years, starting from the fiscal year 2020-21 to 2023-24.

The PLI Scheme for textiles will give a boost to the high-value MMF segment, creating new employment and trade opportunities. Limited cotton production, relatively high cotton prices and versatile applications of MMF are other contributors to increase in demand for MMF textiles.. The Indian government has introduced initiatives like PM Mitra Park, RoDTEP, RoSCTL, and QCOs on certain textile products to support the textile industry.

BUSINESS OVERVIEW

The Hon'ble National Company Law Tribunal, ("NCLT"), had vide its order dated December 20, 2022 admitted the application for the initiation of the corporate insolvency resolution process ("CIRP") against Sumeet Industries Limited ("Company") ("Admission Order") in terms of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder, as amended from time to time ("Code"). The powers of Board of Directors of the Company stand suspended effective from the CIR Process commencement date and such powers along with the management of affairs of the Company are vested with the IRP in accordance with the provisions of Section 17 and 23 of the Insolvency Code read with Regulation 15(2A) & (2B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Sumeet Industries Limited has an integrated manufacturing facility at Karanj (Surat) from Melt to DTY. Our large product comprises of POY, FDY, Texturised Yarn, Micro Filament Yarn, Dope Dyed Yarn and Textile Grade chips (Pet Chips). The Company has accelerated its cost optimisation drive across the value chain to further improve its operational efficiency.

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

Name of the Product	Production capacity (TPA)
C.P. Plant	1,00,800
POY	52,500
FDY	45,500
Texturizing Yarn	5,400
Recycled Chips	2,700

RESULTS REVIEW

Turnover:

Sumeet Industries Limited has achieved a turnover (Standalone) of Rs. 1033.12 Crore in the year 2022-23 as against Rs.893.50 Crore during the previous year showing an impressive increase of 15.63 % over

previous year. Increase in sales was effected due to increase in over all demand both domestically and internationally after covid pandemic coupled with better realisation of prices of the products. During the year under review the company has produced 97530.090 (P.Y 83168.078) Tons of Pet Chips / Polyester and Texturized Yarn and dispatched 1005008.860 (P.Y. 84201.469) Tons of Pet Chips / Polyester and Texturized yarns.

Other Income:

Other income consisting receipt of Dividend, Discounts and Interest on Fixed Deposits, Exchange difference income & Others. Other income for the year 2022-23 is amounting of Rs. 1022.58 Lacs against Rs. 2099.88 Lacs in the previous year. Other Income includes of Rs. 988.71 Lacs for claim amounts adjusted as per note given in Auditor Report under Key Audit Matters.

Consumption of Raw material:

Consumption of raw material was increased from Rs. 80201.68 Lacs to Rs. 98637.79 Lacs due to enhanced quantities of despatch in comparison to previous year. The prices of raw materials were also increased substantially in comparison to previous year.

Employee Cost:

Employees cost were increased from Rs. 2442.14 Lacs to Rs. 2532.28 Lacs being some new employees has been appointed and increments were given to present employees.

Interest Cost:

Interest costs were decreased from Rs. 2654.51 Lacs to Rs. 705.57 Lacs being the company has booked interest amount of Rs. 5.75 Crores in the books of accounts for three months (01.04.2022 to 30.06.2022) shown under Finance cost on the basis of interest paid/provided as per plan approved in JLM meeting. From 01.07.2022 onwards, the company has not made any provision for interest being NPA status of the company.

FINANCIAL PERFORMANCE

- a) The report of the Board of Directors may be referred to for financial performance.
- b) As per provisions of SEBI Listing Regulations, 2015, the significant financial ratios (calculated on standalone basis) are given below:

Particulars	31/03/2023	31/03/2022	Change	Reasons for deviation (More than 25%)
Current Ratio	0.57	0.72	20%	-
Debt Equity Ratio	-9.99	19.12	-152%	Due to Loss in Current Year 2022-23, total Equity becomes negative
Debt Service Coverage Ratio	-5.53	2.08	-365%	Debt Service Coverage Ratio is decreased by 365% due to decrease in EAT of Rs. 3 Crores to Rs. -68 Crores
Return on Equity Ratio	1.61	0.12	1276%	Return on equity ratio has been increased because of due to loss in current year of Rs. 68 Crores instead of profit in Previous Year of Rs. 3 Crores
Inventory Turnover	7.63	5.15	48%	Inventory Turnover Ratio is increased due to increase in cost of material consumed by 23%-

Trade Receivables turnover ratio	8.97	14.77	-39%	Trade receivable turnover ratio is increased due to Increase in Sales by 16% and increase in receivable from 10% as compared to previous year
Trade payables turnover ratio	27.24	36.20	-25%	Trade payable turnover ratio has been decreased by 25% due to increase in Purchases by 27%
Net capital turnover ratio	-5.52	-6.13	-10%	-
Net profit ratio	-0.0663	0.0033	-2113%	Net Profit Ratio has been decreased by 2113% due to loss in current year of Rs. 68 Crores instead of profit in Previous Year of Rs. 3 Crores
Return on Capital employed	-1.85	0.21	-974%	Return on capital employed has been decreased due to loss in current year of Rs. 68 Crores instead of profit in Previous Year of Rs. 3 Crores
Return on investment	1.61	0.12	1276%	Return on investment has been increased only due to loss in current year and total equity also become negative which makes the result of this ratio positive

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

ENERGY CONSERVATION

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

OPPORTUNITIES AND STRENGTH

India's man-made fiber (MMF) products are known for their workmanship, colors and durability. Globally, the textile trade is dominated by MMF. For India to increase its share in the global textile trade, the country will have to increase its competitiveness in MMF value chain, in terms of price as well as diversification in products. There is increasing trend in USA and Europe towards shifting textile business from China to other Asian countries and India is a clear choice.

India's self-sufficiency in raw materials across entire value chain and manufacturing capacity are factors favouring India over other countries. India has large indigenous raw material base – it is the second largest producer of Polyester Filament Yarn and Polyester Staple Fibre and third largest producer of Viscose Staple Fibre in the world. Due to large working population, human resource availability is an advantage for MMF industry. After Covid, garment trends is shifting to sustainable MMF in place of cotton due to climate constraints and cost reduction final garment. India is the world leader in spinning & processing recycled polyester which will work to our advantage.

THREAT, RISKS AND CONCERNS

The rapid deterioration of the global economic outlook following the Russia -Ukraine war and mass lay-offs of employees by global corporations, has severely impacted demand and margins. Lack of modern technical know-how, non-availability of skilled manpower near factories, volatile raw material prices, infrastructure bottlenecks, are other factors that may pose a threat to progress of MMF industry. However, through investing in people, digitalisation, research & development, reaching out to untapped global markets, green energy and supply chain diversification, margins can be improved.

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

Managing risk assists us in discovering, assessing, and controlling risk to the capital and earnings of our Company. Financial uncertainties, legal liabilities, technical challenges, strategic management failures, and accidents are all potential sources of risk. To address the complete range of risks that we face, we use a proper risk management methodology and structure.

a) RISK AGAINST FIRE, FLOOD AND ACCIDENTS

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

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

b) ECONOMIC RISK

Domestic sales contribute to a major part of the revenue of the company so, the factors that may adversely affect the Indian economy and in turn company's business includes rising in interest rate, depreciation of rupees, inflation, change in tax structure, fiscal and monetary policies, scarcity of credits, global trade slowdown etc. Over capacity in the POY and Chips industry can also affect margins. India is witnessing improving macroeconomic fundamentals—moderating inflation, stabilising currency and improving consumer demand.

c) COMPETITION RISK

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

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

Our product mix spread over six important Polyester products: Pet chips, POY, FDY, Dope Dyed, Micro Filament and Texturised Yarn. The company is continuing putting its thrust on re-engineering of its existing operations. With an expanded value based product portfolio, we now can address a broader client base.

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

d) PRICE /COST RISK

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

The prices of raw material, mainly PTA and MEG which are by products of the crude oil. Falling of crude oil prices in the international market has affected the carrying cost of inventory. To lower the raw material cost, renegotiation with vendors and alternative raw material procurement are done from to time. Our pricing policy is aligned with public raw materials price indexes.

e) TECHNOLOGY RISK

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

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

f) REGULATORY RISK

There is a regulatory risk due changes in international and domestic laws, rules, policies, tax regulations, technical standards and trade policies etc.

Mitigating risks through regular review of legal compliances as well as external compliance audit, implementing an enterprise-wide compliance management system and monitoring of regulatory and legal compliances fro time to time

Risk is an integral and unavoidable component of business and given the Challenging and dynamic environment of the Company's operations, it is committed to proactively managing risk and accomplishing its goals. The Company has formulated a risk management policy and has in place a mechanism to update the Board Members about risk assessment. Some of the key business risks identified by the management include risks related to economic environment and market position, cost of production, legal and compliance with applicable laws, environment and sustainability, information technology and talent management.

Sumeet's Risk Management Framework is designed to avoid incidents and maximise business outcomes by enabling the management to:

- Understand the risk environment and assess the potential exposure.
- Manage overall potential exposure and determine risk mitigation strategies.
- Monitor the effectiveness of the risk management.
- Enhance controls and strict inventory management.
- Report across the management chain all the way up to the Board on a periodic basis.
- Offering value added products for better realizations and focussing on high margin yarns.

WASTE MANAGEMENT

Reduction of waste has direct implications on cost optimisation. At the same time, waste management helps us derive significant value. We have identified several opportunities in our operations for minimising and managing waste.

We have adopted various methods and practices for solid and hazardous waste management. Solid waste like polymers are sold to authorized parties for re-use. Fibre waste are used as captive material

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

ENVIRONMENT, HEALTH AND SAFETY (EHS)

In keeping with the environment-conscious tenor of the times, your company has taken effective steps in creating an aesthetic, environment-friendly industrial habitat in its factory units, mobilizing support and generating interest among staffs and labours for maintaining hygienic and green surroundings. Being providing continual efforts and stress on fire and safety, no major incident was noted in the year 2022-23.

Safeguarding the health and safety of our people is integral to our commitment to remain a responsible organisation. Contractors and contractual workers also come under the purview of the Company's health and safety endeavours. Personnel are trained with advanced safety and security standards to minimise hazards and ensure high performance. No fire or other incidence of such nature took place in the reporting year. To achieve the environment, health & safety visions, various objectives have been set forth. These are as follows:

- Compliance with environment, health & safety laws and regular assessment of the compliance of operations against the requirement.
- Ensuring safety related practices to enable employees and others to eliminate work related injury and illness.
- There is a well-defined Emergency management plan to tackle any major emergency inside and outside plant premises.
- First Aid training camps organized.
- State-of-the-art fire and safety installations to meet emergencies within the company, as well as nearby areas.
- Training and counselling 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, Sanitizers facility provided and they are being regularly inspected for cleanness.
- Proactive measures to increase usage of recycled water.
- To abide by all statutory compliance as per Factories Act, 1948.

HUMAN RESOURCES

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

a) RECRUITMENT POLICY

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

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

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

b) PERFORMANCE APPRAISAL SYSTEM

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

c) PERSONNEL TRAINING

The company from time to time fosters a culture of training, people development and meritocracy to ensure that the maximum efficiencies are derived from its human capital. The newly recruited employees undergo a comprehensive induction program i.e. on-the-job training, up-skilling programmes, including safety at workplace, stress management, conflict management, and teambuilding activities. The employees underwent both functional/technical and behavioural training that would eventually result in improved productivity. Safety training is given on regular basis to all employees including temporary employees.

d) LABOUR RELATIONS

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

STATUTORY COMPLIANCE

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

CORPORATE SOCIAL SERVICE

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

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

CAUTIONARY STATEMENT

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

Identified as having been approved by the Board of Directors of Sumeet Industries Limited (under CIRP)

Anil Kumar Jain
Company Secretary

Place: Surat

Date: 10/08/2023

INDEPENDENT AUDITOR’S REPORT

TO,
THE MEMBERS OF,
SUMEET INDUSTRIES LIMITED

1. Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **SUMEET INDUSTRIES LTD.** (“The Company”) which comprises the Balance Sheet as on **31st March 2023**, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified Opinion paragraph and Material Uncertainty Related to Going Concern under the Emphasis of Matter paragraph** below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2023**, and its **Loss** (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate except:

- The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2023 and had paid only interest of Rs.5,75,16,938/- for 3 months out of the total period. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing.
- The company has not created provision for Interest amounting to Rs69, 83, 207/- on delayed payment of MSME dues resulting in overstatement of profit.

Emphasis of Matter:

We draw attention to the following matters: -

- As stated in Note No 30 to the Standalone financial results, the Bankers have classified its advance to Company as NPA and issued notices under SARFAESI Act, 2002. The IDBI Bank Limited, one of the financial creditor, has filed an application CP (IB) No. 38/NCLT/AHM/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process (CIRP) against the Company and Order has been pronounced by NCLT on 20.12.2022 to initiate CIRP. Further, Mr. KureshHatimKhambati, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-001/IP-P-01521/2018-2019/12454 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and for convening a meeting of Committee of Creditors for evolving a resolution plan.
- Further, the Committee of Creditors (COC) in its First COC meeting convened on 24-01-2023 resolved for replacement of IRP Mr. KureshHatimKhambati by appointing resolution professional Mr. Satyendra P. Khorania having Registration No. IBBI/IPA-002/IP-N0002/2016-2017/10002 to conduct CIRP Process of corporate debtor Sumeet industries limited.
- As stated in Note No 31 to the Standalone financial Statement, The Resolution Professional has examined and admitted the claims from Secured Financial Creditors amounting to Rs. 583.48 Cr, Unsecured Financial Creditors amounting to Rs. 107.61 Cr and from Operational Creditors (other than Workmen, Employees and Government dues) amounting to Rs. 36.64 Cr. The variations between balances as per books and amount claimed by the Secured financial creditors is due to charging of interest and other charges claimed by the financial creditors and by unsecured financial creditors amounting is due to claim by Bank of Baroda against Corporate Guarantee by Company for Sumeet Global Pte Ltd and claim by Sitaram Prints Pvt. Ltd. against Corporate Guarantee given in favour of secured creditors of company, as explained to us.
- As stated in Note 31 in the Standalone Ind AS Financial Statements which indicate that as the Net worth has become negative, the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going Concern. Further, under the CIRP process the Interim Resolution Professional ("IRP") appointed have invited claims from different set of stakeholders including claims from Financial Creditors, Operational Creditors, Workmen and Employee and other creditors which is subject to verification and admission/rejection by the RP. Adding the company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the company is possible in foreseeable future. Further the RP is required to make every endeavor to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern. In view of the aforesaid details and pending outcome of the CIRP, the financial statements of the Company have been prepared on going concern basis.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<u>Key Audit Matter</u>	<u>How our audit addressed the Key Audit Matter</u>												
<p><u>Investment in subsidiary company</u></p> <p>As at March 31, 2023, the company has investment of Rs 22.73 cr in the Equity shares of Sumeet Global PTE Ltd (company incorporated in Singapore) which is measured at Historical cost, (after considering the exchange rate fluctuations) as per Ind AS 109.</p> <p>On the basis of certified financial statement of Sumeet global PTE ltd, it has been observed that company does not have any Asset in its balance sheet, moreover it has negative net worth of \$78,26,902i.e.,Rs64.31Crores.</p> <p>Therefore, there is a doubt about recovery of the invested amount.</p> <p>Considering the above we have determined this as a Key Audit Matter.</p>	<p>Our audit procedures included and were not limited to the following,</p> <ul style="list-style-type: none">• Reviewed the certified copy of financials and Compliance report by the Public Accountants and chartered Accountants, Singapore) of Sumeet global PTE ltd.• Reviewed the disclosures made by the company and its subsidiary in the financial statement.• We have checked the amount of investment disclosed in the financial statement.												
<p><u>Claim Received</u></p> <p>During the year the sum ofRs.55,55,43,409/- has been credited to Claim Receivable Account on account of Insurance Claimreceived by OldenburgischeLandesmark AG Bank and the sum of Rs. 7,93,29,968/- has been debited to Claim Receivable Account and credited to VikudhaOverseas Corporation Limited Accountreason being in F.Y. 2018-19 it waswritten off. However, the party has submitted its claim as Creditor in Corporate Insolvency Resolution Process. The balance amount in the Claim Receivable Account is of Rs. 9,88,70,953/- has been transferred to Profit and Loss Account.</p>	<table border="1"><thead><tr><th colspan="2">Claim Receivable Account</th></tr></thead><tbody><tr><td>Balance as on 01-04-2022</td><td>37,76,62,285/-</td></tr><tr><td>OldenburgischeLandesmark AG Bank</td><td>(55,55,43,409/-)</td></tr><tr><td>Vikudha Overseas Corporation Ltd.</td><td>7,93,29,968/-</td></tr><tr><td>BOB Bank</td><td>(3,19,798/-)</td></tr><tr><td>Balance Transferred to Profit and Loss A/C</td><td>9,88,70,953/-</td></tr></tbody></table>	Claim Receivable Account		Balance as on 01-04-2022	37,76,62,285/-	OldenburgischeLandesmark AG Bank	(55,55,43,409/-)	Vikudha Overseas Corporation Ltd.	7,93,29,968/-	BOB Bank	(3,19,798/-)	Balance Transferred to Profit and Loss A/C	9,88,70,953/-
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BOB Bank	(3,19,798/-)												
Balance Transferred to Profit and Loss A/C	9,88,70,953/-												

4. Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with rule 7 of companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules 2015, as amended.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of the misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies(Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 & 4 of the order, to the extent applicable.
- 2) As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of written representations received from the directors as on **31st March, 2023** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2023** from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**";
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration was provided to its directors during the current year.
 - h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No. 1. II-(O) Contingent liabilities to the standalone financial statements.
 - (ii) Based on the assessment made by the company, there are no material foreseeable losses on its long-term contracts that may require any provisioning.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- (iv) a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note No. 29 (vi) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 29 (vii) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
- v) The company has not paid/declared any dividend during the years and hence compliance of section 123 of the Act is not applicable.
- i) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO.: 055043
PAN: AACFH 1890 B
FIRM REG. NO: 111032W
PLACE: SURAT
DATE:30.05.2023

UDIN:23055043BGUZJV7686

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in our report to the members of SUMEET INDUSTRIES LIMITED for the year ended 31st March, 2023.

On the basis of the information and explanation given to us during the course of our audit, we report that:

- i. (a) A. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
B. The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a programme of physical verification of its Property, Plant and Equipment and right-of-use assets so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain Property, plant and equipment were verified during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) and Intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of BenamiProperty Transactions Act, 1988 and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10%or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company

- iii. a) The company has provided loans & advances in the nature of loans to other parties and the details have been provided as follows: -

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	7,14,105/-	-
Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	5,12,000/-	-

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest. The schedule of repayment of principal and payment of interest has not been stipulated, as loans and advances are in the nature of loans repayable on demand.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of **loans/advance in nature of loan** granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given
- e) No **loan or advance in nature of loan** granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. According to According to the information and explanation given to us, the company is maintaining cost records under section 148(1) of the Act. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, goods and services tax, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix. (a) Based on the audit procedures and on the information and explanations given by the management, we are of the opinion, the company has defaulted in repayment of dues to financial institutions, banks etc. The detail of period and the amount of default as ascertained by the management is as follows: -

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term Loan	BOB Term Loan	10,85,00,000.00	Principal	365	NPA declared by bank
Term Loan	Canara Bank Term Loan [Texturising]	40,44,678.00	Principal	365	NPA declared by bank
Term Loan	IDBI Corporate Loan	15,27,77,770.00	Principal	365	NPA declared by bank
Term Loan	Bremer Kredit Bank AG	1,38,22,890.35 [164078.11 EURO]	Principal	365	Overdue Loan
Term Loan	ECB London Term Loan (BOB)	29,77,56,218.0 [39,28,571 USD]	Principal	365	Loan recalled by Bank
C/C	Bank of Baroda C/C A/c	1,74,77,96,050.47	Principal	365	NPA declared by bank

C/C	Bank of Baroda C/C A/c (e-Dena)	14,32,09,398.00	Principal	365	NPA declared by bank
C/C	Central Bank of India C/C A/c	22,60,86,277.31	Principal	365	NPA declared by bank
C/C	IDBI Bank C/C A/c	96,77,12,435.28	Principal	365	NPA declared by bank
C/C	Union Bank of India C/C A/c	22,94,47,171.00	Principal	356	NPA declared by bank
Inland L/C	Canara Bank - Inland L/C A/c	15,90,95,959.26	Principal	365	NPA declared by bank

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loan were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based on the examination of books and records of the company, no fraud by the Company and on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards/ Accounting Standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as nature of the business is not banking and finance. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses during the financial year covered by our audit and the immediately Preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043

PAN : AACFH 1890 B
FIRM REG. NO: 111032W

PLACE : SURAT
DATE : 30.05.2023

UDIN :23055043BGUZJV7686

**ANNEXURE ‘B’ TO THE INDEPENDENT AUDITORS’ REPORT OF
SUMEET INDUSTRIES LTD.**

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

We have audited the internal financial controls over financial reporting of **SUMEET INDUSTRIES LTD. (“The Company”)** as on **March 31, 2023** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2023** based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043

PAN : AACFH 1890 B
FIRM REG. NO: 111032W

PLACE : SURAT
DATE : 30.05.2023

UDIN :23055043BGUZJV7686

SUMEET INDUSTRIES LTD

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. In Lakhs

	Particulars	Note No.	31st March, 2023	31st March, 2022
I.	ASSETS			
(1)	Non-Current Assets			
	PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSET			
	(a) Property, Plant and Equipment	2	18,486.06	21,152.47
	(b) Capital Work in Progress		-	-
	(c) Investment Property			
	(d) Goodwill			
	(e) Other Intangible Aseets			
	(f) Intengible Aseets under Development			
	(g) Financial Assets			
	(i) Investments	3	2,278.14	2,285.90
	(ii) Trade Receivables	4	446.09	-
	(iii) Loans	5	1,491.83	1,498.46
	(iv) Other Financial Assets	6	38.71	891.98
	(h) Deferred Tax Assets			
	(i) Other non current assets	7	-	-
(2)	Current Assets			
	(a) Inventories	8	10,299.22	15,561.40
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade Receivables	4	10,478.23	12,098.69
	(iii) Cash and Cash Equivalentents	9	462.74	30.62
	(iv) loans			
	(v) Other Financial Assets			
	(b) Others Current Assets	7	4,225.77	8,873.48
	TOTAL ASSETS		48,206.79	62,393.00
II	EQUITY AND LIABILITIES			
(1)	Equity			
	Equity Share Capital	10	10,364.24	10,364.24
	Other Equity	11	-13,642.46	-7,790.65
	Total Equity		-3,278.22	2,573.59

(2) Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	4,124.45	4,646.05
(ii) Trade Payable	13	-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions			
(c) Deferred Tax liabilities (Net)	14	3,261.69	3,766.51
(d) Other non current liabilities	15	460.96	273.82
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	38,371.22	44,564.70
(ii) Trade Payable Due to :	13		
Micro ,Small & Medium Enterprises		996.12	878.53
Other than Micro, Small & Medium Enterprises		3,640.24	4,838.98
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	15	630.35	850.83
(c) Provisions		-	-
Total Liabilities		51,485.01	59,819.41
TOTAL EQUITY AND LIABILITIES		48,206.79	62,393.00

**Significant Accounting Policies
Notes on Financial Statements**

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As per our report of even date
FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

For and on behalf on Board of Directors

Shankarlal Somani- Chairman

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043
PAN : AACFH 1890 B
FIRM REG. NO: 111032W
PLACE : SURAT
DATE : 30.05.2023

Sumeet Kumar Somani - Mg. Director.

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record
Satyendra P. Khorania - RP
Reg. No. IBBI/IPA-002/IP-N00002/2016-
17/10002
AFA NO.: AA2/10002/02/181223/202501 &
Valid upto 18-12-2023

SUMEET INDUSTRIES LTD

PROFIT & LOSS STATEMENT FOR YEAR ENDED ON 31ST MARCH, 2023

Rs. In Lakhs

	Particulars	Note No.	31st March, 2023	31st March, 2022
I.	Revenue from Operations	16	1,03,312.41	89,350.44
II.	Other Incomes	17	1,022.58	2,099.88
III.	Share of profits/losses in a Partnership firm/AOP			
IV.	Share of profits/losses in a Limited Liability Partnership			
III.	Total Income (I + II)		1,04,334.99	91,450.32
IV	Expenses:			
	<u>Manufacturing Expenses</u>			
	Cost of Materials Consumed	18	98,637.79	80,201.68
	Purchases of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	4,768.88	619.05
	<u>Administrative & Selling Expenses</u>			
	Employee Benefit Expenses	20	2,532.28	2,442.14
	Finance Costs	21	705.57	2,654.51
	Depreciation and Amortization Expense	2	2,749.24	3,140.99
	Other Expenses	22	1,316.38	2,658.26
	Total Expenses		1,10,710.15	91,716.62
V	Profit before Exceptional Items and Tax (III-IV)		(6,375.16)	(266.30)
VI	Exceptional Items		(1.80)	(3.55)
VII	Profit Before Tax		(6,376.96)	(269.85)
X	Tax Expense:			
	(1) Current tax		-	-
	(2) Income Tax of Earlier Year		-	-
	(3) Deferred Tax		(504.81)	(570.91)
	(4) MAT credit		-	-
			(504.81)	(570.91)
XI	Profit/ (Loss) for the period from Continuing Operations (VII - VIII-X)		(5,872.15)	301.06
XII	Profit/ (Loss) from discontinuing Operations		-	-
XIII	Tax expense of discontinued operation		-	-
XVI	Profit/ (Loss) from discontinuing Operations (after tax)(XII-XIII)		-	-
XV	Profit/ (Loss) for the period (IX-XII)		(5,872.15)	301.06
XVI	Other Comprehensive Income			

A Items that will not be reclassified to profit or loss		
(a) Remeasurements of defined benefit obligations	20.81	28.05
Less : Income tax relating to above item		
Total	20.81	28.05
(b) Fair value of equity instruments through other comprehensive income	(0.48)	1.88
Less : Income tax relating to above item		
Total	(0.48)	1.88
B (i) Items that will be reclassified to profit or loss		
(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-
Total Comprehensive Income for the period (XV + XVI)	20.33	29.93
Earning per equity share (for continuing operation):		
(1) Basic	0.00	0.89
(2) Diluted	0.00	0.89

As per our report of even date

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043
PAN : AACFH 1890 B
FIRM REG. NO: 111032W
PLACE : SURAT
DATE : 30.05.2023
UDIN 23055043BGUZJV7686

For and on behalf on Board of Directors

Shankarlal Somani- Chairman

Sumeet Kumar Somani - Mg. Director.

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record
Satyendra P. Khorania - RP
Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002
AFA NO.: AA2/10002/02/181223/202501 &
Valid upto 18-12-2023

SUMEET INDUSTRIES LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2023

(Rs. In Lacs)

PARTICULARS	F.Y. 2022-23		F.Y. 2021-22	
	Amount	Amount	Amount	Amount
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Extraordinary Items	(6,354.83)		(239.92)	
Adjustment For:				
Add:				
Depreciation	2,749.24		3,140.99	
Fair Value on investment				
Foregin Exchange	-		-	
Loss on sale of Asset	1.80		3.55	
Interest on Income Tax				
Loss on sale of Investment	-		-	
Interest Paid	576.40		2,446.31	
Other Adjustment to reconcile profit			85.68	
	3,327.44		5,676.53	
Less:				
Fair Value on investment	-		-	
Interest Income	0.55		173.98	
Profit on sale of Asset	-		-	
Dividend Income	0.25		0.20	
	0.81		174.17	
Operating Profit before Working Capital Changes		3,326.63		5,502.35
Trade Receivables	1,174.37		(1,255.03)	
Other asset	5,500.98		34.69	
Inventories	5,262.19		776.16	
Trade Payables	(1,081.15)		1,346.76	
Other Financial Liability	-		-	
Other Liabilities	(33.35)		134.67	
Provision	-		-	
		10,823.03		1,037.25
Tax Paid				
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		7,794.84		6,299.68
B CASH FLOW FROM INVESTING ACTIVITIES:				
<u>Fixed Assets & Work in Progress</u>				
Sale of Fixed Assets	(1.40)		4.20	
Purchase of Fixed Assets	(85.03)		(121.85)	
(Increase)/Decrease in Fixed Asset due to Exchange Diffrence				
Increase in Capital Work in progress				
<u>Investments</u>				
Purchase of Investments	7.76		(71.91)	
Sale of Investments				
Dividend received	0.25		0.20	
Interest Income	0.55		173.98	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(77.87)		(15.38)
C CASH FLOW FROM FINANCING ACTIVITIES:				
Equity Share Capital raised	-		-	
Security premium received	-		-	
Increase / Decrease in Borrowings	(6,715.08)		(4,084.30)	
Increase / Decrease in Loans & Advances	6.63		193.57	
Interest Paid	(576.40)		(2,446.31)	

PARTICULARS	F.Y. 2022-23		F.Y. 2021-22	
	Amount	Amount	Amount	Amount
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(7,284.85)		(6,337.04)
Net Increase in Cash & Cash equivalents		432.12		(52.73)
D Opening Cash and Cash equivalents		30.62		83.36
E Closing Cash and Cash equivalents		462.74		30.62
		432.12		(52.74)

As per our report of even date
FOR H. TOSNIWAL & CO.
 CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
 PARTNER
 M.NO. : 055043
 PAN : AACFH 1890 B
 FIRM REG. NO: 111032W
 PLACE : SURAT
 DATE : 30.05.2023

For and on behalf on Board of Directors

Shankarlal Somani- Chairman

Sumeet Kumar Somani - Mg. Director.

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record

Satyendra P. Khorania - RP

Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002

**AFA NO.: AA2/10002/02/181223/202501 & Valid upto
 18-12-2023**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 1: Company Overview and Notes to the Standalone financial statements

I) CORPORATE INFORMATION:

SUMEET INDUSTRIES LTD. is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956; now referred as Companies Act, 2013. The address of its registered office is SUMEET INDUSTRIES LIMITED, 504, Trividh Chamber, Opp. Fire Station, Ring Road, Surat 395002, Gujarat, India. The Company has its primary listings on the Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) of India Limited.

The Company is engaged in the business of manufacturing and exporting Polyester Yarn (POY and FDY), Polyester Chips and Texturizing Yarn. The company caters to both domestic and international markets.

II) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

(i) Compliance with Ind AS

The standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the provisions of the Companies Act, 2013 (“the Companies Act”) as applicable and guidelines issued by the Securities and Exchange Board of India (“SEBI”).

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

(ii) Historical cost convention

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(iii) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III except number of shares and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(v) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in financial statements are included in the following notes:

- Useful lives of Property, plant and equipment
- Measurement of defined benefit obligations
- Provision for inventories
- Measurement and likelihood of occurrence of provisions and contingencies
- Deferred taxes

(B) Inventories: [Ind AS 2]

Inventories are assets:

- Held for sale in the ordinary course of business
- In the process of production for such sale
- In the form of materials or supplies to be consumed in the production process or in the rendering of services.

Measurement of Inventory

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

Cost of Inventories

Cost comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae/ method for valuation used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Net Realisable Value

Net realisable value (NRV) is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Estimate of net realisable value must be based on the most reliable evidence available and take into account fluctuations of price or cost after the end of the period, if this is evidence of conditions existing at the end of the period.

The Cost and net realisable value has been compared for each separately identifiable item of inventory, or group of similar inventories, rather than for inventory in total.

(C) Cash flow statement [Ind AS 7]

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

(D) Property, Plant and Equipment (PPE): [Ind AS 16]

Recognition and Measurement

Items of Property, plant and equipment acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management.

The historical cost of Property, plant and equipment comprises of its

- purchase price including import duties and non-refundable purchase taxes,
- borrowing costs directly attributable to the qualifying asset in accordance with accounting policy on borrowing cost,
- the cost of dismantling, removing the item and restoring the site on which it is located and
- Adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Standalone Statement of Profit and Loss during the reporting period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in progress'. The Company identifies and determines cost of each component of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

Machinery spares which meet the criteria of PPE is capitalised and depreciated over the useful life of the respective asset.

Depreciation methods, estimated useful lives and residual values

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

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Management believes that useful lives of assets are same as those prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows

Asset Class	Useful Life
Building	30 years
Road Development	10 Years
Plant & Machinery	15 Years
Furniture, Fixture	10 Years
Computers	3 Years
Office Equipment's	5 Years
Vehicle	10 Years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Standalone Statement of Profit and Loss. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(E) Income Taxes (Ind AS 12)

Tax expenses for the period, comprising current and deferred income tax. Income tax expense is recognized in net profit in the Standalone Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Tax expense/(credit) recognized in the Standalone Statement of Profit and Loss for the year ended 31.03.2023:

Sr. No.	Description	Amount (InRs.)	Amount (InRs.)
1.	Difference in closing Balance of Depreciations		
	Depreciation as Per Companies Act	27,49,24,450	
	Depreciation as per Income Tax Act	(12,37,10,310)	
		15,12,14,140	
	Deferred Tax Assets/(Liability) at 33.384%		5,04,81,328

Sr. No.	Particulars	Amount (InRs.)
1.	Opening Balance of DTA / (DTL)	(37,66,50,700)
2.	Deferred Tax Assets / (Liabilities) of the period	5,04,81,328
3.	Closing Balance of DTA / (DTL)	(32,61,69,372)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(F) Revenue from Contracts with Customers: [Ind AS 115]

- Revenue from contract with customer is recognized when control of Goods or services are transferred to the buyer as per the terms of the contract; the entity retains neither continuing managerial involvement nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.
- Export sales are accounted when the goods have left the premises or when the goods are received by the customers and incoterms are fulfilled at the exchange rate prevailing on the date of invoice. These are net of commission and do not include freight wherever applicable as per the terms of the sales contract.
- Dividend income is recognized when the right to receive the dividend is established by the reporting date, which is generally when shareholders approve the dividend.
- Interest income is recognized using the effective interest method (EIR) and accounted on accrual basis. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount.

(G) Employee Benefits: [Ind AS 19]

Short-term employee benefits

These are liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related employee service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for that service is recognised as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognise that excess as an asset (prepaid expense). Or else recognised as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

Post-employment obligations

The Company operates the following postemployment schemes:

- (a) defined benefit plans such as gratuity and pension; and
- (b) defined contribution plans such as provident fund etc.

(a) Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

(b) Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, provident fund, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company is a member of recognized Provident Fund scheme established under The Provident Fund & Miscellaneous Act, 1952 by the Government of India. The contribution paid or payable under the scheme is recognized during the period under which the employee renders the related services. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions; and actuarial risk and investment risk falls on the employee.

Other Employee Benefits

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

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The Company's obligation in respect of the gratuity plan is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the Standalone Statement of Profit and loss under employee benefit expense:

	Year ended	
	March 31, 2023	March 31, 2022
Current service cost	42,18,787	43,55,843
Net interest on net defined benefit liability/(asset)	19,84,433	15,59,537
Net gratuity cost/(benefit)	62,03,220	59,15,380

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the statement of Other Comprehensive Income:

Re-measurements of the net defined benefit liability / (asset)	Year ended	
	March 31, 2023	March 31, 2022
Actuarial (gains) / losses - Net of taxes	(20,81,133)	(28,05,049)
	(20,81,133)	(28,05,049)

The principal assumptions used for the purpose of actuarial valuation are as follows:

	Year ended	
	March 31, 2023	March 31, 2022
Discount rate	7.25%	7.25%
Expected return on plan assets	N.A	N.A
Expected rate of salary increase	8.00%	8.00%
Rate of employee turnover		
For service 4 years and below	12.00%	12.00%
For service 5 years and above	3.00%	3.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)
Mortality rate after employment	N.A	N.A

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Change in present value of defined benefit obligation is summarized below:(InRs.)

	Year ended	
	March 31, 2023	March 31, 2022
Present value of Defined Benefit Obligation at the beginning of the period	2,73,71,493	2,28,67,105
Current service cost	42,18,787	43,55,843
Past service cost		27,78,612
Interest cost	19,84,433	15,59,537
Liability transferred In/Acquisitions		-
(Liability transferred Out/Divestments)		-
(Gains)/Losses on curtailment		-
(Liabilities extinguished on settlement)		-
(Benefits paid directly by the employer)	(4,33,140)	(13,84,555)
(Benefits paid from the fund)		-
The effect of changes in foreign exchange rates		-
Actuarial loss/(gain) arising from financial assumptions	(9,11,867)	(15,02,974)
Actuarial loss/(gain) arising from demographic assumptions		13,908
Actuarial loss/(gain) arising from experience assumptions	(11,69,266)	(13,15,983)
Present value of Defined Benefit Obligation at the end of the period	3,10,60,440	2,73,71,493

Amount Recognized in the Balance Sheet:(InRs.)

	As at	
	March 31, 2023	March 31, 2022
(Present Value of Benefit Obligation at the end of the Period)	(3,10,60,440)	(2,73,71,493)
Fair Value of Plan Assets at the end of the Period		
Funded Status (Surplus/ (Deficit))	(3,10,60,440)	(2,73,71,493)
Net (Liability)/Asset Recognized in the Balance Sheet	(3,10,60,440)	(2,73,71,493)

Maturity Analysis of the Benefit Payments: From the Employer(InRs.)

	As at	
	March 31, 2023 (Amt in Rs.)	March 31, 2022 (Amt inRs.)
Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	15,30,796	12,77,303
2nd Following Year	13,33,787	9,71,874
3rd Following Year	18,72,455	10,77,977
4th Following Year	20,92,934	17,74,329
5th Following Year	15,47,971	16,52,077
Sum of Years 6 To 10	1,10,68,428	84,03,020
Sum of Years 11 and above	7,46,06,465	6,89,93,654

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Sensitivity Analysis

	As at	
	March 31, 2023 (Amt inRs.)	March 31, 2022 (Amt in Rs.)
Projected Benefit Obligation on Current Assumptions	3,10,60,440	2,73,71,493
Delta Effect of +1% Change in Rate of Discounting	-32,63,247	-30,63,254
Delta Effect of -1% Change in Rate of Discounting	39,14,688	36,95,473
Delta Effect of +1% Change in Rate of Salary Increase	38,55,702	36,30,359
Delta Effect of -1% Change in Rate of Salary Increase	-32,77,180	-30,69,777
Delta Effect of +1% Change in Rate of Employee Turnover	-2,31,430	-3,01,703
Delta Effect of -1% Change in Rate of Employee Turnover	2,58,143	3,40,209

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay- out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(H) Foreign Currency: [Ind AS 21]

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the company's functional and presentation currency.

Foreign currency transactions

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. realized gains and losses on settlement of foreign currency transactions are recognized in the Standalone Statement of Profit and Loss.
- Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Standalone Statement of Profit and Loss.
- Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.
- Exchange difference arising on settlement of monetary items or reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

(I) Related parties [Ind AS 24]

As per Ind AS-24 issued by the Institute of chartered Accountants of India, the company's related parties are disclosed below:

i. Enterprises where control exists:

Sumeet Global PTE Ltd. – 100% Owned subsidiary

ii. Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year

- Somani Overseas Pvt Ltd. - Director's wife is Director
- Durga Transport Company - Director's Son-in-law is proprietor

iii. Key Management Personnel (KMP):

a) Executive Director

- Shankarlal Somani
- Sumeet Somani

b) Non-Executive Director

- Zeel Suresh Kumar Modi
- Manoj Kumar Jain
- VikashkumarKamalsingh
- SauravSantoshDugar

c) Company Secretary

- Anil Kumar Jain

d) Chief Financial Officer

- Abhishek Prasad

e) Relatives of Key Management Personnel

- Ganga Devi Somani

iv. Other related parties - NIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(J) Financial instruments: [Ind AS 109]

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

Financial assets:

Classification

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

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

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

Initial recognition and measurement

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

Subsequent measurement

After initial recognition, financial assets are measured at:

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

Amortised cost:

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

Fair Value through Other Comprehensive Income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Fair Value through Profit and Loss (FVTPL):

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

Equity instruments

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets.

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

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

Debt instruments

Debt instruments are subsequently measured at amortized cost on the basis of :

- (i) the entity's business model for managing the financial assets and
- (ii) the contractual cash flow characteristics of the financial asset.

De-recognition

A financial asset shall be derecognized only when:

- (a) the contractual rights to the cash flows from the financial asset expire, or
- (b) it transfers the financial asset and the transfer qualifies for derecognition.
- (c) On de-recognition of a financial asset, the difference between:
 - a. the carrying amount (measured at date of derecognition); and
 - b. the consideration received

shall be recognized in Statement of Profit and Loss.

Note:

On de recognition of Investments the cumulative balance of OCI account related to those investments is been transferred to general reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate., in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

Preference Shares being redeemable at fixed date and having right of cumulative dividend are considered as financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(K) Earnings Per Share: [Ind AS 33]

Basic and Diluted earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Calculation of EPS as appearing in Standalone Statement of Profit and Loss Account:

Sr. No.	Particulars	Current Period	Previous Year
(i)	Net profit/(loss) as per Profit & Loss A/c* (Rs. In Lakhs)	(5,869.94)	301.06
(ii)	Net Profit/(loss) adjusted from reserves		
(iii)	Net Profit Attributable to ordinary Shareholders[(i)+(ii)]	(5,869.94)	301.06
(ii)	Weighted average number of shares for Basic Earnings per share	10,36,42,389	10,36,42,389
(iii)	Weighted average number of shares for Diluted Earnings per share	10,36,42,389	10,36,42,389
(iv)	Nominal value per share	10	10
(v)	Basic earnings per share (₹)	(5.66)	0.29
(vi)	Diluted earnings per share (₹)	(5.66)	0.29

*The fair value of cash and cash equivalents, trade receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt and investment in fixed deposit have been contracted at market rates of interest. Accordingly, the carrying value of such instruments approximates their fair value.

(L) Intangible assets (Excluding Goodwill): [Ind AS 38]

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the assets can be measured reliably.

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(M) Segment reporting: [Ind AS 108]

Ind AS 108 establishes standards for the way public business enterprises report information about operating segments and related disclosures about product, services, geographic areas, and major customers.

Operating segment

Operating segments are defined as components of a company for which discrete financial information is available that is evaluated regularly by Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The operations of the company are limited to **one segment** viz. Yarn manufacturing.

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

(Rs inLacs)

Sr. No.	Particulars	31-03-2023	31-03-2022
(i)	India	102828.36	84777.49
(ii)	Rest of the world	454.21	4488.90

Significant Clients

Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2023 and March 31, 2022.

(Rs inLacs)

Sr. No.	Name of Customer	31-03-2023	31-03-2022
(i)	Eagle Fashions Pvt Ltd	3933.03/-	12004.57/-
(ii)	GinniTradelinksPvt. Ltd.	15394.09/-	20601.85/-
(iii)	Eagle Fibers Limited	4924.32/-	18164.42/-
(iv)	Pallas FincapPrivat Limited	28816.66/-	14710.56/-
(v)	AadhidevPolytex Private Limited.	33677.42/-	20559.34/-
(vi)	Tirupati Textile Co	15887.13/-	-

(N) Fair value measurement [Ind AS 113]

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- Level 1 - Quoted (unadjusted) prices in active market for identical assets or liabilities. Investments in Quoted Shares are valued as per quoted price in active market.
- Level 2 –(Inputs other than quoted prices included in Level 1) Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

(O) Finance Cost: [Ind AS 23]

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

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying asset is deducted from the borrowing cost eligible for capitalization. All Other borrowing costs are charged to statement of profit and loss for the period in which they are incurred.

(P) Cash and cash equivalents:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Q) Provisions and Contingent Liabilities: [Ind AS 37]

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

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

Contingent Liabilities:

- a) The Company has given corporate guarantee to Bank of Baroda, Singapore for term loan given to Sumeet Global PTE Limited and the present outstanding is Rs 64.18 Crores (\$78,10,016.82)
- b) Income Tax Assessment for A.Y. 2018-19 is pending at CIT-Appeals (4) Total amount of demand involved in all these cases is as follows subject to final order and rectification:

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(I)	Contingent Liabilities Claims against the company/disputed liabilities not acknowledged as debts (i) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2018-19 pending at CIT-A (4)	Rs. 37.60 Lakhs	NIL

- c) Pending outcome of the aforementioned appeals and based on the decision of the appellate authorities and the interpretations of other relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.
- d) A sum of Rs.1,61,052/- and 71,109/- has been paid against the demand raised by GST Department during FY 2020-21 and FY 2022-23 respectively against which an appeal has been filed before the Appellate Authority. The same amount has been shown under other current Assets for the GST Penalty paid against appeal filed.

SUMEET INDUSTRIES LTD

NOTE # 2

Property, plant and equipment

(Rs. In Lacs)

Particulars	Land	Building	Road Developme nt	Plant & Machinery	Plant & Machinery (Foreign Exchange)	Furniture & Fixture	Intangible Asset	Vehicle	Total
Opening Gross Carrying Amount	50.23	2802.37	120.53	54321.00	695.36	251.29	0.00	326.75	58567.53
Additions	0.00	29.91	0.00	83.19	0.00	8.22	0.00	0.53	121.85
Disposal/Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.68	86.68
Closing gross carrying amount as at March 31, 2022	50.23	2832.28	120.53	54404.19	695.36	259.52	0.00	240.59	58602.70
Opening Gross Carrying Amount	50.23	2832.28	120.53	54404.19	695.36	259.52	0.00	240.59	58602.70
Additions	0.00	4.21	0.00	62.13	0.00	4.29	1.45	12.96	85.03
Disposal/Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.09	9.09
Closing gross carrying amount as at March 31, 2023	50.23	2836.49	120.53	54466.32	695.36	263.81	1.45	244.46	58678.65
Accumulated amortization and impairment :									
Opening Accumulated Depreciation	0.00	1896.07	74.54	31917.20	0.00	197.41	0.00	302.97	34388.19
Depreciation/Amortization charge during the year	0.00	82.77	11.91	3034.75	0.00	7.55	0.00	4.00	3140.99
Disposal/Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	78.94	78.94
Closing accumulated depreciation as at March 31, 2022	0.00	1978.84	86.44	34951.95	0.00	204.95	0.00	228.04	37450.23
Accumulated amortization and impairment :									
Opening Accumulated Depreciation	0.00	1978.84	86.44	34951.95	0.00	204.95	0.00	228.04	37450.23
Depreciation/Amortization charge during the year	0.00	76.55	8.82	2653.44	0.00	6.48	0.53	3.42	2749.24
Disposal/Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.89	6.89
Closing accumulated depreciation as at March 31, 2023	0.00	2055.39	95.27	37605.39	0.00	211.44	0.53	224.57	40192.59
Net carrying amount as at March 31, 2022	50.23	853.44	34.08	19452.24	695.36	54.57	0.00	12.55	21152.47
Net carrying amount as at March 31, 2023	50.23	781.10	25.26	16860.93	695.36	52.37	0.92	19.89	18486.06

SUMEET INDUSTRIES LIMITED

NOTE # 2

Property, plant and equipment

Sr No	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2022	Addition	DELETION	As At 31.03.2023	As At 01.04.2022	For the Year	Adjustment	As At 31.03.2023	As At 31.03.2023	As At 31.03.2022
1	Land	50.23	0.00	0.00	50.23	0.00	0.00	0.00	0.00	50.23	50.23
2	Building	2832.28	4.21	0.00	2836.49	1978.84	76.55	0.00	2055.39	781.10	857.64
3	Road Develoment	120.53	0.00	0.00	120.53	86.44	8.82	0.00	95.27	25.26	34.08
4	Plant & Machinery	54404.19	62.13	0.00	54466.32	34951.95	2653.44	0.00	37605.39	16860.93	19514.37
5	Plant & Machinery (Foreign Exchange)	695.36	0.00	0.00	695.36		0.00	0.00	0.00	695.36	695.36
6	Furniture, Fixture & Equipments	259.52	4.29	0.00	263.81	204.95	6.48	0.00	211.44	52.37	58.85
7	Intangible Assets	0.00	1.45	0.00	1.45		0.53	0.00	0.53	0.92	0.00
8	Vehicle	240.59	12.96	9.09	244.46	228.04	3.42	6.89	224.57	19.89	16.42
	TOTAL	58602.70	85.03	9.09	58678.65	37450.23	2749.24	6.89	40192.59	18486.06	21226.96
	Grand Total	58602.70	85.03	9.09	58678.65	37450.23	2749.24	6.89	40192.59	18486.06	21226.96

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 3 Investments

(Rs. In Lacs)

Particulars	As at March 31,2023	As at March 31,2022
Financial instruments at FVTPL		
Equity instruments [Note 3.1]	4.11	5.49
Mutual Funds [Note 3.2]	0.25	6.64
	4.36	12.12
Investment in Subsidiaries (Note 3.3)	2,273.78	2273.78
Total	2,278.14	2,285.90
Non-current	2,278.14	2285.90
Current	-	-
Aggregate amount of quoted investments (FMV)		
Non-current	3.76	11.52
Current	-	-
Aggregate amount of unquoted investments (FMV)		
Non-current	2,274.38	2274.38
Current	-	-

3.1 Details of investments in equity instruments:

Quoted:		
Stampede Capital Ltd.	0.91	1.70
Tata Steel Ltd.	2.34	2.93
Questfin Ltd.	0.09	0.09
Zylog Systems Ltd.	0.17	0.17
	3.51	4.89
Unquoted:		
Inherent Computers Pvt Ltd	0.60	0.60
	0.60	0.60
Total	4.11	5.49

3.2 Investment in Mutual funds - Quoted

India First Life Insurance Co Ltd. MF (23,337.227 units @ 27.39 each)	-	6.39
Baroda Treasury Advantage Fund	0.25	0.24
Total	0.25	6.64

3.3 Investment in Subsidiaries - Unquoted

Sumeet Global Pte. Ltd.(Wholly owned subsidiary)	2,273.78	2,273.78
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Investment in Sumeet Global Pte. Ltd. has been taken at carrying amount.

NOTE 4**Trade Receivables as at 31/03/23****(Rs. In Lacs)**

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	10097	381	446	0	0	10924
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	0	0	0	0	0	0
(iii)	Undisputed Trade Receivables – credit impaired	0	0	0	0	0	0
(iv)	Disputed Trade Receivables– considered good	0	0	0	0	0	0
(v)	Disputed Trade Receivables – which have significant increase in credit risk	0	0	0	0	0	0
(vi)	Disputed Trade Receivables – credit impaired	0	0	0	0	0	0

Trade Receivables as at 31/03/22

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	11653	0	446	0	0	12099
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	0	0	0	0	0	0
(iii)	Undisputed Trade Receivables – credit impaired	0	0	0	0	0	0
(iv)	Disputed Trade Receivables– considered good	0	0	0	0	0	0
(v)	Disputed Trade Receivables – which have significant increase in credit risk	0	0	0	0	0	0
(vi)	Disputed Trade Receivables – credit impaired	0	0	0	0	0	0

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 4

(Rs. In Lacs)

Trade Receivables

Particulars	As at March 31,2023	As at March 31,2022
Unsecured		
Related Parties		
Considered Good	-	446.09
Doubtful	-	-
Others		
Considered Good	10,924.32	11652.59
Doubtful		
Less : Allowance for expected credit loss	-	-
Total	10,924.32	12,098.69
Non - current	446.09	-
Current	10,478.23	12,098.69

Trade receivables are classified as current on the basis of normal operating cycle of twelve months

NOTE # 5

Loans

Particulars	As at March 31,2023	As at March 31,2022
Loans to Related Parties		
Non - Current	1,491.83	1498.46
Current	-	0.00
Loans to Others		
Non - Current	-	0.00
Current	-	0.00
Total	1,491.83	1,498.46

NOTE # 6

Other Financial Assets

Particulars	As at March 31,2023	As at March 31,2022
Security deposits	38.71	891.98
Total	38.71	891.98

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 7

(Rs. In Lacs)

Other Current Assets

Particulars	As at March 31,2023	As at March 31,2022
Non - Current	-	-
Total	-	-
Current		
Balance with Revenue Authorities	3,691.88	4031.74
Claim Receivable	-	3776.62
Income Tax Seized Cash	-	-
Others	533.89	1065.12
Total	4,225.77	8873.48

NOTE # 8

Inventories

Particulars	As at March 31,2023	As at March 31,2022
Raw Materials	2,483.53	2444.29
Work-in-progress	2,635.45	3338.59
Finished goods	986.07	5051.81
Stores, Spares and Consumables	4,194.16	4726.71
Total	10,299.22	15561.40

Method of Valuation of Inventories

Particulars	Method of Valuation
Raw material & W.I.P.	: Valued at cost.
Finished Goods	: Valued at cost or NRV whichever is lower.

NOTE # 9

Cash and cash equivalents

Particulars	As at March 31,2023	As at March 31,2022
Balances with Banks		
Current accounts	459.57	29.28
Demand deposits (Fixed deposits/Margin Money/Security against borrowings)	1.34	1.28
Cash on hand	1.83	0.06
Total	462.74	30.62

SUMEET INDUSTRIES LTD

NOTE # 10
Share Capital

(Rs. In Lacs)

Particulars	As at March 31,2023	As at March 31,2022
Authorised Capital		
145,000,000 Equity shares of Rs. 10/- each.	14,500.00	14,500.00
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3,000.00
	17,500.00	17,500.00
Issued, Subscribed and paid up capital		
103642389 Equity shares of Rs. 10/- each.fully paid [103642389 Equity Shares Earlier]	10,364.24	10,364.24
	10,364.24	10,364.24

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

(i) Reconciliation of number of shares and share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Authorised Capital				
Number of shares at the beginning	1,750	17,500.00	1,750	17,500.00
Add : Increased during the year	-	-	-	-
Number of shares at the end	1,750	17,500.00	1,750.00	17,500.00
Issued, Subscribed and Paid up				
Number of equity shares at the beginning	1,036	10,364.24	1,036	10,364.24
Add : Issued during the year	-	-	-	-
Number of shares at the end	1,036	10,364.24	1,036.42	10,364.24
Number of preference shares at the beginning	300	3,000.00	300	3,000.00
Add : Issued during the year	-	-	-	-
Number of shares at the end	300	3,000.00	300.00	3,000.00

SUMEET INDUSTRIES LTD

NOTE # 10

Share Capital

(Rs. In Lacs)

(ii) Terms and rights attached to equity shares.

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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

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

Particulars	As at March 31,2023	%	As at March 31,2022	%
Shankarlal Somani	55,00,000	5.31	55	5.31
Somani Overseas Private Limited	1,02,88,855	9.93	103	9.93

(iv) Shares held by promoter as at 31/03/2023

Serial Number	Promoter name	No. of shares	% of total shares	% change during the year
1	Shankarlal Sitaram Somani	55,00,000	5.31	-
2	Gangadevi Shankarlal Somani	15,00,000	1.45	-
3	Sumandevi Somani	2,99,291	0.29	-
4	Manisha Sumeet Somani	6,25,000	0.60	-
5	Sushil Shankarlal Somani	6,77,292	0.65	-
6	Sumeet Shankarlal Somani	24,56,337	2.37	-
7	Neelam Sushil Somani	7,37,516	0.71	-
Total		1,17,95,436	11.38	

SUMEET INDUSTRIES LTD

NOTE # 10
Share Capital

(Rs. In Lacs)

(v) Other details of Equity Shares for a period of five years immediately preceding March 31, 2022:

Particulars	As at 31,2023	March	As at March 31,2022	As at March 31,2021	As at March 31,2020	As at March 31,2019
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash		-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares		-	-	-	-	2,07,28,478
Aggregate number of shares bought back		-	-	-	-	

SUMEET INDUSTRIES LTD

NOTE # 11

Statement of changes in Equity for the year ended March 31, 2023

(Rs. In Lacs)

A. Equity Share Capital

Particulars	Amount
As at April 1, 2021	10,364.24
Changes in Equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the current year	-
As at March 31, 2023	10,364.24
As at April 1, 2022	10,364.24
Changes in Equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the current year	-
As at March 31, 2023	10,364.24

B. Other Equity

Particulars	Reserves and surplus						Total other equity
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit obligations	Equity instruments through other comprehensive income	
Balance as at April 01, 2022	25.00	6,741.20	573.49	-15,287.53	18.63	138.57	-7,790.65
Prior period adjustments	-	-	-			-	-
Provision for taxation							-
Restated balance at the beginning	25.00	6,741.20	573.49	-15,287.53	18.63	138.57	-7,790.65
Other comprehensive income for the year	-	-	-	-	20.81	(0.48)	20.33
Transfer to general reserve	-			-	-		-
Transfer from Other Comprehensive Income (Equity Instruments)							-
Transfer from Provision for Taxation (OCI)				-			-
Transfer to retained earnings	-	-	-	-5,872.15	-	-	-5,872.15
Balance as at March 31, 2023	25.00	6,741.20	573.49	-21,159.68	39.44	138.09	-13,642.46

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 12
Borrowings

(Rs. In Lacs)

Particulars	As at March 31,2023	As at March 31,2022
Non - current Borrowings		
Secured		
Term loans from banks	-	-
Term loans from others	-	24.02
Unsecured		
Loans and Deposits	1,124.45	1622.03
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3000.00
Total	4,124.45	4646.05
Current Borrowings		
Cash Credit facilities	30,333.39	30969.29
Inland LCs and Current a/c	1,591.18	1591.18
Total	31,924.58	32560.47
Current Maturities of Long Term Borrowings		
Current maturities of long term debt	5,769.02	11324.45
Interest accrued but not paid	677.62	679.78
	6,446.64	12004.23

Nature of security

1. Hypothication of 1st charge on all fixed assets of the company and 2nd pari passue charge on all current assets of the company.
2. Mortgage of Fixed Assets of M/S. Sitaram Prints Pvt. Ltd. And Residence Bunglow of Shri Shankar Lal Somani and Smt.Ganga devi Somani.
3. Loan taken from BKB secured by hypothication of Exclusive Charges of Machinery.

Loans guaranteed by directors or others

Mr.Shankarlal Sitaram Somani Mr.Rajkumar Sitaram Somani Mr. Sumeetkumar Shankarlal Somani Smt. Gangadevi Somani Corporate Guarantee of M/S. Sitaram Prints Pvt Ltd.	Term Loan: Rs. 26.53 Crores & US\$ 39.29 Lacs
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Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 164078.22 for loan taken from Bremer Kredit Bank AG

Terms of repayment of term loans & other loans

(Refer Notes to accounts)

SUMEET INDUSTRIES LTD
Long & Short Term of Borrowing (Term Loans)

Terms of repayment of term loans & other loans

F.Y. 2022-22

Long & Short Term of Borrowings	Original Amount Of Borrowings	Tenor at Inception (in years)	Terms of Repayment	Months in Which Last Installment is Due	Balance as on 31st March, 2023		Balance as on 31st March, 2022		Prevailing Interest Rate % Per Annum
					Shown in long Term Borrow	Shown in Short Term Borrow	Shown in long Term Borrow	Shown in Short Term Borrow	
ECB Loan 2 (BOB London)	Rs. 50 Crores (10M UDS)	7	Quarterly	-	-	29,77,56,218	-	28,87,68,433	5.36%
Bremer Kredit Bank AG	10441142 Euro	8.5	Half-Yearly	-	-	1,38,22,890	-	58,20,64,885	2.20%
Term Loan (BOB FDY Winder Loan)	Rs. 29.45 Crores	4	Quarterly	-	-	10,85,00,000	-	10,85,00,000	11.70%
Term Loan (Canara Bank Text)	Rs. 4.12 Crores	6	Monthly	-	-	40,44,678	-	65,44,678	13.65%
IDBI Loan (Corporate)	Rs. 25 Crores	4.5	Monthly	-	-	15,27,77,770	-	15,27,77,770	11.90%
TFCI Ltd.	Rs.12 Crores	4	Monthly	31-03-2023	-	-	-	7,62,00,000	13.00%
Total	Total :					57,69,01,556	-	1,21,48,55,766	

NOTE 13**Trade Payables as at 31/03/23****(Rs. In Lacs)**

Sr. No.	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	896	98	0	2	996
(ii)	Others	1998	1643	0	0	3640
(iii)	Disputed dues – MSME	0	0	0	0	0
(iv)	Disputed dues - Others	0	0	0	0	0

Trade Payables as at 31/03/22

Sr. No.	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	856	22	0	0	879
(ii)	Others	3935	904	0	0	4839
(iii)	Disputed dues – MSME	0	0	0	0	0
(iv)	Disputed dues - Others	0	0	0	0	0

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 13
Trade Payables

(Rs. In Lacs)

Particulars	As at March 31,2023	As at March 31,2022
Creditors for Goods	2,498.80	3604.12
Creditors for Expenses	1,141.44	1234.86
Micro ,Small & Medium Enterprises	996.12	878.53
Total	4,636.35	5717.51
Non Current	-	0.00
Current	4,636.35	5717.51

NOTE # 14
Deferred Tax Liabilities

Particulars	As at March 31,2023	As at March 31,2022
Opening Balance	3,766.51	4337.42
Provision for the period	(504.81)	-570.91
Closing Balance	3,261.69	3766.51

NOTE # 15
Other liabilities

Particulars	As at March 31,2023	As at March 31,2022
Non-current		
Security Deposit from Staff	0.35	0.11
Security Deposit	150.00	
Provision for employee benefits - Gratuity Payable	310.60	273.71
	460.96	273.82
Current		
Advance from Customers	0.09	26.72
Provision for Expenses	607.45	774.25
Statutory Dues Payable	22.81	41.58
Other Payable to Employees	-	8.28
	630.35	850.83
Total	1,091.30	1124.65

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 16

(Rs. In Lacs)

Revenue From Operations

Particulars	As at March 31,2023	As at March 31,2022
Sale of Products		
Domestic sales	1,02,858.21	84,861.54
Export		
Export against Bond	454.21	3,402.91
Deemed Export sales	-	1,085.99
	1,03,312.41	89,350.44
Other Operating Revenues		
Export Incentives	-	-
Total	1,03,312.41	89,350.44

NOTE # 17

Other Incomes

Particulars	As at March 31,2023	As at March 31,2022
Dividend received	0.25	0.20
Discount received	7.35	7.94
Int. on FDR'S	0.06	0.05
Others - Interest	0.49	173.93
Exchange Diff Income	21.16	189.23
Creditors/Debtors Balance Written Off	0.95	42.30
Interest on IT Refund	3.60	25.40
Income from One Time Settlement	-	1,627.38
Gain on Fair Value of Investment	-	1.39
Bad Debts Recovered	-	32.07
Claim Received	988.71	-
Total	1,022.58	2,099.88

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 18

(Rs. In Lacs)

Cost of Materials Consumed

Particulars	As at March 31,2023	As at March 31,2022
Purchases of Raw Materials and Stores		
Opening stock	2,444.29	2,755.96
Add:Purchase(net)	83,115.38	65,238.77
	85,559.67	67,994.73
Less:Closing Stock	2,483.53	2,444.29
	83,076.14	65,550.44
Direct/Production expenses		
Security Expense	10.71	2.73
Power & Fuel	11,301.46	10,221.44
Freight & Octroi	157.59	638.43
Stores & Spares	941.78	1,098.23
Factory Expense	5.13	10.16
Repair & Maintenance:Factory Building	1.01	52.61
Repair & Maintenance:Plant&Machinery	98.40	125.44
Packing Expenses	3,045.58	2,502.21
	15,561.65	14,651.24
Total	98,637.79	80,201.68

NOTE # 19

Change in inventories

Particulars	As at March 31,2023	As at March 31,2022
Opening Stock	8,390.40	9,009.45
Less: Closing Stock	3,621.52	8,390.40
Total	4,768.88	619.05

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 20

(Rs. In Lacs)

Employment Benefit Expenses

Particulars	As at March 31,2023	As at March 31,2022
Salary	2,420.50	2,186.69
Director Remuneration salary	6.00	-
Gratuity	62.03	86.94
Bonus	0.55	121.87
P.F.	39.26	37.61
Leave Encashment	3.66	8.95
ESIC	0.08	0.07
Staff Welfare expenses	0.19	-
Total	2,532.28	2,442.14

NOTE # 21

Financial Cost

Particulars	As at March 31,2023	As at March 31,2022
Interest paid to Banks	575.17	2,300.68
Interest paid to others	1.23	145.63
Bank Charges & Guarantee commission	127.70	201.26
Overseas Bank Charges	1.47	6.95
Total	705.57	2,654.51

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 22

(Rs. In Lacs)

Other Expenses

Particulars	As at March 31,2023	As at March 31,2022
Advertisement & Publicity	2.91	1.38
Auditors Remuneration	7.50	7.50
BIS charges	6.33	-
Restructuring Services	30.24	-
Brokerage & Overseas Agency Commission	37.19	145.15
Carraige outward	818.26	863.76
Computer and printer expenses	4.07	6.62
Demat Charges	0.03	0.03
Director Sitting Fees	3.90	6.00
Donation & CSR Activity	0.98	2.23
Electricity Expenses	2.91	4.14
Insurance Expenses	22.74	22.71
Legal & Professional	262.61	318.38
Membership & Subscriptions	0.12	0.22
Office & General Expenses	48.13	39.44
Postage & Telegram & Telephone	5.69	4.48
Printing & Stationery Expenses	12.39	9.30
Rent, Rates & Taxes	3.78	9.38
Repairs Office Building	0.06	0.10
Repairs Other	0.02	-
Travelling & Conveyance	4.50	4.97
Vehicle Expense	20.42	22.99
Bad Debts Written-Off	20.79	1,096.69
Balance Written-Off	-	92.78
Loss on Fair valueof Investment	0.81	-
Total	1,316.38	2,658.26

As per our report of even date

FOR H. TOSNIWAL & CO.

CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL

PARTNER

M.NO. : 055043

PAN : AACFH 1890 B

FIRM REG. NO: 111032W

PLACE : SURAT

DATE : 30.05.2023

For and on behalf on Board of Directors

Shankarlal Somani- Chairman

Sumeet Kumar Somani - Mg. Director.

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record

Satyendra P. Khorania - RP

Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002

AFA NO.: AA2/10002/02/181223/202501 & Valid upto 18-12-2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note- 23

Particulars		31/03/2023	31/03/2022	Change	Reasons for deviation (More than 25%)
Current Ratio	Current asset	0.57	0.72	20%	-
	Current liabilities				
Debt Equity Ratio	Current borrowings(Including Current maturities of long-term debts)+non-current borrowings	-9.99	19.12	-152%	Due to Loss in Current Year 2022-23, total Equity becomes negative
	Total Equity				
Debt Service Coverage Ratio	Earnings before Finance cost, Tax, Depreciation & Amortisation	-5.53	2.08	-365%	Debt Service Coverage Ratio is decreased by 365% due to decrease in EAT of Rs. 3 Crores to Rs. -68 Crores
	Finance cost + Current debt service				
Return on Equity Ratio	Profit after Tax	1.61	0.12	1276%	Return on equity ratio has been increased because of due to loss in current year of Rs. 68 Crores instead of profit in Previous Year of Rs. 3 Crores
	Total Equity				
Inventory Turnover	Cost of Goods sold	7.63	5.15	48%	Inventory Turnover Ratio is increased due to increase in cost of material consumed by 23%-
	Average inventory				
Trade Receivables turnover ratio	Net Credit Sale	8.97	14.77	-39%	Trade receivable turnover ratio is increased due to Increase in Sales by 16% and increase in receivable from 10% as compared to previous year
	Average Trade Receivable				
Trade payables turnover ratio	Net Credit Purchases for Goods	27.24	36.20	-25%	Trade payable turnover ratio has been decreased by 25% due to increase in Purchases by 27%
	Average Accounts Payable for Goods				
Net capital turnover ratio	Revenue from Operation	-5.52	-6.13	-10%	-
	Working Capital				
Net profit ratio	Profit After Tax	-0.0663	0.0033	-2113%	Net Profit Ratio has been decreased by 2113% due to loss in current year of Rs. 68 Crores instead of profit in Previous Year of Rs. 3 Crores
	Total Revenue				
Return on Capital employed	EBIT	-1.85	0.21	-974%	Return on capital employed has been decreased due to loss in current year of Rs. 68 Crores instead of profit in Previous Year of Rs. 3 Crores
	Capital Employed				
Return on investment	Income generated from investments	1.61	0.12	1276%	Return on investment has been increased only due to loss in current year and total equity also become negative which makes the result of this ratio positive
	Total Investment				

NOTE – 24 : RELATED PARTY TRANSACTIONS**(In Rs.)**

Sr. No	Name Of Party	Relationship	Nature of Transaction	Amount	Balance	
					Due To	Due From
1	Somani Overseas Pvt. Ltd.	Director's Wife is Director	Loan Taken	1,47,36,689/-	11,05,41,528	-
			Loan Repaid	4,97,57,780/-		
2	Shankarlal Somani	Chairman	Director Remuneration	6,00,000/-	-	-
			Loan Repaid	1,47,36,689/-		
3	Sumit Global PTE Ltd.	Fully Owned Subsidiary Company	Financial Transaction	45,730/-	7,37,95,244/-	-
			PTA Purchase	-	57,84,820/-	-
			Sales for Texturising (Polyester)	-	-	4,46,09,494/-
4	ZeelSureshkumarModi	Non-Executive Director	Director Sitting Fees	30,000/-	-	-
5	Manoj Kumar Jain	Non-executive Director	Director Sitting Fees	1,20,000/-	-	-
6	VikashkumarKamalsinghChandaliya	Non-executive Director	Director Sitting Fees	90,000/-	-	-
7	SauravSantoshDuggar	Non-executive Director	Director Sitting Fees	1,50,000/-	-	-
8	Ganga Devi Somani	Chairman's Wife	Loan Taken	-	16,13,220/-	-
			Director Sitting Fees	-	5,61,000/-	-
9	Anil Kumar Jain	Company Secretary	Salary	18,00,754/-	1,46,397/-	-
10	Abhishek Prasad	Chief Financial Officer	Salary	8,65,017/-	69,321/-	-
11	Durga Transport Company	Director's Son-in-law is Proprietor	Carriage Outward & Shipment Charges	3,27,600/-	3,24,324/-	-
			Transportation Charges	1,10,11,141/-		

*Transactions with related parties are entered on arm's length price. The Purchases are inclusive of GST Amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

25. The following term loans are called up by banks so now these are payable on demand basis. We are shown under the head Current Liabilities as Borrowing.

- BOB (FDY Winder) Term Loan
- Canara Bank Term Loan [Texturizing]
- IDBI Corporate Loan
- Bremer Kredit bank AG*
- ECB London Term Loan (BOB)

*The Company has taken loan from Bremer Kreditbank AG. During the F.Y. 2019-20 on the basis of information received by the company the name was changed from Bremer Kreditbank AG to OldenburgischeLandesbank AG. But OldenburgischeLandesbank AG has unable to provide any document for the same, hence during the current financial year the name has been taken as Bremer Kreditbank AG, which is shown under the current maturity of long-term debt.

26. The company has not created provision for Interest on MSME dues in case where payment is made after 45 days. The amount of interest and outstanding dues as on 31.03.2023 are

OUTSTANDING DUES	INTEREST
Rs9,61,00,877/-	Rs 69,83,207/-

27. Payment to Auditors:

Sr. No.	Particulars	Current Period (Rs.)	Previous Year (Rs.)
(a)	Statutory Auditors:		
	(i) Audit Fees	6,50,000	6,50,000
	(ii) Tax Audit Fees	1,00,000	1,00,000
(b)	Cost Audit	40,000	40,000
(c)	Internal Audit	4,00,000	4,00,000

28. Previous year's figures have been regrouped and recasted wherever necessary.

29. Additional regulatory information required by Schedule III of Companies Act, 2013

- (i) The Company has not revalued its property, plant and equipment during the current or previous year.
- (ii) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.
- (iii) The Company has no transactions with struck off companies during the year.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (v) The Company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013, which has an accounting impact on current or previous financial year.
- (vi) The Company has not advanced or loaned funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

- (viii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

30. The IDBI Bank Limited, one of the financial creditor, has filed an application CP (IB) No. 38/NCLT/AHM/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process (CIRP) against the Company and Order has been pronounced by NCLT on 20.12.2022 to initiate CIRP In Sumeet Industries Limited. Further, Mr. KureshHatimKhambati, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-001/IP-P-01521/2018-2019/12454 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and for convening a meeting of Committee of Creditors for evolving a resolution plan.

31. Corporate Insolvency Resolution Process is initiated on 20.12.2022 for 180 days and the period can be extended to complete the Resolution Plan. The Resolution Professional has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 09-02-2023. The resolution professional has examined and admitted the claims from Secured Financial Creditors amounting to Rs. 583.48 Cr, Unsecured Financial Creditors amounting to Rs. 107.61 Cr and from Operational Creditors (other than Workmen, Employees and Government dues) amounting to Rs. 36.64 Cr. The variations between balances as per books and amount claimed by the Secured financial creditors is due to charging of interest and other charges claimed by the financial creditors and by unsecured financial creditors amounting is due to claim by Bank of Baroda against Corporate Guarantee by Company for Sumeet Global Pte Ltd and claim by Sitaram Prints Pvt. Ltd. against Corporate Guarantee given in favour of secured creditors of company, as explained to us.

32. The figures have been rounded off to the nearest lakhs of rupees upto two decimal places.

See accompanying notes to the financial statements for and on behalf on Board of Directors
As per our report of even date

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

Shankarlal Somani- Chairman

CA. HARISHANKAR TOSNIWAL
PARTNER

Sumeet Kumar Somani - Mg. Director.

M.NO. : 055043
PAN : AACFH 1890 B
FIRM REG. NO: 111032W
PLACE : SURAT
DATE : 30-05-2023

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record
Satyendra P. Khorania - RP
Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002
AFA NO.: AA2/10002/02/181223/202501 & Valid
upto 18-12-2023

INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF,
SUMEET INDUSTRIES LIMITED

1. Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **SUMEET INDUSTRIES LTD.** ("The Holding Company") and its subsidiary (the Company and its subsidiary together referred to as the "Group") which comprises the Balance Sheet as on **31st March 2023**, the Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified Opinion paragraph and Material Uncertainty Related to Going Concern under the Emphasis of Matter paragraph** below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Group as at **March 31, 2023**, and its Consolidated **Loss** (financial performance including other comprehensive income), Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion except:

- The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2023 and had paid only interest of Rs.5,75,16,938/- for 3 months out of the total period. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing.
- The Holding company has not created provision for Interest amounting to Rs 69, 83, 207/- on delayed payment of MSME dues resulting in overstatement of profit.

Emphasis of Matter:

We draw attention to the following matters:-

- As stated in Note No 30 to the consolidated financial results, the Bankers have classified its advance to Company as NPA and issued notices under SARFAESI Act, 2002. The IDBI Bank Limited, one of the financial creditor, has filed an application CP (IB) No. 38/NCLT/AHM/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process (CIRP) against the Company and Order has been pronounced by NCLT on 20.12.2022 to initiate CIRP. Further, Mr. KureshHatimKhambati, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-001/IP-P-01521/2018-2019/12454 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and for convening a meeting of Committee of Creditors for evolving a resolution plan.
- Further, the Committee of Creditors (COC) in its First COC meeting convened on 24-01-2023 resolved for replacement of IRP Mr. KureshHatimKhambati by appointing resolution professional Mr. Satyendra P. Khorania having Registration No. IBBI/IPA-002/IP-N0002/2016-2017/10002 to conduct CIRP Process of corporate debtor Sumeet industries limited.
- As stated in Note No 31 to the Consolidated financial statements, The Resolution Professional has examined and admitted the claims from Secured Financial Creditors amounting to Rs. 583.48 Cr, Unsecured Financial Creditors amounting to Rs. 107.61 Cr and from Operational Creditors (other than Workmen, Employees and Government dues) amounting to Rs. 36.64 Cr. The variations between balances as per books and amount claimed by the Secured financial creditors is due to charging of interest and other charges claimed by the financial creditors and by unsecured financial creditors amounting is due to claim by Bank of Baroda against Corporate Guarantee by Company for Sumeet Global Pte Ltd and claim by Sitaram Prints Pvt. Ltd. against Corporate Guarantee given in favour of secured creditors of company, as explained to us.

- As stated in Note 32 in the Consolidated Ind AS Financial Statements which indicate that as the Net worth has become negative, the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going Concern .Further, under the CIRP process the Interim Resolution Professional ("IRP") appointed have invited claims from different set of stakeholders including claims from Financial Creditors, Operational Creditors, Workmen and Employee and other creditors which is subject to verification and admission/rejection by the RP. Adding the company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the company is possible in foreseeable future. Further the RP is required to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern. In view of the aforesaid details and pending outcome of the CIRP, the financial statements of the Company have been prepared on going concern basis.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<u>Key Audit Matter</u>	<u>How our audit addressed the Key Audit Matter</u>
<p><u>Investment in subsidiary company</u> As at March 31, 2023 , the Holding company has investment of Rs 22.73 cr in the Equity shares of Sumeet Global PTE Ltd (company incorporated in Singapore) which is measured at Historical cost,(after considering the exchange rate fluctuations) as per Ind AS 109.</p> <p>On the basis of certified financial statement of Sumeet global PTE ltd, it has been observed that Subsidiary company does not have any Asset in its balance sheet, moreover it has negative net worth of \$78,26,902 i.e. Rs 64.31 Crores.</p> <p>Therefore there is a doubt about recovery of the invested amount.</p> <p>Considering the above we have determined this as a Key Audit Matter.</p>	<p>Our audit procedures included and were not limited to the following,</p> <ul style="list-style-type: none"> • Reviewed the certified copy of financials and Compliance report by the Public Accountants and chartered Accountants, (Singapore) of Sumeet global PTE ltd. • Reviewed the disclosures made by the company and its subsidiary in the financial statement. • We have checked the amount of investment disclosed in the financial statement.

<u>Claim Received</u>	Claim receivable account	
<p>During the year the sum of Rs.55,55,43,409/- has been credited to Claim Receivable Account on account of Insurance Claimreceived by Oldenburgische Landesmark AG Bank and the sum of Rs. 7,93,29,968/- has been debited to Claim Receivable Account and credited to VikudhaOverseas Corporation Limited Accountreason being in F.Y. 2018-19 it waswritten off. However the party has submitted its claim as Creditor in Corporate Insolvency Resolution Process. The balance amount in the Claim Receivable Account is of Rs. 9,88,70,953/- has been transferred to Profit and Loss Account.</p>	Balance as on 01-04-2022	37,76,62,285/-
	Oldenburgische Landesmark AG Bank	(55,55,43,409/-)
	Vikudha Overseas Corporation Ltd.	7,93,29,968/-
	BOB Bank	(3,19,798/-)
	Balance Transferred to Profit and Loss A/C	9,88,70,953/-

4. Information other than the Financial Statements and Auditor’s Report thereon

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Annual Report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the consolidatedfinancial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidatedfinancial performance, total comprehensive income, consolidatedchange in equity and consolidatedcash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with rule 7 of companies (Accounts) Rules, 2014 and the companies(Indian Accounting Standards) Rules 2015, as amended.

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

6. Auditor's Responsibility for the Audit of Consolidated Financial Statement

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of the misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements

We communicate with those charged with governance of Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. We did not audit the financial statements/financial information of Sumeet Global PTE Limited (Wholly Owned Subsidiary) whose financial statements/financial information reflect Total Assets is NIL as at 31st March, 2023, Total Revenues is Rs. 47,356/- and Net loss of Rs. 2,192/- for the year ended 31st March 2023.

The subsidiary company has been elected under section 205(C)(3) of the Companies Act to have Financial Statements exempted from the audit requirements. Hence, the Practitioner's Compilation Report has been provided by the management to us for the consolidation, which clearly mentions that:

"We performed this compilation engagement in accordance with Singapore Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Financial Reporting Standard in Singapore (FRSs). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us to compile these financial statements. Accordingly, we don't express an audit opinion or a review conclusion on whether these financial statements as prepared in accordance with FRSs."

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the compilation reports of the M/s S. Renganathan &Co .

8. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the consolidated financial statements / consolidated financial information certified by the management

9. Report on Other Legal and Regulatory Requirements

- 1) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, we report that CARO report is not applicable to our subsidiary company, as it is not registered under the companies Act, 2013. Hence the reporting requirement under clause (xxi) of Para 3 of the CARO is not applicable to this Consolidated Financial Statement.
- 2) As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of written representations received from the directors of Holding Company as on **31st March, 2023** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2023** from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**";
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration were provided to its directors during the current year by the Holding company.
 - h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated financial Statements has disclosed the impact of pending litigations on its consolidated financial position of the Group. Refer Note No. 1. II-(Q) Contingent liabilities to the Consolidated Financial Statements.
 - (ii) Based on the assessment made by the Group, there are no material foreseeable losses on its long-term contracts that may require any provisioning.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - (iv) a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note No. 29 (vi) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to

or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 29 (v) to the accounts, no funds have been received by the Holding Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances performed by us on the holding Company, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
- v) The Holding company has not paid/declared any dividend during the years and hence compliance of section 123 of the Act is not applicable.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043

PAN : AACFH 1890 B
FIRM REG. NO: 111032W

PLACE : SURAT
DATE : 30-05-2023

UDIN :23055043BGUZJW5564

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF
SUMEET INDUSTRIES LTD.**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended **March 31, 2023**, we have audited the internal financial controls over financial reporting of SUMEET INDUSTRIES LIMITED (hereinafter referred to as the "**Holding Company**").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2023** based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043

PAN : AACFH 1890 B
FIRM REG. NO: 111032W

PLACE : SURAT
DATE : 30-05-2023

UDIN :23055043BGUZJW5564

SUMEET INDUSTRIES LTD

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(Rs. In Lacs)

	Particulars	Note No.	31st March, 2023	31st March, 2022
I.	ASSETS			
(1)	Non-Current Assets			
	PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSET			
	(a) Property, Plant and Equipment	2	18,486.06	21,152.47
	(b) Capital Work in Progress		-	-
	(c) Investment Property			
	(d) Goodwill			
	(e) Other Intangible Aseets			
	(f) Intengible Aseets under Development			
	(g) Financial Assets			
	(i) Investments	3	4.36	12.12
	(ii) Trade Receivables	4	-	-
	(iii) Loans	5	1,491.83	1,498.46
	(iv) Other Financial Assets	6	38.71	891.98
	(h) Deferred Tax Assets			
	(i) Other non current assets	7	-	-
(2)	Current Assets			
	(a) Inventories	8	10,299.22	15,561.40
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade Receivables	4	10,478.23	11,652.59
	(iii) Cash and Cash Equivalentents	9	462.74	30.62
	(iv) loans			
	(v) Other Financial Assets			
	(b) Others Current Assets	7	4,225.77	8,873.48
	TOTAL ASSETS		45,486.92	59,673.13
II	EQUITY AND LIABILITIES			
(1)	Equity			
	Equity Share Capital	10	10,364.24	10,364.24
	Other Equity	11	-21,997.89	-15,646.44
	Total Equity		-11,633.65	-5,282.20

(2) Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	4,124.45	4,646.05
(ii) Trade Payable	13	-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions			
(c) Deferred Tax liabilities (Net)	14	3,261.69	3,766.51
(d) Other non current liabilities	15	460.96	273.82
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	44,788.71	50,484.10
(ii) Trade Payable Due to :	13		
Micro ,Small & Medium Enterprises		996.12	878.53
Other than Micro, Small & Medium Enterprises		2,844.93	4,051.44
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	15	630.35	842.54
(c) Provisions		13.38	12.34
Total Liabilities		57,120.58	64,955.34
TOTAL EQUITY AND LIABILITIES		45,486.92	59,673.13

Significant Accounting Policies
Notes on Financial Statements

1-32

As per our report of even date
FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

For and on behalf on Board of Directors

Shankarlal Somani- Chairman

Sumeet Kumar Somani - Mg. Director.

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043
PAN : AACFH 1890 B
FIRM REG. NO: 111032W
PLACE : SURAT
DATE : 30.05.2023

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record
Satyendra P. Khorania - RP
Reg. No. IBBI/IPA-002/IP-N00002/2016-
17/10002
AFA NO.: AA2/10002/02/181223/202501 &
Valid upto 18-12-2023

SUMEET INDUSTRIES LTD

CONSOLIDATED PROFIT & LOSS STATEMENT FOR YEAR ENDED ON 31ST MARCH, 2023

(Rs. In Lacs)

	Particulars	Note No.	31st March, 2023	31st March, 2022
I.	Revenue from Operations	16	1,03,312.41	89,350.44
II.	Other Incomes	17	1,022.24	2,090.63
III.	Share of profits/losses in a Partnership firm/AOP		-	-
IV.	Share of profits/losses in a Limited Liability Partnership		-	-
III.	Total Income (I + II)		1,04,334.65	91,441.07
IV	Expenses:			
	<u>Manufacturing Expenses</u>			
	Cost of Materials Consumed	18	98,637.78	80,201.68
	Purchases of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	4,768.88	619.05
	<u>Administrative & Selling Expenses</u>			
	Employee Benefit Expenses	20	2,532.28	2,442.14
	Finance Costs	21	705.57	2,654.51
	Depreciation and Amortization Expense	2	2,749.24	3,140.99
	Other Expenses	22	1,316.07	2,658.70
	Total Expenses		1,10,709.83	91,717.06
V	Profit before Exceptional Items and Tax (III-IV)		(6,375.18)	(275.98)
VI	Exceptional Items		(1.80)	(3.55)
VII	Profit Before Tax		(6,376.98)	(279.53)
X	Tax Expense:			
	(1) Current tax		-	-
	(2) Income Tax of Earlier Year		-	-
	(3) Deferred Tax		(504.81)	(570.91)
	(4) MAT credit		-	-
			(504.81)	(570.91)
XI	Profit/ (Loss) for the period from Continuing Operations (VII - VIII-X)		(5,872.17)	291.38
XII	Profit/ (Loss) from discontinuing Operations		-	-
XIII	Tax expense of discontinued operation		-	-
XVI	Profit/ (Loss) from discontinuing Operations (after tax)(XII-XIII)		-	-
XV	Profit/ (Loss) for the period (IX-XII)		(5,872.17)	291.38
XVI	Other Comprehensive Income			

A Items that will not be reclassified to profit or loss		
(a) Remeasurements of defined benefit obligations	20.81	28.05
Less : Income tax relating to above item		
Total	20.81	28.05
(b) Fair value of equity instruments through other comprehensive income	(0.48)	1.88
Less : Income tax relating to above item		
Total	(0.48)	1.88
B (i) Items that will be reclassified to profit or loss	-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss	-499.62	-251.98
Total Comprehensive Income for the period (XV + XVI)	(479.28)	(222.05)
Earning per equity share (for continuing operation):		
(1) Basic	-0.00	0.28
(2) Diluted	-0.00	0.00

As per our report of even date

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043
PAN : AACFH 1890 B
FIRM REG. NO: 111032W
PLACE : SURAT
DATE : 30.05.2023

UDIN :23055043BGUZJW564

For and on behalf on Board of Directors

Shankarlal Somani- Chairman

Sumeet Kumar Somani - Mg. Director.

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record
Satyendra P. Khorania - RP
Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002
AFA NO.: AA2/10002/02/181223/202501 &
Valid upto 18-12-2023

SUMEET INDUSTRIES LTD

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2023

(Rs. In Lacs)

PARTICULARS	F.Y. 2022-23		F.Y. 2021-22	
	Amount	Amount	Amount	Amount
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Extraordinary Items	(6,354.85)		(249.60)	
Adjustment For:				
Add:	-		-	
Depreciation	2,749.24		3,140.99	
Fair Value on investment	-		-	
Foregin Exchange	(499.62)		(251.98)	
Loss on sale of Asset	1.80		3.55	
Interest on Income Tax	-		-	
Loss on sale of Investment	-		-	
Interest Paid	576.40		2,446.31	
Other Adjustment to reconcile profit	-		85.68	
	2,827.83		5,424.55	
Less:				
Fair Value on investment	-		-	
Interest Income	1.03		173.98	
Profit on sale of Asset	-		-	
Dividend Income	0.25		0.20	
	1.28		174.18	
Operating Profit before Working Capital Changes		2,826.54		5,250.37
Trade Receivables	1,174.37		(1,241.57)	
Other asset	5,500.98		34.69	
Inventories	5,262.19		776.15	
Trade Payables	(1,088.92)		1,355.56	
Other Financial Liability	-		-	
Other Liabilities	(25.07)		126.39	
			0.37	
Provision	1.04		-	
		10,824.58		1,051.60
Tax Paid				
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		7,296.28		6,052.37
B CASH FLOW FROM INVESTING ACTIVITIES:				
<u>Fixed Assets & Work in Progress</u>				
Sale of Fixed Assets	(1.41)		4.20	
Purchase of Fixed Assets	(85.03)		(121.85)	
(Increase)/Decrease in Fixed Asset due to Exchange Diffrence				
Increase in Capital Work in progress				
<u>Investments</u>				
Purchase of Investments	7.76		(3.27)	
Sale of Investments				
Dividend received	0.25		0.20	
Interest Income	1.03		173.98	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(77.40)		53.26
C CASH FLOW FROM FINANCING ACTIVITIES:				
Equity Share Capital raised	-		-	
Security premium received	-		-	
Increase / Decrease in Borrowings	(6,217.00)		(3,905.62)	
Increase / Decrease in Loans & Advances	6.63		193.57	
Interest Paid	(576.40)		(2,446.31)	

PARTICULARS	F.Y. 2022-23		F.Y. 2021-22	
	Amount	Amount	Amount	Amount
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(6,786.76)		(6,158.36)
Net Increase in Cash & Cash equivalents		432.11		(52.73)
D Opening Cash and Cash equivalents		30.63		83.36
E Closing Cash and Cash equivalents		462.74		30.63
		432.11		(52.73)

As per our report of even date
FOR H. TOSNIWAL & CO.
 CHARTERED ACCOUNTANTS

For and on behalf on Board of Directors

Shankarlal Somani- Chairman

Sumeet Kumar Somani - Mg. Director.

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record

Satyendra P. Khorania - RP

Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002

**AFA NO.: AA2/10002/02/181223/202501 & Valid upto
 18-12-2023**

CA. HARISHANKAR TOSNIWAL
PARTNER

M.NO. : 055043

PAN : AACFH 1890 B

FIRM REG. NO: 111032W

PLACE : SURAT

DATE : 30.05.2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 1: Company Overview and Notes to the Consolidated Financial Statements

I) CORPORATE INFORMATION:

SUMEET INDUSTRIES LTD. is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956; now referred as Companies Act, 2013. The address of its registered office is SUMEET INDUSTRIES LIMITED, 504, Trividh Chamber, Opp. Fire Station, Ring Road, Surat 395002, Gujarat, India. The Holding Company has its primary listings on the Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) of India Limited.

The Holding Company is engaged in the business of manufacturing and exporting Polyester Yarn (POY and FDY), Polyester Chips and Texturizing Yarn. The company caters to both domestic and international markets.

II) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

(i) Compliance with Ind AS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the provisions of the Companies Act, 2013 (“the Companies Act”) as applicable and guidelines issued by the Securities and Exchange Board of India (“SEBI”).

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

(ii) Historical cost convention

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

(iii) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III except number of shares and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

(v) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in financial statements are included in the following notes:

- Useful lives of Property, plant and equipment
- Measurement of defined benefit obligations
- Provision for inventories
- Measurement and likelihood of occurrence of provisions and contingencies
- Deferred taxes

(B) Inventories: [Ind AS 2]

Inventories are assets:

- Held for sale in the ordinary course of business
- In the process of production for such sale
- In the form of materials or supplies to be consumed in the production process or in the rendering of services.

Measurement of Inventory

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

Cost of Inventories

Cost comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae/ method for valuation used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Net Realisable Value

Net realisable value (NRV) is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Estimate of net realisable value must be based on the most reliable evidence available and take into account fluctuations of price or cost after the end of the period, if this is evidence of conditions existing at the end of the period.

The Cost and net realisable value has been compared for each separately identifiable item of inventory, or group of similar inventories, rather than for inventory in total.

(C) Cash flow statement [Ind AS 7]

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

(D) Property, Plant and Equipment (PPE): [Ind AS 16]

Recognition and Measurement

Items of Property, plant and equipment acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management.

The historical cost of Property, plant and equipment comprises of its

- purchase price including import duties and non-refundable purchase taxes,
- borrowing costs directly attributable to the qualifying asset in accordance with accounting policy on borrowing cost,
- the cost of dismantling, removing the item and restoring the site on which it is located and
- Adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in progress'. The Group identifies and determines cost of each component of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

Machinery spares which meets the criteria of PPE is capitalised and depreciated over the useful life of the respective asset.

Depreciation methods, estimated useful lives and residual values

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

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Management believes that useful lives of assets are same as those prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows

Asset Class	Useful Life
Building	30 years
Road Development	10 Years
Plant & Machinery	15 Years
Furniture, Fixture	10 Years
Computers	3 Years
Office Equipment's	5 Years
Vehicle	10 Years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Consolidated Statement of Profit and Loss. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(E) Income Taxes (Ind AS 12)

Tax expenses for the period, comprising current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Tax expense/(credit) recognized in the Consolidated Statement of Profit and Loss for the year ended 31.03.2023:

Sr. No.	Description	Amount (In Rs.)	Amount (In Rs.)
1.	Difference in closing Balance of Depreciations		
	Depreciation as Per Companies Act	27,49,24,450	
	Depreciation as per Income Tax Act	(12,37,10,310)	
		15,12,14,140	
	Deferred Tax Assets/(Liability) at 33.384%		5,04,81,328

Sr. No.	Particulars	Amount (In Rs.)
1.	Opening Balance of DTA / (DTL)	(37,66,50,700)
2.	Deferred Tax Assets / (Liabilities) of the period	5,04,81,328
3.	Closing Balance of DTA / (DTL)	(32,61,69,372)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

(F) Revenue from Contracts with Customers: [Ind AS 115]

- Revenue from contract with customer is recognized when control of Goods or services are transferred to the buyer as per the terms of the contract; the entity retains neither continuing managerial involvement nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.
- Export sales are accounted when the goods have left the premises or when the goods are received by the customers and incoterms are fulfilled at the exchange rate prevailing on the date of invoice. These are net of commission and do not include freight wherever applicable as per the terms of the sales contract.
- Dividend income is recognized when the right to receive the dividend is established by the reporting date, which is generally when shareholders approves the dividend.
- Interest income is recognized using the effective interest method (EIR) and accounted on accrual basis. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount.

(G) Employee Benefits: [Ind AS 19]

Short-term employee benefits

These are liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related employee service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for that service is recognised as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognise that excess as an asset (prepaid expense). Or else recognised as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

Post-employment obligations

The Holding Company operates the following postemployment schemes:

- (a) defined benefit plans such as gratuity and pension; and
- (b) defined contribution plans such as provident fund etc.

(a) Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Holding Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Holding Company. The Holding Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

(b) Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, provident fund, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Holding Company is a member of recognized Provident Fund scheme established under The Provident Fund & Miscellaneous Act, 1952 by the Government of India. The contribution paid or payable under the scheme is recognized during the period under which the employee renders the related services. The above benefits are classified as Defined Contribution Schemes as the Holding Company has no further defined obligations beyond the monthly contributions. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions; and actuarial risk and investment risk falls on the employee.

Other Employee Benefits

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

Defined Benefit Plan – Gratuity

The Holding Company has a defined benefit gratuity plan in India (unfunded). The Holding company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from Holding company as and when it becomes due and is paid as per Holding company scheme for Gratuity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The Holding Company's obligation in respect of the gratuity plan is provided for based on actuarial valuation using the projected unit credit method. The Holding Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the Consolidated Statement of Profit and loss under employee benefit expense:

(InRs.)

	Year ended	
	March 31, 2023	March 31, 2022
Current service cost	42,18,787	43,55,843
Net interest on net defined benefit liability/(asset)	19,84,433	15,59,537
Net gratuity cost/(benefit)	62,03,220	59,15,380

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the statement of Other Comprehensive Income:

(InRs.)

Re-measurements of the net defined benefit liability / (asset)	Year ended	
	March 31, 2023	March 31, 2022
Actuarial (gains) / losses - Net of taxes	(20,81,133)	(28,05,049)
	(20,81,133)	(28,05,049)

The principal assumptions used for the purpose of actuarial valuation are as follows:

	Year ended	
	March 31, 2023	March 31, 2022
Discount rate	7.25%	7.25%
Expected return on plan assets	N.A	N.A
Expected rate of salary increase	8.00%	8.00%
<u>Rate of employee turnover</u>		
For service 4 years and below	12.00%	12.00%
For service 5 years and above	3.00%	3.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)
Mortality rate after employment	N.A	N.A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Change in present value of defined benefit obligation is summarized below:

(InRs.)

	Year ended	
	March 31, 2023	March 31, 2022
Present value of Defined Benefit Obligation at the beginning of the period	2,73,71,493	2,28,67,105
Current service cost	42,18,787	43,55,843
Past service cost		27,78,612
Interest cost	19,84,433	15,59,537
Liability transferred In/Acquisitions		-
(Liability transferred Out/Divestments)		-
(Gains)/Losses on curtailment		-
(Liabilities extinguished on settlement)		-
(Benefits paid directly by the employer)	(4,33,140)	(13,84,555)
(Benefits paid from the fund)		-
The effect of changes in foreign exchange rates		-
Actuarial loss/(gain) arising from financial assumptions	(9,11,867)	(15,02,974)
Actuarial loss/(gain) arising from demographic assumptions		13,908
Actuarial loss/(gain) arising from experience assumptions	(11,69,266)	(13,15,983)
Present value of Defined Benefit Obligation at the end of the period	3,10,60,440	2,73,71,493

Amount Recognized in the Consolidated Balance Sheet:

(InRs.)

	As at	
	March 31, 2023	March 31, 2022
(Present Value of Benefit Obligation at the end of the Period)	(3,10,60,440)	(2,73,71,493)
Fair Value of Plan Assets at the end of the Period		
Funded Status (Surplus/ (Deficit))	(3,10,60,440)	(2,73,71,493)
Net (Liability)/Asset Recognized in the Balance Sheet	(3,10,60,440)	(2,73,71,493)

Maturity Analysis of the Benefit Payments: From the Employer

(In Rs.)

Projected Benefits Payable in Future Years from the Date of Reporting	As at	
	March 31, 2023 (Amt in Rs.)	March 31, 2022 (Amt in Rs.)
1st Following Year	15,30,796	12,77,303
2nd Following Year	13,33,787	9,71,874
3rd Following Year	18,72,455	10,77,977
4th Following Year	20,92,934	17,74,329
5th Following Year	15,47,971	16,52,077
Sum of Years 6 To 10	1,10,68,428	84,03,020
Sum of Years 11 and above	7,46,06,465	6,89,93,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Sensitivity Analysis

	As at	
	March 31, 2023 (Amt in Rs.)	March 31, 2022 (Amt in Rs.)
Projected Benefit Obligation on Current Assumptions	3,10,60,440	2,73,71,493
Delta Effect of +1% Change in Rate of Discounting	-32,63,247	-30,63,254
Delta Effect of -1% Change in Rate of Discounting	39,14,688	36,95,473
Delta Effect of +1% Change in Rate of Salary Increase	38,55,702	36,30,359
Delta Effect of -1% Change in Rate of Salary Increase	-32,77,180	-30,69,777
Delta Effect of +1% Change in Rate of Employee Turnover	-2,31,430	-3,01,703
Delta Effect of -1% Change in Rate of Employee Turnover	2,58,143	3,40,209

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Holding company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay- out based on pay as you go basis from own funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

(H) Foreign Currency: [Ind AS 21]

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the company's functional and presentation currency.

Foreign currency transactions

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Realised gains and losses on settlement of foreign currency transactions are recognised in the Consolidated Statement of Profit and Loss.
- Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.
- Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.
- Exchange difference arising on settlement of monetary items or reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

(I) Related parties [Ind AS 24]

As per Ind AS-24 issued by the Institute of chartered Accountants of India, the company's related parties are disclosed below:

i. Enterprises where control exists:

Sumeet Global PTE Ltd. – 100% Owned subsidiary

ii. Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year

- Somani Overseas Pvt Ltd. - Director's Wife is Director
- Durga Transport Company - Director's Son-in-law is proprietor

iii. Key Management Personnel (KMP):

a) Executive Director

- Shankarlal Somani
- Sumeet Somani

b) Non-Executive Director

- Zeel Suresh Kumar Modi
- Manoj Kumar Jain
- Vikashkumar Kamal Singh Chandaliya
- Saurav Santosh Dugar

c) Company Secretary

- Anil Kumar Jain

d) Chief Financial Officer

- Abhishek Prasad

e) Relatives of Key Management Personnel

- Ganga Devi Somani

iv. Other related parties - NIL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

(J) Financial instruments: [Ind AS 109]

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

Financial assets:

Classification

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

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

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

Initial recognition and measurement

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

Subsequent measurement

After initial recognition, financial assets are measured at:

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

Amortised cost:

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

Fair Value through Other Comprehensive Income (FVOCI):

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Profit and Loss (FVTPL):

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

Equity instruments

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets.

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

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

Debt instruments

Debt instruments are subsequently measured at amortized cost on the basis of :

- (i) the entity's business model for managing the financial assets and
- (ii) the contractual cash flow characteristics of the financial asset.

De-recognition

A financial asset shall be derecognized only when:

- (a) the contractual rights to the cash flows from the financial asset expire, or
- (b) it transfers the financial asset and the transfer qualifies for derecognition.
- (c) On de-recognition of a financial asset, the difference between:
 - a. the carrying amount (measured at date of derecognition); and
 - b. the consideration received

shall be recognized in Statement of Profit and Loss.

Note:

On de recognition of Investments the cumulative balance of OCI account related to those investments is been transferred to general reserve.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate., in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

Preference Shares being redeemable at fixed date and having right of cumulative dividend are considered as financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(K) Earnings Per Share: [Ind AS 33]

Basic and Diluted earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for any share

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the board of directors.

Calculation of EPS as appearing in Consolidated Statement of Profit and Loss Account:

Sr. No.	Particulars	Current Period	Previous Year
(i)	Net profit/(loss) as per Profit & Loss A/c* (Rs. In Lakhs)	(5,872.17)	291.38
(ii)	Net Profit/(loss) adjusted from reserves		
(iii)	Net Profit Attributable to ordinary Shareholders[(i)+(ii)]	(5,872.17)	291.38
(ii)	Weighted average number of shares for Basic Earnings per share	10,36,42,389	10,36,42,389
(iii)	Weighted average number of shares for Diluted Earnings per share	10,36,42,389	10,36,42,389
(iv)	Nominal value per share	10	10
(v)	Basic earnings per share (₹)	-	0.28
(vi)	Diluted earnings per share (₹)	-	0.28

*The fair value of cash and cash equivalents, trade receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt and investment in fixed deposit have been contracted at market rates of interest. Accordingly, the carrying value of such instruments approximates their fair value.

(L) Intangible assets (Excluding Goodwill): [Ind AS 38]

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the assets can be measured reliably.

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(M) Segment reporting: [Ind AS 108]

Ind AS 108 establishes standards for the way public business enterprises report information about operating segments and related disclosures about product, services, geographic areas, and major customers.

Operating segment

Operating segments are defined as components of a company for which discrete financial information is available that is evaluated regularly by Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The operations of the company are limited to **one segment** viz. Yarn manufacturing.

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

(Rs. In Lacs)

Sr. No.	Particulars	31-03-2023	31-03-2022
(i)	India	102828.36	84777.49
(ii)	Rest of the world	454.21	4488.90

Significant Clients

Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2023 and March 31, 2022.

(Rs. In Lacs)

Sr. No.	Name of Customer	31-03-2023	31-03-2022
(i)	Eagle Fashions Pvt Ltd	3933.03/-	12,004.57/-
(ii)	Ginni Tradelinks Pvt. Ltd.	15,394.09/-	20,601.85/-
(iii)	Eagle Fibers Limited	4924.32/-	18,164.42/-
(iv)	Pallas Fincap Privat Limited	28,816.66/-	14,710.56/-
(v)	Aadhudev Polytex Private Limited.	33,677/-	20,559.34/-
(vi)	Tirupati Textile Co	15,887.13/-	-

(A) Consolidated Financial Statements: [Ind AS 110]

Consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity.

In its consolidated financial statements, an entity shall:

- I. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2023**

- II. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary [Ind AS 103 explains how to account for any related goodwill].

Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group [profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full]. Ind AS 12, Income Taxes, applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements shall be in the form specified in Schedule III to the Act and comply with Accounting Standards or Indian Accounting Standards as applicable. Provided that the items contained in the financial statements shall be prepared in accordance with the definitions and other requirements specified in the Accounting Standards or the Indian Accounting Standards, as the case may be."

The Effects of Changes in Foreign Exchange Rates [Ind AS 21]

The results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures:

- I. Assets and liabilities for each balance sheet presented [i.e. including comparatives] shall be translated at the closing rate at the date of that balance sheet;
- II. Income and expenses for each statement of profit and loss presented [i.e. including comparatives] shall be translated at exchange rates at the dates of the transactions; and
- III. All resulting exchange differences shall be recognised in other comprehensive income.

(N) Fair value measurement [Ind AS 113]

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- Level 1 - Quoted (unadjusted) prices in active market for identical assets or liabilities. Investments in Quoted Shares are valued as per quoted price in active market.
- Level 2 –(Inputs other than quoted prices included in Level 1) Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

(O) Finance Cost: [Ind AS 23]

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

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying asset is deducted from the borrowing cost eligible for capitalization. All Other borrowing costs are charged to statement of profit and loss for the period in which they are incurred.

(P) Cash and cash equivalents:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Q) Provisions and Contingent Liabilities: [Ind AS 37]

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

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

Contingent Liabilities:

- a) The Holding Company has given corporate guarantee to Bank of Baroda, Singapore for term loan given to Sumeet Global PTE Limited and the present outstanding is Rs 64.18 Crores (\$78,10,016.82)
- b) Income Tax Assessment for A.Y. 2018-19 is pending at CIT-Appeals (4) Total amount of demand involved in all these cases is as follows subject to final order and rectification:

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(I)	Contingent Liabilities Claims against the company/disputed liabilities not acknowledged as debts (i) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2018-19 pending at CIT-A (4)	Rs. 37.60 Lakhs	NIL

- c) Pending outcome of the aforementioned appeals and based on the decision of the appellate authorities and the interpretations of other relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.
- d) A sum of Rs.1,61,052/- and 71,109/- has been paid against the demand raised by GST Department during FY 2020-21 and FY 2022-23 respectively against which an appeal has been filed before the Appellate Authority. The same amount has been shown under other current Assets for the GST Penalty paid against appeal filed.

SUMEET INDUSTRIES LTD

NOTE # 2

Property, plant and equipment

(Rs. In Lacs)

Particulars	Land	Building	Road Development	Plant & Machinery	Plant & Machinery (Foreign Exchange)	Furniture & Fixture	Intangible Asset	Vehicle	Total
Opening Gross Carrying Amount	50	2,802	121	54,321	695	251	-	327	58,568
Additions	-	30	-	83	-	8	-	1	122
Disposal/Adjustment	-	-	-	-	-	-	-	87	87
Closing gross carrying amount as at March 31, 2022	50	2,832	121	54,404	695	260	-	241	58,603
Opening Gross Carrying Amount	50	2,832	121	54,404	695	260	-	241	58,603
Additions	-	4	-	62	-	4	1	13	85
Disposal/Adjustment	-	-	-	-	-	-	-	9	9
Closing gross carrying amount as at March 31, 2023	50	2,836	121	54,466	695	264	1	244	58,679
Accumulated amortization and impairment :									
Opening Accumulated Depreciation	-	1,896	75	31,917	-	197	-	303	34,388
Depreciation/Amortization charge during the year	-	83	12	3,035	-	8	-	4	3,141
Disposal/Adjustment	-	-	-	-	-	-	-	79	79
Closing accumulated depreciation as at March 31, 2022	-	1,979	86	34,952	-	205	-	228	37,450
Accumulated amortization and impairment :									
Opening Accumulated Depreciation	-	1,979	86	34,952	-	205	-	228	37,450
Depreciation/Amortization charge during the year	-	77	9	2,653	-	6	1	3	2,749
Disposal/Adjustment	-	-	-	-	-	-	-	7	7
Closing accumulated depreciation as at March 31, 2023	-	2,055	95	37,605	-	211	1	225	40,193
Net carrying amount as at March 31, 2022	50	853	34	19,452	695	55	-	13	21,152
Net carrying amount as at March 31, 2023	50	781	25	16,861	695	52	1	20	18,486

SUMEET INDUSTRIES LIMITED

NOTE # 2

Property, plant and equipment

(Rs. In Lacs)

Sr No	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2022	Addition	DELETION	As At 31.03.2023	As At 01.04.2022	For the Year	Adjustment	As At 31.03.2023	As At 31.03.2023	As At 31.03.2022
1	Land	50	-	-	50	-	-	-	-	50	50
2	Building	2,832	4	-	2,836	1,979	77	-	2,055	781	858
3	Road Develoment	121	-	-	121	86	9	-	95	25	34
4	Plant & Machinery	54,404	62	-	54,466	34,952	2,653	-	37,605	16,861	19,514
5	Plant & Machinery (Foreign Exchange)	695	-	-	695		-	-	-	695	695
6	Furniture, Fixture & Equipments	260	4	-	264	205	6	-	211	52	59
7	Intangible Assets	-	1	-	1		1	-	1	1	-
8	Vehicle	241	13	9	244	228	3	7	225	20	16
	TOTAL	58,603	85	9	58,679	37,450	2,749	7	40,193	18,486	21,227
	Grand Total	58,603	85	9	58,679	37,450	2,749	7	40,193	18,486	21,227

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 3
Investments

(Rs. In Lacs)

Particulars	As at March 31,2023	As at March 31,2022
Financial instruments at FVTPL		
Equity instruments [Note 3.1]	4.11	5.49
Mutual Funds [Note 3.2]	0.25	6.64
Total	4.36	12.12
Non-current	4.36	12.12
Current	-	-
Aggregate amount of quoted investments (FMV)		
Non-current	3.76	11.52
Current	-	-
Aggregate amount of unquoted investments (FMV)		
Non-current	0.60	0.60
Current	-	-

3.1 Details of investments in equity instruments:

Quoted:		
Stampede Capital Ltd.	0.91	1.70
Tata Steel Ltd.	2.34	2.93
Questfin Ltd.	0.09	0.09
Zylog Systems Ltd.	0.17	0.17
	3.51	4.89
Unquoted:		
Inherent Computers Pvt Ltd	0.60	0.60
	0.60	0.60
Total	4.11	5.49

3.2 Investment in Mutual funds - Quoted

India First Life Insurance Co Ltd. MF (23,337.227 units @ 27.39 each)	-	6.39
Baroda Treasury Advantage Fund	0.25	0.24
Total	0.25	6.64

NOTE 4**(In Rs.)****Trade Receivables as at 31/03/23**

Sr. No.	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	1009738512	38084306	44609494	0	0	1092432312
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	0	0	0	0	0	0
(iii)	Undisputed Trade Receivables – credit impaired	0	0	0	0	0	0
(iv)	Disputed Trade Receivables– considered good	0	0	0	0	0	0
(v)	Disputed Trade Receivables – which have significant increase in credit risk	0	0	0	0	0	0
(vi)	Disputed Trade Receivables – credit impaired	0	0	0	0	0	0

Trade Receivables as at 31/03/22

Sr. No.	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	1165259434	0	44609494	0	0	1209868928
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	0	0	0	0	0	0
(iii)	Undisputed Trade Receivables – credit impaired	0	0	0	0	0	0
(iv)	Disputed Trade Receivables– considered good	0	0	0	0	0	0
(v)	Disputed Trade Receivables – which have significant increase in credit risk	0	0	0	0	0	0
(vi)	Disputed Trade Receivables – credit impaired	0	0	0	0	0	0

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 4

(Rs. In Lacs)

Trade Receivables

Particulars	As at March 31,2023	As at March 31,2022
Unsecured		
Related Parties		
Considered Good	-	-
Doubtful	-	-
Others		
Considered Good	10,478.23	11,652.59
Doubtful		
Less : Allowance for expected credit loss	-	-
Total	10,478.23	11,652.59
Non - current		-
Current	10,478.23	11,652.59

Trade receivables are classified as current on the basis of normal operating cycle of twelve months

NOTE # 5

Loans

Particulars	As at March 31,2023	As at March 31,2022
Loans to Related Parties		
Non - Current	1,491.83	1,498.46
Current	-	-
Loans to Others		
Non - Current	-	-
Current	-	-
Total	1,491.83	1,498.46

NOTE # 6

Other Financial Assets

Particulars	As at March 31,2023	As at March 31,2022
Security deposits	38.71	891.98
Total	38.71	891.98

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 7

(Rs. In Lacs)

Other Current Assets

Particulars	As at March 31,2023	As at March 31,2022
Non - Current	-	-
Total	-	-
Current		
Balance with Revenue Authorities	3,691.88	4,031.74
Claim Receivable	-	3,776.62
Income Tax Seized Cash	-	-
Others	533.86	1,065.12
Total	4,225.74	8,873.48

NOTE # 8

Inventories

Particulars	As at March 31,2023	As at March 31,2022
Raw Materials	2,483.53	2,444.29
Work-in-progress	2,635.45	3,338.59
Finished goods	986.07	5,051.81
Stores, Spares and Consumables	4,194.16	4,726.71
Total	10,299.22	15,561.40

Method of Valuation of Inventories

Particulars	Method of Valuation
Raw material & W.I.P.	: Valued at cost.
Finished Goods	: Valued at cost or NRV whichever is lower.

NOTE # 9

Cash and cash equivalents

Particulars	As at March 31,2023	As at March 31,2022
Balances with Banks		
Current accounts	459.57	29.28
Demand deposits (Fixed deposits/Margin Money/Security against borrowings)	1.34	1.28
Cash on hand	1.83	0.06
Total	462.74	30.62

SUMEET INDUSTRIES LTD.

NOTE # 10

Share Capital

(Rs. In Lacs)

Particulars	As at March 31,2023	As at March 31,2022
Authorised Capital		
145,000,000 Equity shares of Rs. 10/- each.	14,500.00	14,500.00
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3,000.00
	17,500.00	17,500.00
Issued, Subscribed and paid up capital		
103642389 Equity shares of Rs. 10/- each.fully paid [103642389 Equity Shares Earlier]	10,364.24	10,364.24
	10,364.24	10,364.24

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

(i) Reconciliation of number of shares and share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Authorised Capital				
Number of shares at the beginning	17,50,00,000	1,75,00,00,000.00	17,50,00,000	1,75,00,00,000.00
Add : Increased during the year	-	-	-	-
Number of shares at the end	17,50,00,000	1,75,00,00,000.00	17,50,00,000.00	1,75,00,00,000.00
Issued, Subscribed and Paid up				
Number of equity shares at the beginning	10,36,42,389	1,03,64,23,890.00	10,36,42,389	1,03,64,23,890.00
Add : Issued during the year	-	-	-	-
Number of shares at the end	10,36,42,389	1,03,64,23,890.00	10,36,42,389.00	1,03,64,23,890.00
Number of preference shares at the beginning	3,00,00,000	30,00,00,000.00	3,00,00,000	30,00,00,000.00
Add : Issued during the year	-	-	-	-
Number of shares at the end	3,00,00,000	30,00,00,000.00	3,00,00,000.00	30,00,00,000.00

SUMEET INDUSTRIES LTD.

NOTE # 10
Share Capital

(Rs. In Lacs)

(ii) Terms and rights attached to equity shares.

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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

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

Particulars	As at March 31,2023	%	As at March 31,2022	%
Shankarlal Somani	55,00,000	5.31	55,00,000	5.31
Somani Overseas Private Limited	1,02,88,855	9.93	1,02,88,855	9.93

(iv) Shares held by promoter as at 31/03/2023

Serial Number	Promoter name	No. of shares	% of total shares	% change during the year
1	Shankarlal Sitaram Somani	5500000	5.31	-
2	Gangadevi Shankarlal Somani	1500000	1.45	-
3	Sumandevi Somani	299291	0.29	-
4	Manisha Sumeet Somani	625000	0.60	-
5	Sushil Shankarlal Somani	677292	0.65	-
6	Sumeet Shankarlal Somani	2456337	2.37	-
7	Neelam Sushil Somani	737516	0.71	-
Total		11795436	11.38	

SUMEET INDUSTRIES LTD.

NOTE # 10
Share Capital

(Rs. In Lacs)

(v) Other details of Equity Shares for a period of five years immediately preceding March 31, 2022:

Particulars	As at 31,2023	March	As at March 31,2022	As at March 31,2021	As at March 31,2020	As at March 31,2019
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash		-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares		-	-	-	-	2,07,28,478
Aggregate number of shares bought back		-	-	-	-	-

SUMEET INDUSTRIES LTD.

NOTE # 11

(Rs. In Lacs)

Statement of changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

Particulars	Amount
As at April 1, 2021	10,364.24
Changes in Equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the current year	-
As at March 31, 2022	10,364.24
As at April 1, 2022	10,364.24
Changes in Equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the current year	-
As at March 31, 2023	10,364.24

B. Other Equity

Particulars	Reserves and surplus							Total other equity
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit obligations	Equity instruments through other comprehensive income	Exchange Difference in translating the Financial Statement of a Foreign Operation	
Balance as at April 01, 2022	25.00	6,741.20	603.19	-23,694.92	18.62	203.44	457.03	-15,646.44
Prior period adjustments	-	-	-			-		-
Provision for taxation								-
Restated balance at the beginning	25.00	6,741.20	603.19	-23,694.92	18.62	203.44	457.03	-15,646.44
Other comprehensive income for the year	-	-	-	-	20.81	(0.48)	(499.62)	(479.28)
Transfer to general reserve	-			-	-			-
Transfer from Other Comprehensive Income (Equity Instruments)								-
Transfer from Provision for Taxation (OCI)				-				-
Transfer to retained earnings	-	-	-	-5,872.17	-	-	-	-5,872.17
Balance as at March 31, 2023	25.00	6,741.20	603.19	-29,567.09	39.43	202.96	-42.59	-21,997.89

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 12 Borrowings

(Rs. In Lacs)

Particulars	As at March 31,2023	As at March 31,2022
Non - current Borrowings		
Secured		
Term loans from banks	-	-
Term loans from others	-	24.02
Unsecured		
Loans and Deposits	1,124.45	1,622.03
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3,000.00
Total	4,124.45	4,646.05
Current Borrowings		
Cash Credit facilities	30,333.39	30,969.29
Inland LCs and Current a/c	1,591.18	1,591.18
Bank Overdraft	6,417.49	5,919.41
Total	38,342.07	38,479.88
Current Maturities of Long Term Borrowings		
Current maturities of long term debt	5,769.02	11,324.45
Interest accrued but not paid	677.62	679.78
Total	6,446.64	12,004.23

Nature of security

1. Hypothication of 1st charge on all fixed assets of the company and 2nd pari passue charge on all current assets of the company.
2. Mortgage of Fixed Assets of M/S. Sitaram Prints Pvt. Ltd. And Residence Bunglow of Shri Shankar Lal Somani and Smt.Ganga devi Somani.
3. Loan taken from BKB secured by hypothication of Exclusive Charges of Machinery.

Loans guaranteed by directors or others

Mr.Shankarlal Sitaram Somani Mr.Rajkumar Sitaram Somani Mr. Sumeetkumar Shankarlal Somani Smt. Gangadevi Somani Corporate Guarantee of M/S. Sitaram Prints Pvt Ltd.	Term Loan: Rs. 26.53 Crores & US\$ 39.29 Lacs
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Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 164078.22 for loan taken from Bremer Kredit Bank AG

Terms of repayment of term loans & other loans

(Refer Notes to accounts)

Long & Short Term of Borrowing (Term Loans)

Terms of repayment of term loans & other loans

F.Y. 2022-23

Long & Short Term of Borrowings	Original Amount Of Borrowings	Tenor at Inception (in years)	Terms of Repayment	Months in Which Last Installment is Due	Balance as on 31st March, 2023		Balance as on 31st March, 2022		Prevailing Interest Rate % Per Annum
					Shown in long Term Borrow	Shown in Short Term Borrow	Shown in long Term Borrow	Shown in Short Term Borrow	
ECB Loan 2 (BOB London)	Rs. 50 Crores (10M UDS)	7	Quarterly	-	-	29,77,56,218		28,87,68,433	5.36%
Bremer Kredit Bank AG	10441142 Euro	8.5	Half-Yearly	-	-	1,38,22,890		58,20,64,885	2.20%
Term Loan (BOB FDY Winder Loan)	Rs. 29.45 Crores	4	Quarterly	-	-	10,85,00,000		10,85,00,000	11.70%
Term Loan (Canara Bank Text)	Rs. 4.12 Crores	6	Monthly	-	-	40,44,678		65,44,678	13.65%
IDBI Loan (Corporate)	Rs. 25 Crores	4.5	Monthly	-	-	15,27,77,770		15,27,77,770	11.90%
TFCI Ltd.	Rs.12 Crores	4	Monthly	31-03-2023		-	-	7,62,00,000	13.00%
Total					-	57,69,01,556	-	1,21,48,55,766	

NOTE 13**Trade Payables as at 31/03/23****(In Rs.)**

Sr. No.	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	89584464	9835152	750	191520	99611886
(ii)	Others	199760981	164262522	0	0	364023503
(iii)	Disputed dues – MSME	0	0	0	0	0
(iv)	Disputed dues - Others	0	0	0	0	0

Trade Payables as at 31/03/22

Sr. No.	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	85621077	2232088	0	0	87853165
(ii)	Others	393518352	90379307	0	0	483897659
(iii)	Disputed dues – MSME	0	0	0	0	0
(iv)	Disputed dues - Others	0	0	0	0	0

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 13

(Rs. In Lacs)

Trade Payables

Particulars	As at March 31,2023	As at March 31,2022
Creditors for Goods	1,703.49	2,816.58
Creditors for Expenses	1,141.44	1,234.86
Micro ,Small & Medium Enterprises	996.12	878.53
Total	3,841.05	4,929.97
Non Current	-	-
Current	3,841.05	4,929.97

NOTE # 14

Deferred Tax Liabilities

Particulars	As at March 31,2023	As at March 31,2022
Opening Balance	3,766.51	4,337.42
Provision for the period	(504.81)	(570.91)
Closing Balance	3,261.69	3,766.51

NOTE # 15

Other liabilities

Particulars	As at March 31,2023	As at March 31,2022
Non-current		
Security Deposit from Staff	0.35	0.11
Security Deposit	150.00	
Provision for employee benefits - Gratuity Payable	310.60	273.71
	460.96	273.82
Current		
Advance from Customers	0.09	26.72
Provision for Expenses	607.45	774.25
Statutory Dues Payable	22.81	41.58
Other Payable to Employees	-	-
	630.35	842.54
Total	1,091.30	1,116.37

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. In Lacs)

NOTE # 16

Revenue From Operations

Particulars	As at March 31,2023	As at March 31,2022
Sale of Products		
Domestic sales	1,02,858.21	84,861.54
Export		
Export against Bond	454.21	3,402.91
Deemed Export sales	-	1,085.99
	1,03,312.41	89,350.44
Other Operating Revenues		
Export Incentives	-	-
Total	1,03,312.41	89,350.44

NOTE # 17

Other Incomes

Particulars	As at March 31,2023	As at March 31,2022
Dividend received	0.25	0.20
Discount received	7.35	7.94
Int. on FDR'S	0.06	0.05
Others - Interest	0.96	173.93
Exchange Diff Income	21.16	175.76
Creditors/Debtors Balance Written Off	0.95	42.30
Interest on IT Refund	3.60	25.40
Income from One Time Settlement	-	1,627.38
Gain on Fair Value of Investment	-0.81	1.39
Bad Debts Recovered	-	32.07
Bad DEbts Recovered - Subsidiary	-	7.41
Less : Bad Debt Recovered of Sumeet Industries Limited	-	-3.19
Claim Received	988.71	-
Total	1,022.24	2,090.63

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 18

(Rs. In Lacs)

Cost of Materials Consumed

Particulars	As at March 31,2023	As at March 31,2022
Purchases of Raw Materials and Stores		
Opening stock	2,444.29	2,755.96
Add:Purchase(net)	83,115.38	65,238.77
	85,559.67	67,994.73
Less:Closing Stock	2,483.53	2,444.29
	83,076.14	65,550.44
Direct/Production expenses		
Security Expense	10.71	2.73
Power & Fuel	11,301.46	10,221.44
Freight & Octroi	157.59	638.43
Stores & Spares	941.78	1,098.23
Factory Expense	5.13	10.16
Repair & Maintenance:Factory Building	1.01	52.61
Repair & Maintenance:Plant&Machinery	98.40	125.44
Packing Expenses	3,045.57	2,502.21
	15,561.65	14,651.24
Total	98,637.78	80,201.68

NOTE # 19

Change in inventories

Particulars	As at March 31,2023	As at March 31,2022
Opening Stock	8,390.40	9,009.45
Less: Closing Stock	3,621.52	8,390.40
Total	4,768.88	619.05

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 20

(Rs. In Lacs)

Employment Benefit Expenses

Particulars	As at March 31,2023	As at March 31,2022
Salary	2,163.75	2,092.82
Director Remuneration salary	6.00	-
Gratuity	62.03	86.94
Bonus	0.55	121.87
P.F.	39.26	37.61
Leave Encashment	3.66	8.95
ESIC	0.08	0.07
Manpower Supply Service	256.75	93.87
Staff Welfare expenses	0.19	-
Total	2,532.28	2,442.14

NOTE # 21

Financial Cost

Particulars	As at March 31,2023	As at March 31,2022
Interest paid to Banks	575.17	2,300.68
Interest paid to others	1.23	145.63
Bank Charges & Guarantee commission	127.70	201.26
Overseas Bank Charges	1.47	6.95
Total	705.57	2,654.51

SUMEET INDUSTRIES LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE # 22

(Rs. In Lacs)

Other Expenses

Particulars	AS at March 31,2023	AS at March 31,2022
Advertisement & Publicity	2.91	1.38
Auditors Remuneration	8.00	7.50
BIS charges	6.33	-
Restructuring Services	30.24	-
Brokerage & Overseas Agency Commission	37.19	145.15
Carraige outward	818.26	863.76
Computer and printer expenses	4.07	6.62
Demat Charges	0.03	0.03
Director Sitting Fees	3.90	6.00
Donation & CSR Activity	0.98	2.23
Electricity Expenses	2.91	4.14
Insurance Expenses	22.74	22.71
Legal & Professional	262.61	318.38
Membership & Subscriptions	0.12	0.22
Office & General Expenses	48.13	39.44
Postage & Telegram & Telephone	5.69	4.48
Printing & Stationery Expenses	12.39	9.30
Rent, Rates & Taxes	3.78	9.38
Repairs Office Building	0.06	0.10
Repairs Other	0.02	-
Travelling & Conveyance	4.50	4.97
Vehicle Expense	20.42	22.99
Bad Debts Written-Off	20.79	1,096.69
Balance Written-Off	-	92.78
Admin Expense		0.44
Total	1,316.07	2,658.70

As per our report of even date

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043
PAN : AACFH 1890 B
FIRM REG. NO: 111032W
PLACE : SURAT
DATE : 30.05.2023

For and on behalf on Board of Directors

Shankarlal Somani- Chairman

Sumeet Kumar Somani - Mg. Director.

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record
Satyendra P. Khorania - RP
Reg. No. IBBI/IPA-002/IP-N00002/
2016-17/10002
AFA NO.: AA2/10002/02/181223/202501
& Valid upto 18-12-2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note- 23

Particulars		31/03/2023	31/03/2022	Change	Reasons for deviation (More than 25%)
Current Ratio	Current asset	0.57	0.72	20%	-
	Current liabilities				
Debt Equity Ratio	Current borrowings(Including Current maturities of long term debts)+Non current borrowings	-9.99	19.12	-152%	Due to Loss in Current Year 2022-23, total Equity becomes negative
	Total Equity				
Debt Service Coverage Ratio	Earnings before Finance cost,Tax, Depreciation & Amortisation	-5.53	2.08	-365%	Debt Service Coverage Ratio is decreased by 365% due to decrease in EAT of Rs. 3 Crores to Rs. -68 Crores
	Finance cost + Current debt service				
Return on Equity Ratio	Profit after Tax	1.61	0.12	1276%	Return on equity ratio has been increased because of due to loss in current year of Rs. 68 Crores instead of profit in Previous Year of Rs. 3 Crores
	Total Equity				
Inventory Turnover	Cost of Goods sold	7.63	5.15	48%	Inventory Turnover Ratio is increased due to increase in cost of material consumed by 23%-
	Average inventory				
Trade Receivables turnover ratio	Net Credit Sale	8.97	14.77	-39%	Trade receivable turnover ratio is increased due to Increase in Sales by 16% and increase in receivable from 10% as compared to previous year
	Average Trade Receivable				
Trade payables turnover ratio	Net Credit Purchases for Goods	27.24	36.20	-25%	Trade payable turnover ratio has been decreased by 25% due to increase in Purchases by 27%
	Average Accounts Payable for Goods				
Net capital turnover ratio	Revenue from Operation	-5.52	-6.13	-10%	-
	Working Capital				
Net profit ratio	Profit After Tax	-0.0663	0.0033	-2113%	Net Profit Ratio has been decreased by 2113% due to loss in current year of Rs. 68 Crores instead of profit in Previous Year of Rs. 3 Crores
	Total Revenue				
Return on Capital employed	EBIT	-1.85	0.21	-974%	Return on capital employed has been decreased due to loss in current year of Rs. 68 Crores instead of profit in Previous Year of Rs. 3 Crores
	Capital Employed				
Return on investment	Income generated from investments	1.61	0.12	1276%	Return on investment has been increased only due to loss in current year and total equity also become negative which makes the result of this ratio positive
	Total Investment				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note- 24 : Related Party Transactions

(In Rs.)

Sr. No	Name Of Party	Relationship	Nature of Transaction	Amount	Balance	
					Due To	Due From
1	Somani Overseas Pvt. Ltd.	Director's Wife is Director	Loan Taken	1,47,36,689/-	11,05,41,528/-	-
			Loan Repaid	4,97,57,780/-		
2	Shankarlal Somani	Chairman	Director Remuneration	6,00,000/-	-	-
			Loan Repaid	1,47,36,689/-		
3	Zeel Sureshkumar Modi	Non-Executive Director	Director Sitting Fees	30,000/-	-	-
4	Manoj Kumar Jain	Non-executive Director	Director Sitting Fees	1,20,000/-	-	-
5	VikashkumarKamalsinghChandaliya	Non-executive Director	Director Sitting Fees	90,000/-	-	-
6	Saurav Santosh Duggar	Non-executive Director	Director Sitting Fees	1,50,000/-	-	-
7	Ganga Devi Somani	Chairman's Wife	Loan Taken	-	16,13,220/-	-
			Director Sitting Fees	-	5,61,000/-	-
8	Anil Kumar Jain	Company Secretary	Salary	18,00,754/-	1,46,397/-	-
9	Abhishek Prasad	Chief Financial Officer	Salary	8,65,017/-	69,321/-	-
10	Durga Transport Company	Director's Son-in-law is Proprietor	Carriage Outward & Shipment Charges	3,27,600/-	3,24,324/-	-
			Transportation Charges	1,10,11,141/-		

*Transactions with related parties are entered on arm's length price. The Purchases are inclusive of GST Amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

25. The following term loans are called up by banks so now these are payable on demand basis. We are shown under the head Current Liabilities as Borrowing.

- BOB(FDY Winder) Term Loan
- Canara Bank Term Loan [Texturizing]
- IDBI Corporate Loan
- Bremer Kredit bank AG*
- ECB London Term Loan (BOB)

*The Company has taken loan from Bremer Kreditbank AG. During the F.Y. 2019-20 on the basis of information received by the company the name was changed from Bremer Kreditbank AG to OldenburgischeLandesbank AG. But OldenburgischeLandesbank AG has unable to provide any document for the same, hence during the current financial year the name has been taken as Bremer Kreditbank AG, which is shown under the current maturity of long term debt.

26. The company has not created provision for Interest on MSME dues in case where payment is made after 45 days. The amount of interest and outstanding dues as on 31.03.2023 are

OUTSTANDING DUES	INTEREST
Rs 9,61,00,877/-	Rs 69,83,207/-

27. Payment to Auditors:

Sr. No.	Particulars	Current Period	Previous Year
(a)	Statutory Auditors:		
	(i) Audit Fees	6,50,000	6,50,000
	(ii) Tax Audit Fees	1,00,000	1,00,000
(b)	Cost Audit	40,000	40,000
(c)	Internal Audit	4,00,000	4,00,000

28. Previous year's figures have been regrouped and recasted wherever necessary.

29. Additional regulatory information required by Schedule III of Companies Act, 2013

- (i) The Holding Company has not revalued its property, plant and equipment during the current or previous year.
- (ii) The Holding Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iii) The Holding Company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013, which has an accounting impact on current or previous financial year.
- (iv) The Holding Company has not advanced or loaned funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (v) The Holding Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (vi) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

30. The IDBI Bank Limited, one of the financial creditor, has filed an application CP (IB) No. 38/NCLT/AHM/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process (CIRP) against the Company and Order has been pronounced by NCLT on 20.12.2022 to initiate CIRP In Sumeet Industries Limited. Further, Mr. KureshHatimKhambati, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-001/IP-P-01521/2018-2019/12454 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and for convening a meeting of Committee of Creditors for evolving a resolution plan.

31. Corporate Insolvency Resolution Process is initiated on 20.12.2022 for 180 days and the period can be extended to complete the Resolution Plan. The Resolution Professional has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 09-02-2023. The resolution professional has examined and admitted the claims from Secured Financial Creditors amounting to Rs. 583.48 Cr, Unsecured Financial Creditors amounting to Rs. 107.61 Cr and from Operational Creditors (other than Workmen, Employees and Government dues) amounting to Rs. 36.64 Cr. The variations between balances as per books and amount claimed by the Secured financial creditors is due to charging of interest and other charges claimed by the financial creditors and by unsecured financial creditors amounting is due to claim by Bank of Baroda against Corporate Guarantee by Company for Sumeet Global Pte Ltd and claim by Sitaram Prints Pvt. Ltd. against Corporate Guarantee given in favour of secured creditors of company, as explained to us.

32. The figures have been rounded off to the nearest lakhs of rupees upto two decimal places.

See accompanying notes to the financial statements for and on behalf on Board of Directors
As per our report of even date
FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043
PAN : AACFH 1890 B
FIRM REG. NO: 111032W
PLACE : SURAT
DATE : 30-05-2023

Shankarlal Somani- Chairman

Sumeet Kumar Somani - Mg. Director.

Anil Kumar Jain - Company Secretary.

Abhishek Prasad - CFO.

Taken on Record
Satyendra P. Khorania - RP
Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002
AFA NO.: AA2/10002/02/181223/202501 & Valid
upto 18-12-2023



If undelivered please return to:

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