

Sumeet **INDUSTRIES LIMITED**

CIN : L45200GJ1988PLC011049

REGD. OFF. : 504, TRIVIDH CHAMBER, 5TH FLOOR, OPP. FIRE BRIGADE STATION, RING ROAD, SURAT - 395 002, INDIA.

Phone : (91-261) 2328902 Fax : (91 261) 2334189

E-mail : info@sumeetindustries.com Visit us at : www.sumeetindustries.com

Date : 28/08/2020

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 for the Financial Year 2019-20

Dear Sir,


Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the company for the Financial Year 2019-20.

The Annual Report for the financial year ended 2019-20 is also available on the Company's website, link as under:

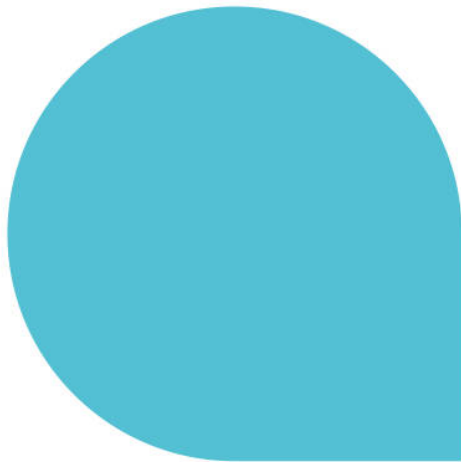
<http://www.sumeetindustries.com/wp-content/uploads/2015/05/ANNUALREPORT2019-20.pdf>

This is for your information and record please.

For Sumeet Industries Limited


Anil Kumar Jain
Company Secretary

Sumecet
INDUSTRIES LIMITED



**Tough times
don't last.**

32ND

**ANNUAL
REPORT**

2019-20

Sumeet INDUSTRIES LTD.



Chairman's Message.....

"Tough times test us all. But those who have invested in building strong fundamentals emerge from it stronger than before. We began with the vision to broaden our horizons and strengthen our foundation to deliver long-term superior value, accelerating growth is our top priority. "

Dear Shareholders,

The year under review was challenging in various respects, comprising a slowdown in the global and Indian economy as well as the impact of a pandemic whose impact became perceptible starting from the last quarter of FY 20. Due to short-term visibility and macroeconomic uncertainties, a further assessment for the current year is not possible at the moment. The pandemic will be affecting production, create supply chain and market disruption and will result in financial impact on almost all organizations. The scenario is too uncertain to predict the demand. The Company will endeavour to sustain the current challenging phase in a prudent, balanced and agile manner and emerge stronger from the crisis to normalise operations with agility and resume on the growth and expansion trajectory in times to come.

As per the Reserve Bank of India, COVID-19, the accompanying lockdowns and the expected contraction in global output in 2020 weigh heavily on the growth outlook. The actual outturn would depend upon the speed with which the outbreak is contained, and economic activity returns to normalcy. Significant monetary and liquidity measures taken by the Reserve Bank and fiscal measures by the Government would mitigate the adverse impact on domestic demand and help spur economic activity once normalcy is restored.

Global economies are opening up gradually. India too needs to get back to its full capacity at the earliest to be the successful economy that it aims to be. The pandemic presents a unique opportunity for India and its industries to increase influence in the global supply chain. The government's favourable policies to boost rural economy and small /medium scale industries are also likely to act as long-term growth catalysts for the sector.

We believe polyester will be the 'fibre of the future' which encouraged us to foray in to this business with confidence. The company has focused on evolving new products development, unlocking the hidden potential of existing products for new applications and the company will be able to navigate through the current crisis because of its fundamentals, committed teams and a diversified portfolio of synthetic yarns.

We acknowledge the fact that the operating scenario continues to be challenging owing to the COVID-19 pandemic further impacting consumer confidence and purchasing power. However, our approach is to stay close to our customers, understand their challenges. The Company has also accelerated its cost optimisation drive across the value chain to further improve its operational efficiency. The execution excellence initiatives pursued to optimise efficiencies, reduce cost and eliminate wastage has been adopted across functions and processes. The worst will bring the best out of us.

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

Shankarlal Somani
Chairman

(This does not purport to be part of the proceeding at the meeting)

THIRTY SECOND ANNUAL REPORT

BOARD OF DIRECTORS

Mr. Shankarlal Somani	Chairman
Mr. Sumeet Kumar Somani	Managing Director
Mr. Atma Ram Sarda	Non-Executive Director
Mr. Manojkumar Jain	Non-Executive Director
Ms. Zeel S Modi	Non-Executive Director

COMPANY SECRETARY

Mr. Anil Kumar Jain

CHIEF FINANCIAL OFFICER (CFO)

Mr. Abhishek Prasad

STATUTORY AUDITORS

H. TOSNIWAL & CO.

Chartered Accountants, Surat

INTERNAL AUDITOR

GAURAV V. SINGHVI & CO. LLP.

Chartered Accountants, Surat

SECRETARIAL AUDITOR

Mr. Dhiren R. Dave

Practicing Company Secretary, Surat

BANKERS

Bank of Baroda

IDBI Bank Ltd.

Union Bank of India

Canara Bank

State Bank of India

Central Bank of India

REGISTERD OFFICE

504, Trividh Chamber, Opp. Fire Station,
Ring Road, Surat - 395 002. (Gujarat)

Ph. : (0261) 2328902

Fax : (0261) 2334189

E-mail : corporate@sumeetindustries.com

Web : www.sumeetindustries.com

FACTORY

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

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

Ph. : 099789 25038

REGISTRAR & SHARE TRANSFER AGENT

M/S. BIGSHARE SERVICES PVT. LTD.

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

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

E-mail : investor@bigshareonline.com

32nd ANNUAL GENERAL MEETING

DATE : Thursday, 17th September, 2020

TIME : 03:30 P.M.

Through Video Conference (VC) or Other
Audio Visual Means (OAVM)

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Milestones and Achievements

2016	Modified POY line to enhance production of company by 8750 Ton per annum.
2016	Install 2 Nos. F.O. Base Gen Set to reduce power cost by approx Rs. 18.00 Crore per annum.
2015	Modified FDY line for manufacturing of Bright FDY and Color FDY yarns.
2015	Commissioned 25 nos. of TFO machines for plying & twisting for manufacturing Carpet Yarns
2014	Commissioned 4 (Four) Texturising Machines with total capacity of 7200 TPA.
2014	Commissioned Waste Recycling Plant with 5400 TPA.
2013	Enhanced Spinning Capacity of Plant from 40600 TPA to 51450 TPA.
2012	Enhanced Spinning Capacity of the Plant from 53000 TPA to 100000 TPA with total project cost of Rs. 150.00 Crores.
2012	Commissioned 8.6 MW Gas based Genset Captive Power Plant, thereby total capacity of the captive power generation increased to 17.10 MW.
2010	Commissioned successfully Expansion cum Backward Integration Project with total investment of Rs. 150.00 Crores and increased company's capacity from 12000 tons to 100000 tons (More than 8 times).
2009	Commissioned 6 MW Gas based Genset Captive Power Plant, enhancing the capacity of captive power generation by 8.5 MW.
2009	Commissioned fully imported C.P. PLANT (Continuous Polymerization Plant) of 288 tones per day capacity or 100000 tones per annum as Expansion cum Backward Integration Project.
2007	Converted its coal based power plant of 2.5 MW to Gas based Gen Set Power Plant for further reducing its power cost. The Company has tie-up with Gujarat Gas Company for supplying the Gas through Pipeline for the said Power Plant.
2006	Installed 60 Water Jet Looms to manufacture 3.5 Million meters Woven Fabric per annum.
2005	Installed Polyester Spinning Plant to manufacture 12000 MT Polyester Filament Yarn (POY) per annum with capital investment of Rs. 300 Million.
2004	Increased the capacity of Texturising & Twisting to 3900 MT & 2000 MT respectively per annum.
1999	Installed coal based power plant of 2.5 MW for captive power generation with capital investment of Rs. 60 Million.
1997	Increased the capacity of Polypropylene Multifilament Yarn to 3900 MT per annum with capital investment of Rs. 144 Million.
1996	Changed of Name of the Company (Sumeet Synthetics Limited to Sumeet Industries Limited).
1995	Installed capacities of Texturising & Twisting of 1500 MT per annum for value addition with total project cost of Rs. 45 Million.
1993	Installed capacity of 1500 tons per annum of Polypropylene Multifilament yarn with total project cost of Rs. 200 Million.
1992	Conversion from Private Limited to Public Limited.
1988	Incorporation of Sumeet Synthetics Private Limited.

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting (AGM) of the members of SUMEET INDUSTRIES LIMITED will be held on Thursday, 17th September, 2020 at 03:30 PM 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, 2020 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, 2020 together with the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Sumeet Shankarlal Somani (DIN:00318156), who retires by rotation and being eligible, offer himself for re-appointment.

3. APPOINTMENT OF AUDITORS

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

To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the Thirty Fifth Annual General Meeting and to fix their remuneration:

"RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ("**Act**") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. H. Tosniwal & Co., Chartered Accounts (Firm Registration no. 111032W), be and is hereby appointed as the Statutory Auditors of the Company for the period of 3 three years, commencing from the conclusion of this Annual General Meeting until the conclusion of Thirty Fifth Annual General Meeting to be held in the calendar year 2023 at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imburement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit."

SPECIAL BUSINESS

4. RATIFICATION OF APPOINTMENT OF COST AUDITOR

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 40,000/- (Rupees Forty Thousand only) be paid to M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 101519), the Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2021, 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."

5. RE-APPOINTMENT OF MANOJKUMAR GANESHMAL JAIN (DIN:03546851) AS AN INDEPENDENT DIRECTOR

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and

Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time Mr. Manojkumar Ganeshmal Jain (DIN:03546851), who was appointed as a Director of the Company in the category of Independent Director at the 29th Annual General meeting and who holds office up to 28th June 2020 and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive, Independent Director of the Company to hold office for a term upto 5 (Five) Consecutive years with effect from 29th June, 2020 to 28th June 2025 and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) or Authorised Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. APPOINTMENT OF VIKASH KUMAR KAMALSINGH CHANDALIYA (DIN:08751436) AS AN INDEPENDENT DIRECTOR

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 16, 25 & 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Vikash Kumar Kamalsingh Chandaliya (DIN:08751436), who was appointed as an Additional Director in the category of ‘Non-Executive, Independent Director’ with effect from June 06, 2020 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is here by appointed as a Non-Executive, Independent Director of the Company for a period upto 5 (Five) Consecutive years upto June 05, 2025, and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) or Authorised Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. TO ENETR RELATED PARTY TRANSACTIONS

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, as applicable including any statutory modifications or amendments or re-enactments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (which expression shall include the Audit Committee or any other Committee thereof for the time being exercising the powers conferred by this Resolution) to enter into agreement(s)/ contract(s)/ arrangement(s)/ transaction(s) with Somani Overseas Private Limited, a Related Party as defined under the Companies Act, 2013 and Listing Regulations, the value of which either singly or all taken together may exceed ten percent of the annual consolidated turnover as per audited financial statements of the Company, during the current financial year 2020-21, relating to sale, purchase, supply of any goods including raw materials, stores and consumables, semi-finished goods, finished goods, etc., carrying out/availing job work,

leasing of factory / office premises / godowns / facilities / reimbursement / recovery of cost or other obligations or any other transaction, for an amount not exceeding in aggregate Rs. 300.00 Crores (Rupees Three Hundred Crores) per financial year, on such terms and conditions as may be mutually agreed between the Company and Somani Overseas Private Limited.”

“**FURTHER RESOLVED THAT** the Board of Directors or a Committee thereof or any of their delegate(s) be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and to approve aforesaid agreement(s)/ contract(s)/ arrangement(s)/ transaction(s) and further to do all such acts, deeds, matters and things and finalise the terms and conditions and to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its/their absolute discretion pursuant to the above Resolution as may be considered necessary or incidental thereto.”

Registered Office :

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

Place : Surat**Date : 18.08.2020**

By order of the Board Directors

Sd/-
Shankarlal Somani
Chairman

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members at the Annual General Meeting venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, since the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. 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.
4. 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.
5. 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.
6. The Members can join AGM in the VC/OAVM mode thirty 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.
7. 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 14th September, 2020.
8. 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.
9. The Register of Members of the Company will remain closed from Friday, 11th September 2020 to Thursday, 17th September 2020 (both days inclusive).
10. 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 Central Depository Services (India) Limited ("CDSL") in respect of the business to be transacted at 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 CDSL. Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 10th September 2020, 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.
11. The information with respect to voting process and other instructions regarding e-voting are detailed in Note no. 24.
12. The Notice of 32nd AGM and the Annual Report of the Company for the year ended 31st March, 2020 is uploaded on the Company's website www.sumeetindustries.com and may be accessed by the members and will also be available on the website 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 CDSL. Copies

of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company/Depository Participant for communication purposes unless any member has requested for a hard copy of the same.

13. The Company has appointed Mr. Dhiren R. Dave, Practicing Company Secretary (Membership No. FCS 4889) as the Scrutinizer to scrutinize the voting during the meeting and remote e-voting process, in a fair and transparent manner.
14. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.
15. 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 as on the date of the 32nd AGM held on 17th September, 2020 on its website www.sumeetindustries.com and also on the website of the Investor Education and Protection Fund www.iepf.gov.in.
16. During the year 2018-19, the Company has transferred 1296302 equity shares to the demat account of IEPF Authority.
17. SEBI vide its circular dated 20th April 2018, directed all the listed companies to record the Income Tax PAN and bank account details of all their shareholders holding shares in physical form. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts and members holding shares in physical form to the Company/RTA.
18. 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.

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

19. As required in terms of Secretarial Standard-2 and Listing Regulations, the information (including profile and expertise in specific functional areas) pertaining to Director recommended for re-appointment in the AGM has been provided in the "Explanatory Statement" of the Notice. The Director has furnished the requisite consent / declarations for his re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
20. With a view to conserve natural resources, we request Members to update and register their email addresses 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 No., 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/InvestorRegistration.aspx>.
21. Members holding shares in Physical mode have to update in Bank Account Details by clicking the link: <https://www.bigshareonline.com/InvestorRegistration.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 allotted by their banks after implementation of Core Banking Solutions
 - 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. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020. Since the AGM will be held through VC/OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to the Notice.
23. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM are 022-23058738 / 022-23058542 / 022-23058543.
24. Voting process and instruction regarding remote e-voting:

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Monday, 14th September 2020 at 9:00 a.m. IST and ends on Wednesday, 16th September 2020 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 of 10th September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant ‘Sumeet Industries Limited’ on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **3 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **3 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are 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 available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders 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.

(xx) Note for Non-Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; corporate@sumeetindustries.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

25. The voting period begins on 14/09/2020 at 09:00 A.M. IST and ends on 16/09/2020 at 05:00 P.M. IST. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 10/09/2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
26. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 10/09/2020.
27. The Scrutinizer shall within forty eight hours of conclusion of the e-voting, make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results declared along with the Scrutinizers' Report shall be placed on the Company's website www.sumeetindustries.com and on the website of CDSL and communicated to the BSE Ltd and National Stock Exchange of India Ltd.

Details of Directors seeking re-appointment / appointment at the ensuing Annual General Meeting

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 & Secretarial Standard 2]

Name of Director	Mr. Manojkumar Ganeshmal Jain	Mr. Vikash Kumar Kamalsingh Chandaliya
Date of Birth	29/04/1980	12/12/1989
Date of First Appointment	29/06/2017	06/06/2020
Expertise in specific functional areas	Accounts, Audit & Taxation	GST Practicing and Court Matters
Qualifications	Practicing Chartered Accountants & Company Secretary	B.Com, LLB
Shareholding in the Company as on 31st July, 2020	Nil	Nil
List of other companies in which Directorship held	Kalka Advisory services Pvt. Ltd.	Nil
List of other entities in which the person also hold membership of committee of the Board	Nil	Nil
Relationships between Directors inter-se	Nil	Nil

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

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. V.M. PATEL & ASSOCIATES, Cost Auditor (Firm Registration No. 101519), as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2021.

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

Accordingly, approval of the members is sought for the resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2021.

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

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

ITEM NO. 05

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 6th June, 2020 had re-appointed Mr. Manojkumar Ganeshmal Jain (DIN:03546851) as Non-Executive, Independent Director of the Company for a second term of 5 (five) years on the Board of the Company w.e.f. 29th June, 2020 to 28th June 2025, subject to approval of members.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Manojkumar Ganeshmal Jain for the office of Director of the Company. The Company has also received a declaration from Mr. Manojkumar Ganeshmal Jain that he meets the criteria for Independent Director as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The Board taking into account the recommendation of the Nomination and Remuneration Committee and on the basis of the report of performance evaluation of Independent Directors, has recommended the re-appointment of Mr. Manojkumar Ganeshmal Jain (DIN:03546851) as a Director of the Company in the category of Independent Director, for a second term of upto the conclusion of the 37th Annual General Meeting of the Company to be held in the calendar year 2025 or 28th June 2025 whichever is earlier.

Mr. Manojkumar Ganeshmal Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

In the opinion of the Board, Mr. Manojkumar Ganeshmal Jain fulfils the conditions for appointment as an independent Director as specified in the Act and the Listing Regulations. He is also independent of the management.

Mr. Manojkumar Ganeshmal Jain is a member of the Institute of Chartered Accountants of India since 2007 and a Practicing Chartered Accountant. He is a Licentiate Company Secretary qualified from Institute of Company Secretary of India. He has completed his LLB degree from VNSGU. He is possessing Master degree in Commerce with specialization in costing. Mr. Manojkumar Ganeshmal Jain has more than 13 years of experience in Auditing and Finalization of Accounts. He has vast experience in Indirect and Direct Taxation.

The Board considers that his association would be of immense benefit to the Company. In the opinion of the Board, Mr. Manojkumar Ganeshmal Jain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. Manojkumar Ganeshmal Jain as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

A Brief resume of Mr. Manojkumar Ganeshmal Jain, nature of his expertise inspecific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, are provided in the statement giving details pursuantto Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting, annexed to this Notice.

Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Manojkumar Ganeshmal Jain as an Independent Director, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial personnel (KMPs) or relatives of Directors except Mr. Manojkumar Ganeshmal Jain is concerned or interested in the resolution mentioned at item no.5 of the convening Notice.

ITEM NO. 06

The Board of Directors of the company had appointed Mr. Vikash Kumar Kamalsingh Chandaliya (DIN:08751436) as an Additional Independent Director with effect from 06th day of June, 2020 in accordance with the provisions of Article of the Association of the company read with Section 161 of the Act. Mr. Vikash Kumar Kamalsingh Chandaliya holds office only up to the date of this Annual General Meeting. A notice has been received from a member, along with requisite deposit of money, as required under Section 160 of the Companies Act, proposing Mr. Vikash Kumar Kamalsingh Chandaliya as a candidate for the office of Director of the company.

Mr. Vikash Kumar Kamalsingh Chandaliya is an Advocate having around 7 years of experience in the field of VAT/Service Tax /GST related matters. He became the member of Gujarat Bar Council in the year of 2013 and also became the member of Central Bar Council in the year 2014. He has vast experience in the field of Indirect Taxation. He is presently engaged in VAT/GST practicing work and appears before the Hon'ble Courts and Tribunals. He has also depth knowledge in the matter of various judicial proceedings exercised at the Courts.

The Board considering Mr. Vikash Kumar Kamalsingh Chandaliya has rich experience in the field of VAT/Service Tax /GST related matters and legal proceedings and taking into account the recommendation of the Nomination and Remuneration Committee, appointed Mr. Vikash Kumar Kamalsingh Chandaliya at the meeting of the Board of Directors held on June 06, 2020 as an Independent, Non- Executive Director of the company for a period upto 5 (Five) Consecutive years, not liable to retire by rotation with effect from 06/06/2020 to 05/06/2025, subject to approval of the members.

The Board considers that his association would be of immense benefit to the Company. In the opinion of the Board, MR. Vikash Kumar Kamalsingh Chandaliya fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of MR. Vikash Kumar Kamalsingh Chandaliya as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Vikash Kumar Kamalsingh Chandaliya as an Independent Director, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial personnel (KMPs) or relatives of Directors except Mr. Vikash Kumar Kamalsingh Chandaliya is concerned or interested in the resolution mentioned at item no.6 of the convening Notice.

ITEM NO. 07

The Company has entered into contracts / arrangements / transactions with the Somani Overseas Private Limited, who is related party within the meaning of Section 2(76) of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014 (the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations").

The Section 188 of the Companies Act, 2013 provides that if transactions with the related parties are not in the ordinary course of business or on arm's length basis, such transactions are required to be approved by the Board of Directors and Shareholders, depending upon the materiality of the transactions. In other words, approval of

Board or shareholders, as the case may be, is not required under the Act, if a particular transaction is in the ordinary course of business and on arm's length basis.

Revised Listing Regulations provides that all material Related Party Transactions (RPTs), i.e. transaction(s) entered into during a financial year exceeding 10% of the annual consolidated turnover of the Company as per latest audited financial statements require prior approval of the shareholders through special resolution.

In the opinion of the Board, the transactions / contracts / arrangements by the Company with the above parties are in the ordinary course of business and at arm's length basis. However, considering the fact that the value of contracts / arrangements / transactions with the aforesaid related parties during a financial year may be material as defined under Listing Regulations and it is proposed to seek the approval of members for the aforesaid arrangements / contracts / transactions for the financial year 2020-21.

Somani Overseas Private Limited is primarily engaged in the business of trading of various type of merchandise / industrial goods and supplies the same to polyester manufacturers.

Sumeet Industries Limited is manufacturer of Polyester/Synthetic Yarns. The company will procure /process the raw material/ semi finished materials from Somani Overseas Private Limited. These transactions are necessary, normal and incidental to business and also play a significant role in Company's business operations and are entered into generally in the ordinary course of business and on arm's length basis.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 7 of the Notice, except Mr. Shankarlal Somani and Mr. Sumeet Kumar Somani. The members are further informed that no member(s) of the Company being a related party or having any interest in the resolution as set out at Item No. 7 shall be entitled to vote on this Special Resolution.

None of the Directors and Key Managerial Personnel or their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice, except Mr. Shankarlal Somani and Mr. Sumeet Kumar Somani. The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

Registered Office :

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

By order of the Board Directors

Place : Surat

Date : 18-08-2020

Sd/-
Shankarlal Somani
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 32nd Annual Report along with the Audited Statement of Accounts for the year ended 31st March, 2020.

The Company has registered Standalone revenue of Rs. 706.94 Crores with EBIDTA of Rs. 28.55 Crores. We remained resolute and relentless in our quest for strengthening our cost-competiveness.

Despite the headwinds, the Company delivered steady operational performance, backed by a strong focus on cost reduction, optimization of production process and mix of value-added products.

FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Sales & Income from operation	70694.04	83328.05	70694.04	86684.05
Other Income	381.54	303.38	381.54	372.66
Profit before Financial cost, Depreciation and Exceptional items & Tax (EBITDA)	2854.69	4284.50	-6441.59	4318.45
Interest	4138.58	6191.22	4138.58	6261.14
Depreciation	4022.91	4666.32	4022.91	4666.32
Profit/(Loss) before Exceptional and Extraordinary items	-5306.80	-6573.04	-14603.08	-6609.01
Exceptional & Extraordinary items	-0.10	-5821.90	-0.10	-5821.90
Profit/(Loss) before Tax	-5306.70	-12394.94	-14602.98	-12430.91
Provision for Taxation	-	-	-	-
Current tax	-	-	-	-
Mat Credit	-	-	-	-
Deferred Tax	655.75	-739.94	655.75	-739.94
Profit/(Loss) after Tax	-4650.95	-11655.00	-13947.23	-11690.97
Taxation for previous year	-	-	-	-
profit available for appropriation	-	-	-	-
Dividend on Equity & Pref. Shares	-	-	-	-
Transfer to General Reserve	-4650.95	-11655.00	-13947.23	-11690.97

OPERATIONS

Global economic activity faced several challenges in CY 2019, resulting in a slowdown which was worse than the global financial crisis. Despite challenging business environment the company has posted mixed performance for the year under review. The company has produced 84658.754Tons of Pet Chips / Polyester and Texturized Yarn and dispatched 84911.11Tons of Pet Chips / Polyester and Texturized yarns.

Income from operation (Consolidated) of the company has decreased from Rs. 866.84 Crores to Rs. 706.94 Crores. The Company has incurred Consolidated Net Loss of Rs. 146.03 Crores due to provisioning of an amount of Rs. 9291.13 Lacs as bad and doubtful debts of our Singapore Branch. We are reassessing our strategies in line with the larger macro picture and have made some significant changes to drive our growth focused 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.

IMPACT OF COVID-19

To contain the spread of Covid-19, the Government of India, imposed nationwide lockdown from 24th March, 2020 and the plant of the company was shut down temporarily from 24th March, 2020. The plants received approval for resuming operations and the same was resumed on 20.05.2020. Production at the plant started in gradual manner after implementing necessary precautions as per various guidelines issued by the Government. Since there is significant uncertainty with respect to complete opening up of the economy, it is difficult to ascertain the extent of impact of Covid-19 on performance of the Company in the year 2020-21.

OUTLOOK

The outbreak of Corona Virus (COVID-19) pandemic globally and in India is causing a significant disruption and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services and the uncertainty associated with the lifting or re-imposition of these restrictions, have further aggravated the business environment.

DIVIDEND

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

RESTRUCTURING OF DEBT

In the year under review, the company has been remaining under financial constraints due to liquidity shortage in the system and there were no scope of any financial help from consortium bankers due to falling the status of the company under NPA category in the Bank(s).

In the current year, the company has re-submitted its Debt Restructuring Plan to our Lead Banker, Bank of Baroda along with Consortium Banks and the same is under review with Bank(s) and expected to be finalized by them shortly.

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year as on 31st March, 2020 and the date of this report, i. e., 10.08.2020.

OVERSEAS SUBSIDIARY COMPANY

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

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

EXPORTS

The company has been exploring all the possibilities for exporting its products. During the year under review, your company has exported products worth of Rs. 722.76 Lakhs.

At present company is exporting to Egypt, Argentina, Vietnam, Bangladesh, Mexico, Nepal, Brazil, Thailand, Turkey, Colombia, Malaysia and Kenya etc. The company is weighing possibilities to export its value added newly developed Yarns, Micro filament yarns, Dope dyed Yarns, Texturised Yarns etc. Exploring export markets has been a key area of focus for the company. Your Company expects more growth in the overall export sales in the current year.

DEPOSITORY SYSTEM

As members are aware, the company's shares are compulsorily tradable in the electronic form. As on March 31, 2020 almost 97.73% of the Company's total paid-up capital representing 10,36,42,389 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 Lacs during the financial year 2013-14. No fresh deposits have been invited and nor any deposits have been renewed in the financial year 2019-20. Total outstanding deposits after repaying on maturity as on 31.03.2020 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. Sumeet Kumar Somani (DIN No. 00318156), Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

On the recommendation of the Nomination and remuneration Committee and approved by the Board of Directors in their meeting held on 06.06.2020, Mr. Vikash Kumar Kamalsingh Chandaliya (DIN: 08751436), appointed as an additional Independent Director of the company w.e.f. 06.06.2020 up to the conclusion of the forth coming Annual General Meeting of the company. Necessary notice, in writing has been received from a member under section 160 of the Companies Act, 2013 proposing name of Mr. Vikash Kumar Kamalsingh Chandaliya (DIN: 08751436), as an Independent director of the company.

Board Recommends the appointment of Mr. Vikash Kumar Kamalsingh Chandaliya as a Non- Executive Independent Director of the company for a term up to 5 (Five) years. The company has received declaration from appointed Independent director confirming that he meets the criteria of Independence as prescribed both under the Companies Act, 2013 and Listing Regulations with the Stock Exchanges.

On the recommendation of the Nomination and remuneration Committee, The Board also recommends the re-appointment of Mr. Manojkumar Ganeshmal Jain as a Non- Executive Independent Director of the company for a term up to 5 (Five) years. The company has received declaration from appointed Independent director confirming that he meets the criteria of Independence as prescribed both under the Companies Act, 2013 and Listing Regulations with the Stock Exchanges.

Resignation

Mr. Dinesh Sharan Khare (DIN: 00383743), Independent Director of the company has resigned from the post of directorship due to their health reason. The directors would like to place on record their sincere appreciation for their guidance and unstinting commitment to the company during their tenure on the Board. The Board acknowledges that the company has immensely benefitted from his profound knowledge and experience.

AUDITORS**a) Statutory Auditors**

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 31st Annual General Meeting of the Company held on 30th day of September, 2019 has appointed M/s.H. Tosniwal & Co., Chartered Accounts (Firm Registration no. 111032W), as Statutory Auditors of the Company to hold the office until the conclusion of the next Annual General Meeting of the Company. The Board of Directors on the recommendation of the Audit Committee recommended to appoint M/s. H. Tosniwal & Co., Chartered Accounts as Statutory Auditors of the Company for a period of 3 (Three) Years commencing from the conclusion of this Annual General Meeting until the conclusion of Thirty Fifth Annual General Meeting to be held in the calendar year 2023. Members are requested to re-appoint them at the Annual General Meeting.

The Notes on financial statements referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

b) Cost Auditors

The Company has been maintaining cost accounting records in respect of manufacture of Polyester yarns pursuant to directives of the Central Government. The company has been appointed M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 10519) as Cost Auditors, for conducting the audit of cost records for the financial year 2020-21 and approval of the members is being sought for ratification of their appointment and remuneration.

c) Internal Auditors

The Board has appointed M/s. Gaurav V. Singhvi & Co. LLP., Chartered Accountants (ICAI Registration Number W100243) as Internal Auditors of your company for the financial year 2020-21. The report prepared by the Internal Auditors is to be reviewed by the Statutory Auditors & Audit Committee of the company.

d) Secretarial Auditors

M/s. Dhiren R. Dave, Practising Company Secretaries (CP No. 2496, Membership No. 4889) were appointed as Secretarial Auditor, to conduct secretarial audit of the company for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith and forms part of the Annual Report as **Annexure-1**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re-appointed Dhiren R. Dave, Practising Company Secretaries, as Secretarial Auditors of the Company for the financial year 2020-21.

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-2** 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 were observed. The Internal Auditor certifies on the assurance of adequacy of Internal Control System on quarterly basis which are regularly reviewed by the Audit Committee. Independence of the audit is ensured by the direct reporting of internal audit function to the Audit Committee of the Board.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an integral part of the Company's ethos and policy and it has been pursuing on a sustained basis. The Company assists schools situated at 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 (**Annexure-3**). The Policy is available on the website of the Company.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

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

PREVENTION OF SEXUAL HARASSMENT POLICY

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

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

RISK MANAGEMENT

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

The Board of Directors regularly review risks and threats and takes suitable steps to safeguard its interest and that there is no element of risk identified that may threaten the existence of the Company. The focus shifts from one area to another area depending upon the prevailing situation. A detailed report on significant risks and mitigation is forming part of Management's Discussion and Analysis.

INSURANCE

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

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

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

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

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

EMPLOYEE STOCK OPTION

The company has not issued any Employee Stock Option.

FOREIGN EXCHANGE TRANSACTIONS

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

RESEARCH & DEVELOPMENT

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

CONTRACTS AND ARRANGEMENT WITH RELATED PARTY

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

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

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India (SEBI). A separate report on Corporate Governance along with Certificate from M/s. 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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (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.

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 behavior, 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 11 times during the financial year ended 31st March, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report forming part of the Annual report.

B) COMMITTEE MEETINGS:

AUDIT COMMITTEE

The Audit Committee of the Board has been reconstituted on 30/11/2019. The Audit Committee of the Board comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Sumeet Shankarlal Somani, Ms. Zeel Sureshkumar Modi, 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 2019-20. The brief details of the Audit Committee are given in Corporate Governance Report forming part of the Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board has been reconstituted on 30/11/2019. The Nomination and Remuneration Committee of the Board comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Atma Ram Sarda, Ms. Zeel Sureshkumar Modi, consisting of 3 Non-Executive Directors. Mr. Manojkumar Ganeshmal Jain is the Chairman of the Nomination and Remuneration Committee.

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

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

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 review and ensures redressal of investor grievances. The Stakeholders Relationship Committee of the Board has been reconstituted on 30/11/2019. The Stakeholders Relationship Committee of the Board comprises of three members viz; Mr. Atma Ram Sarda, Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Atma Ram Sarda is the Chairman of the Stakeholders Relationship Committee.

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 Corporate Social Responsibility Committee of the Board has been reconstituted on 30/11/2018. The CSR committee of the Board comprises of Mr. Sumeet Kumar Somani, Chairman, Mr. Manoj Kumar Jain, Member and Mr. Atmaram Sarda, Member.

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

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

KEY MANAGERIAL PERSON

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

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

SECRETARIAL STANDARDS

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

ACKNOWLEDGMENT

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

On behalf of the Board of Directors
Sd/-

Shankarlal Somani
Chairman

Place : Surat
Date : 10th August, 2020

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 1****Secretarial Audit Report****For the financial year ended March 31, 2020****[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 Sumeet Industries Limited

504, Trividh Chambers, Opp. Fire Station,

Ring Road, Surat – 395 002

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020, generally complied with the statutory provisions listed hereunder and also that the Company has generally followed board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2020 according to the provisions of:
 - (i) The Companies Act, 2013 (**the Act**) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings; - 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
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India
 - c. (Prohibition of Insider Trading) Regulations, 2015 notified with effect from May 15, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
 - E. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable

- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
- J. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.

(vi) Factories Act, 1948

(vii) Industrial Disputes Act, 1947

(viii) The Payment of Wages Act, 1936

(ix) The Minimum Wages Act, 1948

(x) Employees State Insurance Act, 1948

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

(xii) The Payment of Bonus Act, 1965

(xiii) The Payment of Gratuity Act, 1972

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

(xv) The Maternity Benefit Act, 1961

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

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

(xviii) The Employees Compensation Act, 1923

(xix) The Apprentices Act, 1961

(xx) Equal Remuneration Act, 1976

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

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

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

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

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

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

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

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

1. *Company has received notice dated 17.03.2020 from National Stock Exchange of India Limited regarding violation of 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 disclosures regarding Details of fees paid to the statutory auditor and Certificate from Company Secretary in Practice regarding disqualification of Directors are not included in Annual Report for the year 2018-19.*
2. *Matter 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 is not yet resolved.*
3. *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.*

2. I further report that :

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

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

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

3. I further report are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. I further report that during the audit period the company has not taken any major steps and enter into any events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
5. However, following event is having major bearing on the company's affairs after the audit period but before the date of this report :

This report is to be read with our letter dated 10th August, 2020 which is annexed and forms an integral part of this report

DHIREN R DAVE
COMPANY SECRETARY
FCS : 4889
CP : 2496
UDIN : F004889B000567011

Place : Surat
Date : 10th August, 2020

To,
The Members of
Sumeet Industries Limited
504, Trividh Chambers,
Opp Fire Station,
Ring Road, Surat-395002,
Gujarat, India.

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

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

Place : Surat
Date : 10th August, 2020

DHIREN R DAVE
COMPANY SECRETARY
FCS : 4889
CP : 2496
UDIN : F004889B000567011

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.

I 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 me 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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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.	Atma Ram Sarda	06713264	30/09/2013
5.	Zeel Sureshkumar Modi	08290608	30/11/2018

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.

DHIREN R DAVE
COMPANY SECRETARY
FCS : 4889
CP : 2496
UDIN: F004889B000566956

Place : Surat
Date : 10th August, 2020

Note: This certificate forms part of Annexure-1.

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

The information required under Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2020 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, 2020: (₹ in lakhs)

Name of the Director / KMP & Designation	Remuneration	% increase in Remuneration in F.Y. 2019-20	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 Loss of Rs. 4650.95 Lakhs during the year but EBITDA (Standalone) is Rs. 2854.69 Lakhs
Mr. Anil Kumar Jain Company Secretary and Compliance Officer	11.58	7.00%	3.36	
Mr. Abhishek Prasad CFO	8.06	-	2.40	

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 financial year: 5.75%
- Number of permanent employees on the rolls of the Company as on 31st March, 2020: 632
- The explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an increase in remuneration of 5.00% to 6.75%. During the year company has incurred loss (Standalone) of Rs. 4650.95 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 Lakhs)	-	8.06	11.58
Revenue (Standalone) (Rs. in Lakhs)	70694.04	70694.04	70694.04
Remuneration (As a % of Revenue)	-	0.011	0.016
Profit (Loss) before Tax (PBT) (Standalone) (Rs. in Lakhs)	(5306.70)	(5306.70)	(5306.70)
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 Capitalisation (Rs. in Crores)
31.03.2019	4.08	-	-	42.29
31.03.2020	1.27	-	-	13.16
% Change	-68.87	-	-	-68.88

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. 127/- (100 shares of Rs. 1.27 each) as on 31st March, 2020, 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 410 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 5.85% and average increase in remuneration of Managerial Personnel was around 7.00%.

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 2019-20 and 2018-19. Remuneration of the managerial personnel is based on the Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

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

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

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

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

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

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

The focus areas for CSR activities are:

1) Education:

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

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

2) Health:

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

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

3) Disaster relief:

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

4) Village Improvement Initiative:

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

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

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

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

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

Year	Net profit as per Section 198 of the Companies Act, 2013 (Rs. in Crores)
2016-17	54.84
2017-18	0.48
2018-19	(123.94)
Average net profits of last three years	-

Prescribed CSR expenditure (2% of the Average net profit of three financial years): Nil

Details of CSR spent during the financial year : -

- a) Total amount spent for the financial year : Rs. 9.53 Lakh
- b) Amount unspent , if any : Rs. Nil
- c) Manner in which amount spent during the financial year is detailed below :

DETAILS OF CSR EXPENSES FOR THE FINANCIAL YEAR 2019-20

(Rs. in lakhs)

Sr. No.	CSR Project of activities identified	Sector in which the project is covered	Projects or Programs undertaken (Place)	Amount outlay (budget)	Amount spent on the projects / programs	Cumulative expenditure up to the reporting period	Amount Spent : Direct or through
1	Animal Care	Gau Seva	Surat	0.72	0.66	0.66	Shree Gau Seva Samiti
2	Animal Care	Gau Chikitsalaya & Seva Kendra	Shikhar (Rajasthan)	3.75	3.75	3.75	Bhartiya Govans Rakshan Sanwardhan Samiti
3	Health Care	Medical Aid	Surat	0.05	0.03	0.03	Shivam Retina Clinic
4	Promotion of Education	Education to Weaker Sections of Society	Surat	5.00	5.00	5.00	Maheshwari Shikshan Sansthan
5	Health Care	Medical Aid	Surat	0.10	0.09	0.09	Burhani Hospital
			Total	9.62	9.53	9.53	

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

ANNEXURE TO DIRECTORS' REPORT
ANNEXURE - 4
PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988
A. Conservation of Energy :

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

a) Energy Conservation measures taken by the Company

- 1) Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- 2) Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment (i.e. motors, fans, pumps and motors etc.) Continuously.
- 3) Automated load management system to improve power factor with reduced contract demand
- 4) Replaced old conventional 36V Fluorescent Tube lights with LED lights resulting saving in energy.
- 5) Installed VFD in AHU system in POY plant.
- 6) Installed Ventilation system for intake of Air of Air Compressors resulting increasing the life of the Air Filters.
- 7) Planned routine schedule for checking Air leakages in the various system resulting reduction in air Consumption.
- 8) Optimise Spinning Quench temperatures to save energy.

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 process waste
- 3) 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

	<u>2019-20</u>	<u>2018-19</u>
A. Power and Fuel Consumption:		
1. Electricity		
(a) Purchased		
- Units	77395310	85685247
- Total Amount	614793706	674060332
- Rate/Unit(Rs.)	7.94	7.87
(b) Own generation		
(i) Through diesel generator in Units (KWH)	1160	-
Liters of HSD Consumed	370	-
Unit per Ltr. of Diesel	3.135	-
(ii) Through HFO/generator		
Unit Consumed	14092231	38448
Unit per Ltr of FO	3119727	9280
	4.517	4.14

	<u>2019-20</u>	<u>2018-19</u>
2. Furnace oil		
Quantity (in Ltrs.)	4294827	591451
Total amount	119509406	17735226
Average rate (Basic)	27.83	29.99
B. Consumption per unit of production (in tons)		
Product: Polyester/Polypropylene Multi Filament Yarn		
Standards (if any)	<u>2019-20</u>	<u>2018-19</u>
Electricity: Purchases and Own Generation	-	1046.82
(Own Generation Through F.O. based Gen Set)	1080.66	

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) Optimisation of quench temperature.
 - b) Modification in polymerization to improve process cost
 - c) Up -gradation and modification in yarn spinning lines
 - d) Value added new yarns in both FDY and DTY are developing.
- 2. Benefit derived as a result of the above R & D**
 - a) Reduction in wastage
 - b) Reduction in cost of power
 - c) Improvement in product development
 - D) Improvement in safety and quality
- 3. Future plan of action**
 - a) Development of new properties in yarns for value addition.
 - b) Optimization of product process for value added product mix.
 - c) Servers and PLC, Drives, Encoders, etc. of POY automation to be upgraded.
- 4. Expenditure on R & D / Product Development**

Capital and recurring expenditure is incurred by the company regularly.

II. Technology absorption, adaptation and innovation

- 1. Efforts made towards technology absorption, adoption and innovation**
 - a) Replacing local developed spares from costlier imported spares.
 - b) Optimization of raw material utilization, process engineering and reduction of wastage .
- 2. Benefits derived as a result of above efforts**
 - a) Improvement in operating performance and reduction in wastage
 - b) Improved reliability of the process.
 - c) Reduction in energy & other costs.
 - D) Improved human and asset safety.
- 3. Information regarding technology imported during the last five years**

Technology Imported	Year of Import	Status
Nil		

ANNEXURE - 5
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
(As on the financial year ended on 31st March, 2020)

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

I.	REGISTRATION AND OTHER DETAILS	
	i) CIN	L45200GJ1988PLC011049
	ii) Registration Date	1st August, 1988
	iii) Name of the Company	Sumeet Industries Limited
	iv) Category / Sub-Category of the Company	Public Company / Limited by shares
	v) Address of the Registered office and contact details	504, 5th Floor, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat-395002, Gujarat, India Phone:0261 2328902 Fax:0261 2334189
	vi) Whether listed company	Yes
	vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt Ltd 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059 Phone:022 6263 8200 Fax:022 6263 8299
II.	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 10% or more of the total turnover of the company shall be stated	As per Annexure-A
III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	As per Annexure-B
IV.	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)	
	i) Category-wise Share Holding	As per Annexure-C
	ii) Shareholding of Promoters	As per Annexure-D
	iii) Change in Promoters' Shareholding	As per Annexure-E
	iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Annexure-F
	v) Shareholding of Directors and Key Managerial Personnel	As per Annexure-G
V.	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Annexure-H
VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
	A. Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Annexure-I
	B. Remuneration to other Directors	As per Annexure-J
	C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Annexure-K
VII.	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	As per Annexure-L

ANNEXURE - A
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

ANNEXURE - B
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN/ Reg. No.	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SUMEET GLOBAL PTE. LTD. 101, Cecil Street, 16-12, Tong Eng Building, Singapore 069533	201229343C	Subsidiary	100%	Section 2(87) (ii)

ANNEXURE - C
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2019)				No. of Shares held at the end of the year (As on 1st April, 2020)				% Change during the year
	Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	11057834	0	11057834	10.67	11795436	0	11795436	11.38	0.71
b) Central / State govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
d) Any Other									
1) Bodies Corporate	10663855	0	10663855	10.29	10663855	0	10663855	10.29	0.00
Sub-total (A) (1)	21721689	0	21721689	20.96	22459291	0	22459291	21.67	0.71
(2) Foreign									
a) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
b) Individual	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other									
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	21721689	0	21721689	20.96	22459291	0	22459291	21.67	0.71

B. Public Shareholding									
1. Institutions									
a) Central / State govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
b) Financial Institutions / Banks	20905	562	21467	0.02	18664	562	19226	0.02	0.00
c) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f) FIs	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Venture Capital funds	0	0	0	0.00	0	0	0	0.00	0.00
h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
j) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	20905	562	21467	0.02	18664	562	19226	0.02	0.00
2. Non-Institutions									
a) Bodies Corporate	9148794	11134	9159928	8.84	5323835	11134	5334969	5.15	-3.69
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	30864071	2309647	33173718	32.01	30096350	2270135	32366485	31.23	-0.78
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	31787601	74529	31862130	30.74	33178866	67029	33245895	32.08	1.34
c) Others									
1) Hindu Undivided Family	3518263	0	3518263	3.39	3329244	0	3329244	3.21	-0.18
2) Trusts	162500	0	162500	0.16	0	0	0	0.00	-0.16
3) Clearing Member	518906	0	518906	0.50	3908442	0	3908442	3.77	3.27
3) Non Resident Indians (NRI)	121943	0	121943	0.12	0	0	0	0.00	-0.12
4) Non Residen Indians (Repat)	1628456	0	1628456	1.57	1449652	0	1449652	1.40	-0.17
5) Non Residen Indians (Non Repat)	256276	0	256276	0.25	255508	0	255508	0.25	0.00
6) Directors/Relatives	199936	0	199936	0.19	0	0	0	0.00	-0.19
7) Corporate Bodies NBFC	875	0	875	0.00	0	0	0	0.00	0.00
8) IEPF	1296302	0	1296302	1.25	1273677	0	1273677	1.23	-0.02
Sub-total (B)(2)	79503923	2395310	81899233	79.02	78815574	2348298	81163872	78.31	-0.71
Total Public Shareholding (B)=(B)(1)+ (B)(2)	79524828	2395872	81920700	79.04	78834238	2348860	81183098	78.33	-0.71
C. Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	101246517	2395872	103642389	100.00	101293529	2348860	103642389	100.00	0.00

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

Sr. No.	Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% Change in share holding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Shankarlal Sitaram Somani	4762398	4.60	0.00	5500000	5.31	0.00	0.71
2	Sumeet Shankarlal Somani	2456337	2.37	0.00	2456337	2.37	0.00	0.00
3	Gangadevi Shankarlal Somani	1500000	1.45	0.00	1500000	1.45	0.00	0.00
4	Manisha Sumeet Somani	625000	0.60	0.00	625000	0.60	0.00	0.00
5	Neelam Sushil Somani	737516	0.71	0.00	737516	0.71	0.00	0.00
6	Sumandevi Somani	299291	0.29	0.00	299291	0.29	0.00	0.00
7	Sushil Shankarlal Somani	677292	0.65	0.00	677292	0.65	0.00	0.00
8	Somani Overseas Private Limited	10288855	9.93	9.16	10288855	9.93	9.16	0.00
9	Sitaram Prints Private Limited	125000	0.12	0.00	125000	0.12	0.00	0.00
10	Siddhipriya Poly Fab Private Limited	250000	0.24	0.00	250000	0.24	0.00	0.00
11	Rajkumar Sitaram Somani	0	0.00	0.00	0	0.00	0.00	0.00
12	Rakesh Rajkumar Somani	0	0.00	0.00	0	0.00	0.00	0.00
13	Ritesh Rajkumar Somani	0	0.00	0.00	0	0.00	0.00	0.00
14	National Poly Yarn Pvt Ltd	0	0.00	0.00	0	0.00	0.00	0.00
15	Betex India Limited	0	0.00	0.00	0	0.00	0.00	0.00
16	Ambaji Syntex Pvt Ltd	0	0.00	0.00	0	0.00	0.00	0.00
	TOTAL	21721689	20.96	9.16	22459291	21.67	9.16	0.71

ANNEXURE - E
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company
1	Shankarlal Sitaram Somani					
	At the beginning of the year	4762398	4.60			
	28.06.2019	737602	0.71	Bought	5500000	5.31
	At the end of the year				5500000	5.31
2	Sumeet Shankarlal Somani					
	At the beginning of the year	2456337	2.37			
	At the end of the year				2456337	2.37

3	Sushil Shankarlal Somani At the beginning of the year At the end of the year	677292	0.65		677292	0.65
4	Neelam Sushil Somani At the beginning of the year At the end of the year	737516	0.71		737516	0.71
5	Gangadevi Shankarlal Somani At the beginning of the year At the end of the year	1500000	1.45		1500000	1.45
6	Manisha Sumeet Somani At the beginning of the year At the end of the year	625000	0.60		625000	0.60
7	Sumandevi Somani At the beginning of the year At the end of the year	299291	0.29		299291	0.29
8	Sitaram Prints Private Limited At the beginning of the year At the end of the year	125000	0.12		125000	0.12
9	Somani Overseas Private Limited At the beginning of the year At the end of the year	10288855	9.93		10288855	9.93
10	Siddhipriya Poly Fab Pvt LTD (Formerly know as Sumeet Menthol Pvt Ltd) At the beginning of the year At the end of the year	250000	0.24		250000	0.24
11	National Poly Yarn Pvt Ltd At the beginning of the year At the end of the year	0	0.00		0	0.00
12	Betex India Limited At the beginning of the year At the end of the year	0	0.00		0	0.00
13	Ambaji Syntex Pvt Ltd At the beginning of the year At the end of the year	0	0.00		0	0.00
14	Rajkumar Sitaram Somani At the beginning of the year At the end of the year	0	0.00		0	0.00
15	Rakesh Rajkumar Somani At the beginning of the year At the end of the year	0	0.00		0	0.00
16	Ritesh Rajkumar Somani At the beginning of the year At the end of the year	0	0.00		0	0.00

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Bhumika Consultancy Pvt Ltd				
	At the beginning of the year	2282510	2.20		
	Bought during the year	3282875	3.17	5565385	5.37
	Sold during the year	2375495	2.29	3189890	3.08
	At the end of the year			3189890	3.08
2	Jagdish Chander Kataria				
	At the beginning of the year	2606234	2.51		
	Bought during the year	365368	0.35	2971602	2.87
	Sold during the year	109903	0.11	2861699	2.76
	At the end of the year			2861699	2.76
3	Shaktiveer Texfab Private Limited				
	At the beginning of the year	405133	0.39		
	Bought during the year	1419867	1.37	1825000	1.76
	Sold during the year	0	0.00	1825000	1.76
	At the end of the year			1825000	1.76
4	P V Rajendra Kumar Reddy				
	At the beginning of the year	1033750	1.00		
	Bought during the year	0	0.00	1033750	1.00
	Sold during the year	0	0.00	1033750	1.00
	At the end of the year			1033750	1.00
5	Aadhivev Polytex Private Limited				
	At the beginning of the year	0	0.00		
	Bought during the year	915873	0.88	915873	0.88
	Sold during the year	0	0.00	915873	0.88
	At the end of the year			915873	0.88
6	Pallas Fincap Private Limited				
	At the beginning of the year	897867	0.87		
	Bought during the year	949999	0.92	1847866	1.78
	Sold during the year	1847866	1.78	0	0.00
	At the end of the year			0	0.00
7	Chirag Narendra Modh				
	At the beginning of the year	832039	0.80		
	Bought during the year	408507	0.39	1240546	1.20
	Sold during the year	1240546	1.20	0	0.00
	At the end of the year			0	0.00

8	Motilal Oswal Financial Services Ltd - Collateral Account				
	At the beginning of the year	798761	0.77		
	Bought during the year	171467	0.17	970228	0.94
	Sold during the year	963465	0.93	6763	0.01
	At the end of the year			6763	0.01
9	Karvy Stock Broking Ltd				
	At the beginning of the year	605218	0.58		
	Bought during the year	23269	0.02	628487	0.61
	Sold during the year	537849	0.52	90638	0.09
	At the end of the year			90638	0.09
10	Madhusudan Motilal Kabra				
	At the beginning of the year	561471	0.54		
	Bought during the year	0	0.00	561471	0.54
	Sold during the year	0	0.00	561471	0.54
	At the end of the year			561471	0.54

ANNEXURE - G

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

(v) Shareholding of Directors and Key Managerial Personnel :

Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Shankarlal Sitaram Somani - Chairman				
At the beginning of the year	4762398	4.60		
Bought during the year/Bonus	737602	0.71	5500000	5.31
Sold during the year	-	-	5500000	5.31
At the end of the year			5500000	5.31
Sumeet Shankarlal Somani - MD				
At the beginning of the year	2456337	2.37		
Bought during the year/Bonus	-	-	2456337	2.37
Sold during the year	-	-	2456337	2.37
At the end of the year			2456337	2.37

The following directors/KMP did not hold any shares during the financial year 2019-20

- Mr. Atma Ram Sarda - Director
- Mr. Manoj Kumar Jain - Director
- Ms. Zeel Sureshkumar Modi - Director
- Mr. Abhishek Prasad - KMP
- Mr. Anil Kumar Jain - KMP

ANNEXURE - H
V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	49222.78	3610.13	2.90	52835.81
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-754.39	-	-	-754.39
Total (i+ii+iii)	48468.39	3610.13	2.90	52081.42
Change in Indebtedness during the financial year				
• Addition	9524.89	-	-	9524.89
• Reduction	7526.99	150.42	0.00	7677.41
Net Change	1997.90	150.42	0.00	1847.48
Indebtedness at the end of the financial year				
i) Principal Amount	50466.29	3459.71	2.90	53928.90
ii) Interest due but not paid	724.08	-	-	724.08
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	51190.37	3459.71	2.90	54652.98

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

(₹ in Lakh)

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

ANNEXURE - J
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
B. Remuneration to other Directors (Non-Executive) :

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Atmaram Sarda	Dinesh* Sharan Khare	Manoj Jain	Zeel Modi	
1	Non-Executive Directors Fee for attending Board committee meetings	-	4.21	-	-	4.21
	Commission	-	-	-	-	-
	Sitting Fees	3.30	2.40	2.10	1.50	9.30
	Professional fees	8.15	-	-	-	8.15
	Total :	11.45	6.61	2.10	1.50	21.66
2	Total Managerial Remuneration	-	-	-	-	-
3	Ceiling as per the Act @1% of profit calculated u/s. 198 of the Companies Act, 2013	-	-	-	-	-

* Mr. Dinesh Sharan Khare has resigned as Independent Director of the company w.e.f. 30/11/2019.

ANNEXURE - K
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Anil Kumar Jain (Company Secretary)	Abhishek Prasad (C.F.O)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	11.58	8.06	19.64
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others	-	-	-
5	Others	-	-	-
	Total	11.58	8.06	19.64

ANNEXURE - L
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :
A. COMPANY

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
Penalty	-	The SEBI has issued fresh show cause notice under Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing penalties by Adjudicating Officer) Rules, 1995 read with Section 15 I of the SEBI Act vide letter No. A&E/EAD 8/KS/VB/23879/1 dated 28.08.2018	-	SEBI	Matter is under sub-judice
Compounding	-	-	-	-	-

B. DIRECTORS

Penalty	-	The SEBI has passed revise order on dated 14.10.2019 after original order remanded back by SAT against the promoters and promoters group of the company with an order to pay an amount of Rs. 4.78 Crore along with interest vide their Letter No. SEBI/EFD-DRA1/OW/TT/Sumeet/2019/26885 Dated 14.10.2019	Shankarlal Somani Rs. 41,61,420.00	SEBI	Company has filed an appeal with SAT against the order of SEBI. On hearing an interim order was passed by SAT to deposit an amount of Rs. 2.00 Crores to be payable by its Promoters and Promoter group entities and they had paid Rs. 2.00 Crores to SEBI. The matter is under sub-judice for hearing at SAT
Compounding	-	-	-	-	-

C. OTHER OFFICERS IN DEFAULT

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

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 6 (i)****Nomination & Remuneration and Evaluation Policy (Framed under Section 178(3) of Companies Act, 2013 & the Listing Agreement)**

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

"Key Managerial Personnel (KMP) means:

- (i) Managing Director;
- (ii) Company Secretary,
- (iii) Chief Financial Officer; and
- (iv) Such other Officer as may be prescribed.

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

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

1. PREAMBLE

- 1.1 Sub-section (3) of Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 1.2 Section 178 of the Companies Act, 2013 has been made effective from April 1, 2014 by the Central Government by notification no. S.O. 902(E) issued on March 26, 2014. Therefore this Nomination and Remuneration Policy ("the Policy") has been framed in compliance with the provisions of the Act and Rules made under the Act.
- 1.3 The Policy provides a framework for remuneration to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives").

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

- 1.4 The existing Remuneration Committee of the Board of Directors has been re-named as Nomination and Remuneration Committee ("the Committee or NRC") so as to comply with the provisions of Section 178(1) of the Act. The Members of the Committee shall be appointed by the Board and shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.
- 1.5 This Policy will be called "SIL Nomination & Remuneration Policy" and referred to as "the Policy".
- 1.6 The Policy will be reviewed at such intervals as the Nomination and Remuneration Committee will deem fit.

2. OBJECTIVES

- 2.1 The objectives of the Policy are as follows:
 - 2.1.1 To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.
 - 2.1.2 To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.

- 2.1.3 To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- 2.1.4 To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for performance" principle.
- 2.1.5 To ensure that remuneration to directors, KMP and senior management employees of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

3. ACCOUNTABILITIES

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

4. PRINCIPLES OF REMUNERATION

- 4.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, and supports and reinforces the achievement of the Company's vision and strategy.
- 4.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 4.3 Internal equity: The Company shall remunerate the Executives in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 4.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 4.5 Flexibility: Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other laws.
- 4.6 Performance-Driven Remuneration: The Company shall establish a culture of performance-driven remuneration through the implementation of the Performance Incentive System.
- 4.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

- 5.1 reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- 5.2 identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- 5.3 recommending to the Board on the selection of individuals nominated for directorship;
- 5.4 making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
- 5.5 assessing the independence of independent directors;
- 5.6 such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules thereunder.

- 5.7 to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 5.8 ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 5.9 to devise a policy on Board diversity;
- 5.10 to develop a succession plan for the Board and to regularly review the plan;

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of minimum four members out of that there will be minimum three non-executive directors and majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

The Committee shall :-

- i) review the ongoing appropriateness and relevance of the Policy;
- ii) ensure that all provisions regarding disclosure of remuneration, including pensions, leave encashment, gratuity, etc. are fulfilled;
- iii) obtain reliable, up-to-date information about remuneration in other companies;
- iv) ensure that no director or executive is involved in any decisions as to their own remuneration.

6. PROCEDURE FOR SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

6.1 Board membership criteria:

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

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

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

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

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

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

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

(i) REMUNERATION:

a) Base Compensation (fixed salaries)

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

b) Variable salary:

The NRC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

(ii) STATUTORY REQUIREMENTS:

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

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

- 7.2 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
- 7.3 The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

8. EVALUATION/ASSESSMENT OF DIRECTORS/ KMPs/SENIOR OFFICIALS OF THE COMPANY

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

- Leadership & stewardship abilities
- contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.
- review & approval achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs, senior officials
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

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

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

9. APPROVAL AND PUBLICATION

- 9.1 This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 The Policy shall form part of Director's Report as required under Section 178(4) of the Companies Act, 2013.

10. SUPPLEMENTARY PROVISIONS

- 10.1 This Policy shall formally be implemented from the date on which it is adopted by the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations, the Company's Articles of Association.
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company

On behalf of the Board of Directors

Place : Surat
Date : 10th August 2020

Sd/-
Shankarlal Somani
Chairman

ANNEXURE – 6 (ii)**BOARD DIVERSITY POLICY**

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

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

PURPOSE

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

SCOPE OF APPLICATION

The Policy applies to the Board.

POLICY STATEMENT

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

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

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

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

OPTIMUM COMPOSITION

- (A) The Board shall have an optimum combination of executives and non- executive directors and not less than fifty per cent of the Board of directors comprising non-executive directors.
- (b) At least half of the Board should comprise of independent directors (where the chairman of the Board is executive or promoter) or at least one-third of the Board consisting of independent directors (where the chairman of the Board is non-executive).

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

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

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

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

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

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

REVIEW OF THE POLICY

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

On behalf of the Board of Directors

Place : Surat
Date : 10th August 2020

Sd/-
Shankarlal Somani
Chairman

CORPORATE GOVERNANCE REPORT

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

COMPOSITION OF DIRECTORS

Sumeet Industries Ltd is having 5 (Five) Directors on its Board consisting of 2 (Two) Executive and 3 (Three) Non- Executive. 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	Attendance of Board Meeting	Attendance of Last AGM	No. of other Directorships/ Committee Memberships/ Chairmanships*		
				O.D.	C.M.	C.C.
Mr. Shankarlal Somani DIN : 00165238	Executive Director	11	Yes	4	-	-
Mr. Sumeet Kumar Somani DIN : 00318156	Executive Director	11	Yes	8	2	-
Mr. Atmaram R Sarda DIN : 06713264	Non-Executive Director	11	Yes	-	1	1
Mr. Manojkumar Jain DIN : 03546851	Non-Executive & Independent Director	7	Yes	1	1	2
Ms. Zeel S Modi DIN: 08290608	Non-Executive & Independent Director	5	Yes	-	2	-
Mr. Dinesh Sharan Khare # DIN : 00383743	Non-Executive & Independent Director	8	Yes	-	-	-

* (O.D.) - Directorship in other Companies (C.M.) - Committee Membership (C.C.) - Committee Chairmanship. Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committees.

Mr. Dinesh Sharan Khare has resigned from the Board w.e.f. 30/11/2019, due to their health condition.

As on 31st March, 2020, out of 5 Directors, 2 Directors are related Directors viz : Mr. Shankarlal Sitaram Somani, Mr. Sumeet Shankarlal Somani.

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

INFORMATION GIVEN TO THE BOARD

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

INDEPENDENT DIRECTORS

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

TRAINING OF INDEPENDENT DIRECTORS

Whenever new Independent Director is inducted on the Board, he/she is introduced to the Company's Policies and procedures through appropriate orientation session, Company's organization structure, business, constitution, board procedures, major risks and management strategy. The appointment letters of Independent Directors 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, industry and administration. Their presence on the Board helps in taking complex business decisions.

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

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

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors are required to meet at least once in every financial year without the presence of Executive Directors or management personnel. Independent Directors meeting conducted on

dated 8th November, 2019. 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.

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;

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 2019-20, the Board meeting has been held for 11 times.

The Dates of the Board Meetings are:

01.	04.04.2019	05.	30.07.2019	09.	30.11.2019
02.	30.05.2019	06.	05.08.2019	10.	24.01.2020
03.	24.06.2019	07.	07.09.2019	11.	10.02.2020
04.	15.07.2019	08.	12.11.2019		

3. COMMITTEES OF THE BOARD
I) AUDIT COMMITTEE

The Audit Committee was re-constituted by the Board on 30/11/2019. The Audit committee now comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Sumeet Shankarlal Somani, Ms. Zeel Sureshkumar Modi, consisting of 1 Executive Director and 2 Non-Executive and Independent Directors. Mr. Manojkumar Ganeshmal Jain is the Chairman of the Audit Committee. The constitution of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Committee members have requisite experience in the fields of Finance & Accounts and Banking & Management. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the Audit Committee.

During the financial year Audit Committee meetings were held on 27th May 2019, 26th July 2019, 1st August, 2019, 8th November 2019, 25th November 2019, 31st December 2019 and 6th February, 2020. Composition of Audit Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Manojkumar G Jain *	Chairman	Non-Executive	7	7
02.	Mr. Sumeet Shankarlal Somani	Member	Executive	7	7
03.	Ms. Zeel Sureshkumar Modi *	Member	Non-Executive	7	2
04.	Mr. Dinesh Sharan Khare *	Chairman	Non-Executive	7	5

* Mr. Manojkumar G Jain has been appointed as Chairman of this Committee and Ms. Zeel Sureshkumar Modi is inducted as member of the committee in place of Mr. Dinesh Sharan Khare at the time of reconstitution by the Board on dated 30/11/2019.

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

- 1) Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to:
 - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of subsection (3) of Section 134 of the Companies Act, 2013.
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;

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

II) **NOMINATION AND REMUNERATION COMMITTEE**

A) Composition

The Nomination and Remuneration Committee was re-constituted by the Board on 30/11/2019. The Nomination and Remuneration Committee now comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Atma Ram Sarda, Ms. Zeel Sureshkumar Modi, consisting of 3 Non-Executive Directors. Mr. Manojkumar Ganeshmal Jain is the Chairman of the Nomination and Remuneration Committee. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the Nomination and Remuneration Committee.

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

B) Meetings and attendance during the year

During the financial year two meeting of Nomination and Remuneration Committee were held on 26th July 2019 and 29th February 2020. Composition of Nomination and Remuneration Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Manojkumar G Jain *	Chairman	Non-Executive	2	2
02.	Mr. Atma Ram Sarda	Member	Non-Executive	2	2
03.	Ms. Zeel Sureshkumar Modi *	Member	Non-Executive	2	1
04.	Mr. Dinesh Sharan Khare *	Chairman	Non-Executive	2	1

* Mr. Manojkumar G Jain has been appointed as Chairman of this Committee and Ms. Zeel Sureshkumar Modi is inducted as member of the committee in place of Mr. Dinesh Sharan Khare at the time of reconstitution by the Board on dated 30/11/2019.

C) Remuneration policy

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

D) Details of Remuneration of Executive Directors for the Financial Year 2019-20

The following are the details of remuneration paid to the Executive Director for the financial year 2019-20.

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 2019-20

The following are the details of remuneration paid to Non-Executive Director for the financial year 2019-20.

Sr. No.	Name of Non-Executive Director	Sitting Fees/Committee Sitting Fees(In Rupees)	Professional Fees (In Rupees)
01.	Mr. Atma Ram Sarda	3,30,000.00	8,15,236.00
02.	Mr. Dinesh Sharan Khare	6,61,713.00	-
03.	Mr. Manoj G Jain	2,10,000.00	-
04.	Ms. Zeel Sureshkumar Modi	1,50,000.00	-

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

F) Terms of reference

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

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

III) STAKEHOLDERS RELATIONSHIP COMMITTEE
A) Composition

The Stakeholders Relationship Committee was re-constituted by the Board on 30/11/2019. The Stakeholders Relationship Committee now comprises of three members viz; Mr. Atma Ram Sarda, Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Atma Ram Sarda 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 Stakeholders Relationship Committee is looking for redressal of investors complaint like Transfer, Transmission and Replacement of Shares, Issue of Duplicate/Replacement/Split Shares, and Non-receipt of Balance Sheet/Dividends/Bonus Shares/Rights etc.

C) Meetings and Attendance during the year

During the financial year Eleven meetings of Stakeholders Relationship Committee were held on 05.04.2019, 19.04.2019, 26.04.2019, 03.05.2019, 31.05.2019, 14.06.2019, 28.06.2019, 30.08.2019, 06.09.2019, 11.10.2019, 17.01.2020.

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

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Atma Ram Sarda *	Chairman	Non-Executive	11	1
02.	Mr. Sumeet Shankarlal Somani	Member	Executive	11	11
03.	Mr. Manojkumar G Jain	Member	Non-Executive	11	11
04.	Mr. Dinesh Sharan Khare *	Chairman	Non-Executive	11	10

* Mr. Atma Ram Sarda has been inducted as Chairman of this Committee in place of Mr. Dinesh Sharan Khare at the time of reconstitution by the Board on dated 30/11/2019.

D) Compliant Status

Number of complaints/requests received from the shareholders during the financial year 2019-20 and the number of pending complaints is given below:

Compliant received during the year 2019-2020	14
Complaint pending as on 31/03/2020	NIL
Number of pending shares transfer as on 31/03/2020	NIL

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

IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)
A) Composition

The Corporate Social Responsibility Committee (CSR Committee) now comprises of three members viz; Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, Mr. Atma Ram Sarda, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Sumeet Shankarlal Somani is the Chairman of the CSR Committee. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the CSR Committee.

B) Terms of Reference

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

- i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- ii) To recommend the amount of expenditure to be incurred on the CSR activities;
- iii) To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- iv) To prepare a transparent monitoring mechanism for ensuring implementation of the project/ programs/activities proposed to be undertaken by the Company.

C) Meeting and attendance during the year

During the year, two meetings of CSR Committee were held on 01.05.2019 and 07.03.2020. The number of meetings held and number of meetings 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
01.	Mr. Sumeet Kumar Somani	Chairman	Executive	2	2
02.	Mr. Manojkumar G Jain	Member	Non-Executive	2	2
03.	Mr. Atma Ram Sarda	Member	Non-Executive	2	2

4. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

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

5. GENERAL INFORMATION TO THE SHAREHOLDERS**I) GENERAL BODY MEETING**

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

Sr. No.	AGM DATE	Location	Time
1	30/09/2019	Agrasen Bhavan, Shyam Kunj Hall, City Light, Surat-395007	10:00 A.M.
2	29/09/2018	Shree Maheshwari Bhavan, First Floor Hall, Near Science Centre, City Light, Surat	10:00 A.M.
3	30/09/2017	Conference Hall, Bombay Market, Umarwada, Surat	10:00 A.M.

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

YEAR 2017-18

1) Raising of Funds

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

IV) SHAREHOLDING AS ON 31ST MARCH, 2020**A) DISTRIBUTION OF SHAREHOLDING (IN SHARES) AS ON 31ST MARCH, 2020**

Distribution Range	No. of Shareholders	% of Total	No. of Shares	% of Total
1 To 500	25721	62.4781	4840933	4.6708
501 To 1000	5085	12.3518	3735941	3.6046
1001 To 2000	4597	11.1664	6495701	6.2674
2001 To 3000	1761	4.2776	4376956	4.2231
3001 To 4000	942	2.2882	3313460	3.1970
4001 To 5000	605	1.4696	2819026	2.7200
5001 To 10000	1259	3.0582	9070849	8.7521
10001 To 9999999999	1198	2.9100	68989523	66.5650
TOTAL == >	41168		103642389	100.0000

B) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2020

Category	No. of Shares Held	% of Shareholding
Promoters & Promoter Group	22459291	21.67
Corporate Bodies	5334969	5.15
Clearing Member	3908442	3.77
Non Resident Indians (NRI'S)	1705160	1.65
HUF	3329244	3.21
IEPF	1273677	1.23
Indian Public & Others	65631606	63.32
TOTAL	103642389	100.00

V) MARKET PRICE DATA

Month wise High, Low price and volume data for the F.Y. 2019-20 at BSE & NSE are as under :

Month	BSE			NSE		
	High	Low	Total Volume	High	Low	Total Volume
Apr-19	4.90	3.68	166755	4.65	3.75	964468
May-19	4.40	2.80	529113	4.40	2.80	3120643
Jun-19	3.70	2.60	620749	3.70	2.50	3619182
Jul-19	3.20	2.25	279851	2.95	2.50	1691638
Aug-19	3.20	2.19	266941	3.20	2.15	1836766
Sep-19	3.20	2.05	357153	3.20	2.00	1893441
Oct-19	2.33	1.53	525364	2.40	1.55	2111048
Nov-19	2.67	1.59	685041	2.70	1.55	2169490
Dec-19	2.08	1.65	242320	1.95	1.70	622486
Jan-20	2.00	1.65	346193	1.90	1.65	901629
Feb-20	1.85	1.44	481071	1.80	1.50	910453
Mar-20	2.00	1.26	927546	1.95	1.25	1170038

VI) ANNUAL GENERAL MEETING (TENTATIVE)

Date : 17/09/2020, Thursday
 Time : 3.30 P.M.
 Through : Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

(VII) FINANCIAL CALENDAR (TENTATIVE)

Annual General Meeting : September, 2020
 Results for quarter ending June 30, 2020 : on or before 14th August, 2020
 Results for quarter ending Sep 30, 2020 : on or before 14th November, 2020
 Results for quarter ending Dec 31, 2020 : on or before 14th February, 2021
 Results for quarter ending March 31, 2021 : on or before 30th May, 2021

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.

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

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, 2020 about 97.73% of the issued capital have already been dematerialized. Shares of the company are listed at 'BSE Limited' & 'National Stock Exchange of India Limited' and being trading regularly. Demat ISIN number of the Equity Share of the Company is INE235C01010.

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

X) BANK MANDATE FOR DIVIDEND

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

XI) OUTSTANDING GDRS/ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS : NIL**XII) BOOK CLOSURE**

The Register of Members of the company will be closed from Friday, 11th September 2020 to Thursday, 17th September, 2020 (both days inclusive) as annual closure for the purpose of Annual General Meeting.

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

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

STOCK CODES :

BSE : 514211

NSE : SUMEETINDS

ISIN No. : INE235C01010

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

XV) BUILD UP OF EQUITY SHARE CAPITAL

Date of Allotment	Reason for Allotment	No. of Equity Shares Issued	Face Value (Rs.)	Cumulative Share	Cumulative Paid-up Capital (Rs.)
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. As required under the IEPF Rules, the Company 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 by-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 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 Yarn.

XXIII) REGISTERED OFFICE

504, 5th Floor, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat- 395 002 (Gujarat)
Phone : 0261- 2328902, Fax : 0261- 2334189

E-mail : corporate@sumeetindustries.com

Web site: www.sumeetindustries.com

XXIV) REGISTRARS AND SHARE TRANSFER AGENTS

M/S. Bigshare Services Pvt. Ltd.

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

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

E-mail: info@bigshareonline.com

Web site: 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 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

Unit: Sumeet Industries Limited

Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai-400059, Maharashtra

Ph.: 022 62638200

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

Unit: Sumeet Industries Limited

M/s Bigshare Services Pvt. Ltd.

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

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

E-mail: info@bigshareonline.com

- 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 (Gujarat)
Phone : 0261- 2328902, Fax : 0261- 2334189 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 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 is annexed as a part of the report.

10. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

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

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 General Managers (Senior Management Executives). The Code of Conduct for Board Members and Senior Management has been posted on the website of the Company.

12. INSIDER TRADING CODE

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations). The Code is applicable to Promoter, Member of Promoter's Group, all Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer monitors adherence to the said PIT Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. www.sumeetindustries.com.

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. 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, 2020.

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, 2020.

For Sumeet Industries Limited

Place: Surat
Dated: 04/07/2020

Sumeet Kumar Somani
Mg. Director

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of
Sumeet Industries Limited

I have examined the compliance of conditions of Corporate Governance by Sumeet Industries Limited ("the Company") for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
FRN:111032W

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. 055043
UDIN:20055043AAAAAFH8977

Place: Surat
Dated: 23/07/2020

**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. MG / 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, 2020 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that :
- (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there are no significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (iii) there are no instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sumeet Industries Limited

Place: Surat
Dated: 04/07/2020

Sumeet Shankarlal Somani
Managing Director
(DIN : 00318156)

Abhishek Prasad
Chief Financial officer

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The global economy grew at 2.4% in CY 2019, slowing from 3% in CY 2018 amid global trade war, tariff related uncertainties, and Brexit. Chinese growth moderated but held up at 6.1% despite escalation of trade tensions with the United States (US). Amidst trade tensions and Brexit related uncertainty, EU growth also weakened to 1.1%. However, with talks of trade resolution in second half of 2019, Europe started to see some recovery in growth. Brexit, which was a key uncertainty for Europe over the last two years, also saw resolution towards end 2019. The US economy remained relatively strong growing at 2.3%. Global trade tensions continue to remain a major concern with trade embargos being increased by the US on imports from China at different times during FY 2019-20. As a response to the trade actions, many other countries implemented their own trade measures with a view to protect their domestic industry from diverted trade flows.

The corona virus (COVID-19) outbreak at the start of 2020 unleashed a health and economic crises, unprecedented in scope and magnitude, with lockdowns and border closures paralyzing economic activity and laying off millions of workers across the world. With extensive restrictions on economic activities, the global economy was at a virtual standstill through the second quarter of 2020. To minimize the impact of this economic catastrophe, governments across the world rolled out economic stimulus measures.

ADVANCED MARKET ECONOMIES (AMES)

Growth in AMEs slowed down to 1.7% in CY 2019 from 2.2% in CY 2018. Lower business spending and the prolonged trade dispute, combined with rising geopolitical tensions, led to a moderation in US growth to 2.3% from 2.9%. Euro area growth weakened further to 1.2% from 1.9%, due to weakness in Manufacturing and trade. A sluggish German economy further dampened business sentiment, even as financial conditions eased with increased liquidity.

EMERGING MARKET AND DEVELOPING ECONOMIES (EMDES)

Growth in EMDEs moderated to 3.7% in CY 2019 from 4.5% in CY 2018, as growing trade restrictions, impaired business confidence and delayed investment plans. China, reeling under the trade war with the US and persistently high inflation, recorded growth at 6.1% in CY 2019. Growth was largely muted in rest of the EMDEs due to domestic factors.

The World Trade Organization (WTO) predicts that the world trade is expected to fall by 13% to 32% in 2020 as the COVID-19 pandemic has disrupted normal economic activity and life around the world. The WTO economists believe the decline will likely exceed the trade slump brought by the global financial crisis of 2008-09. Estimates of the expected recovery in 2021 are equally uncertain, with outcomes depending largely on the duration of the outbreak and the effectiveness of the policy responses.

INDIAN ECONOMY

India's economic growth moderated in FY 2019-20 to 4.2% from 6.1% a year earlier due to weak domestic consumption, sluggish manufacturing, subdued investments, and extended monsoon, among others. In addition, continued stress in the banking sector, especially non-banking financial companies (NBFCs), weighed heavily on system credit growth. The central government announced a slew of counter-cyclical measures with the Reserve Bank of India (RBI) staying largely accommodative in its monetary policy stance. The RBI halted the rate cut cycle in December 2019, due to increasing upward pressure on inflation expectations.

Government has initiated various measures to boost the economy including direct benefit transfer, increased allocations to key sectors like infrastructure, agriculture, MSMEs etc. Reserve Bank of India has cut repo rate by 185 bps on a cumulative basis this year to support the aggregate demand and private investment as well as ease liquidity given the COVID-19 situation.

The slew of policy measures and announcements are welcome and signal the Government's strong commitment to arrest and reverse the slowdown. The measures announced / implemented in 2019-20 include reduction in corporate tax rate; policy initiatives for development of textiles & handicrafts and electric vehicles; outreach programme for growth, expansion and facilitation of micro, small and medium enterprises; incentives for start-ups in India; recapitalization of public sector banks, relaxation of ECB guidelines for affordable housing; and streamlining of many labour laws at the central government level. Government has also taken various measures

from time to time to stabilize prices of essential food items through, inter-alia, trade and fiscal policy instruments like customs duty, minimum export price, export restrictions, imposition of stock limits besides advising States for effective action against hoarders & black marketers to regulate domestic availability and moderate prices.

Ease of Doing Business 2020 Report, has among others, contributed to the increase in global confidence in Indian economy. India has emerged as an important player in the world on the back of high GDP growth and announcement/implementation of critical measures in the current year and last few years. Global confidence in the Indian economy improved as reflected in growing inflows of net Foreign Direct Investment (FDI) and an all-time high accumulation of foreign exchange reserves of US\$ 457.5 billion as in end December, 2019. India moving up by 14 positions to 63rd rank in 2019 World Bank's report.

IMPACT of COVID -19 PANDEMIC

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operation due to lock downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The pandemic is estimated to have severely impacted both supply and demand sides of businesses. As production and global trade has been curtailed around the world, many sectors will experience shortage of inputs and a severe consumption slowdown. While the world is foreseeing significant de-growth in most economies, India is expected to be relatively resilient, even as the pandemic makes its impact on the country's economy. The overall long term macro-economic conditions in India are expected to improve considering the stable Government at the Centre.

Indian Textile Industry *

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The decentralised power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

Market Size

India's textiles industry contributed seven per cent of the industry output (in value terms) in FY19. It contributed two per cent to the GDP of India and employed more than 45 million people in FY19. The sector contributed 15 per cent to India's export earnings in FY19. Textiles industry has around 4.5 Crore employed workers including 35.22 lakh handloom workers across the country. The domestic textiles and apparel market stood at an estimated US\$ 100 billion in FY19.

The production of raw cotton in India is estimated to have reached 36.04 million bales in FY20. During FY19, production of fibre in India stood at 1.44 million tonnes (MT) and reached 1.60 MT in FY20 (till January 2020), while that for yarn, the production stood at 4,762 million kgs during same period.

Investment

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.44 billion from April 2000 to March 2020.

Government Initiatives

Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the sector under the automatic route.

Achievements

Following are the achievements of the Government in the past four years:

- As of 2019, 348 technical textiles products were developed according to Bureau of Indian Standards (BIS).
- I-ATUFS, a web-based claims monitoring and tracking mechanism was launched on April 21, 2016. 381 new block level clusters were sanctioned.

- Under the Scheme for Integrated Textile Parks (SITP), 59 textile parks were sanctioned, out of which, 22 have been completed.
- Employment increased to 45 million in FY19 from 8.03 in FY15.

Road Ahead

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

(*source : Indian Brand Equity Foundation, <https://www.ibef.org/industry/textiles.aspx>)

INDIAN MANMADE FIBRE TEXTILE INDUSTRY

Indian Manmade fibre (MMF) textile industry is vibrant and growing. Today, India produces almost all the types of synthetic fibres, be it polyester, viscose, nylon or acrylic and hence we are at the advantage compared to any other nations across the world. Currently, we are the 2nd largest producer of both polyester and viscose globally. MMF textile industry in India is self reliant across the value chain right from raw materials to the garmenting. Our fabrics are international standard and known for their excellent workmanship, colours, comforts, durability and other technical properties. Due to heavy investments in world-class manufacturing plants, continuous innovation, untiring entrepreneurship, new product mix and strategic market expansion, India is soon going to cloth the entire world and set to take centre stage in the global arena. (Source : Indian Man Made Fibre Textile Industry : 2018-19)

BUSINESS OVERVIEW

FY 2020 was an exceptional year for us and the company has shown mixed performance during the year under review. The year was largely impacted by domestic and global economic slowdown, continued NBFC liquidity tightening and later by the COVID-19 pandemic. Despite significant volatility in the business and economic environment, we delivered a resilient performance during the year. The company has achieved 706.94 Crores consolidated revenue during the year under review.

The year 2020-21 would be a year of challenges for the Company. We acknowledge the fact that the operating scenario continues to be challenging owing to the COVID-19 pandemic further impacting consumer confidence and purchasing power. Uncertainties arising due to the economic impact of COVID-19 are expected to continue at least for the first six months of the current financial year. The first quarter of the year is anticipated to be adversely impacted as the country remained in lockdown for the most part of it. The recovery of both, the domestic and global market, will guide the capacity utilisation with its direct bearing on the performance.

The issue of migrant labourers will be a serious challenge, particularly for polyester industries. Surat happens to be a major consumer centre and the city has seen a huge number of migrant labourers leave, and it may not see normalcy in operations in the near term.

However, our approach is to stay close to our customers, understand their challenges. The Company has accelerated its cost optimisation drive across the value chain to further improve its operational efficiency. The execution excellence initiatives pursued to optimise efficiencies, reduce cost and eliminate wastage has been adopted across functions and processes.

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 execution excellence initiatives pursued to optimise efficiencies, reduce cost and eliminate wastage has been adopted across functions and processes.

The company have re-submitted its Debt Restructuring Plan to our Lead Banker, Bank of Baroda along with Consortium Banks and the same is under review with Bank(s) and expected to be finalised by them shortly.

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. 706.94 Crore in the year 2019-20 as against Rs. 832.32 Crore during the previous year. Decrease in sales was effected due to decline in prices of finished goods during the year. During the year under review the company has produced 84658.754 Ton (Previous year 81889.565 Ton) and purchase and sale of stock-in-trade was also less in comparison to previous year.

Other Income : Other income consisting receipt of Dividend, Discounts and Interest on Fixed Deposits & others. Other income for the year 2018-19 is amounting of Rs. 381.54 Lacs against Rs. 303.38 Lacs in the previous year.

Consumption of Raw material : Consumption of raw material was decreased from Rs. 74176.14 Lacs to Rs. 63915.05 Lacs due to decrease in cost prices of raw materials. The prices of our basic raw materials mainly i.e. PTA and MEG are petroleum products and are closely linked with crude oil prices. Prices of Crude oil decreased during the year under review.

Employee Cost : Employees cost were marginally increased from Rs. 2144.09 Lacs to Rs. 2209.98 Lacs.

Interest Cost : Interest costs were decreased from Rs. 6191.22 Lacs to Rs. 4138.58 Lacs being some of banks under Consortium have not charged interest on the credit facilities provided due to falling in the NPA category of the company during the year.

The Company has delivered mixed performance despite considerable headwinds and making efforts for progress in strengthening the established business segments through high value products and optimisation of cost.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

ENERGY CONSERVATION

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

ENERGY COST

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

OPPORTUNITIES AND STRENGTH

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

Our product mix spread over six important Polyester products: Pet chips, POY, FDY, Dope Dyed Yarn, Micro Filament and Texturised Yarn. The company is continuing putting its thrust on re-engineering of its existing operations and carry on balancing investment in modification of existing equipment's and some fresh investments in energy conservation schemes and sourcing of cheap electricity power along with cost optimisation.

THREAT, RISKS AND CONCERNS

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

a) RISK AGAINST FIRE, FLOOD AND ACCIDENTS

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

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

b) ECONOMIC RISK

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

c) COMPETITION RISK

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

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

Our product mix spread over six important Polyester products: Pet chips, POY, FDY, Dope Dyed, Micro Filament and Texturised yarn. The company is continuing putting its thrust on re-engineering of its existing operations. With an expanded value bases 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) STRATEGIC RISK

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

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

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

e) PRICE RISK

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

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

f) LIQUIDITY RISK

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

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

g) MARKET RISK

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

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

h) TECHNOLOGY RISK

Obsolescence of technology may affect the production process and technical support from original equipment manufacturers. The Company monitors such issues and makes investment in technology 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 helps in maintaining the quality.

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 focusing 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 recycling 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 2019-20.

Safeguarding the health and safety of our people is integral to our commitment to remain a responsible organisation. Our employees 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 counseling of employees, contractors, sub-contractors and transporters to ensure effects of environment, health and safety.
- Training and motivating employees to understand their EHS responsibilities and to participate actively in EHS program.
- Imparting fire fighting training to personnel and mock drills to ensure safety preparedness.
- Toilets and drinking water facility, 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. 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 at each Board Meeting regarding the compliance with the provisions of various statutes, after obtaining confirmation from all the units of the Company. The Company Secretary ensures compliance accordance to SEBI regulations and provisions of the Listing Agreement.

CORPORATE SOCIAL SERVICE

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

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

CAUTIONARY STATEMENT

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

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

**Anil Kumar Jain
Company Secretary
Surat**

10th day of August 2020

INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS
SUMEET INDUSTRIES LIMITED**

Report on the Audit of Standalone Financial Statements**Qualified Opinion**

1. We have audited the accompanying standalone financial statements of **SUMEET INDUSTRIES LTD** ("The Company") which comprises the Balance Sheet as on **31st March 2020**, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").
2. 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 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, 2020**, and its loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3. 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 provision for interest on loan taken from financial institutions and NBFC, due to which loss of company is understated by Rs. 20517295/- as on 31/03/2020."

Key Audit Matters

4. 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.

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

The Internal audit of company is conducting by RRA & Co., Surat. However, internal audit is completed only up to second quarter i.e. 30 September, 2019. The remaining details not provided to us till the date of audit

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

5. 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.

Management's Responsibility for the Standalone Financial Statements

1. 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.

2. 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.
3. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

4. 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.
5. 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.

6. 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.
7. 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.
8. 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.

Emphasis of Matters

Subject to matter described in the Basis for Qualified Opinion para, we draw attention on certain matter stated in "Annexure-A" attached to this report, which are of such importance that it is fundamental/relevant to user's understanding of the financial statement. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies(Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure B", 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, 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
 - e) On the basis of written representations received from the directors as on **31st March, 2020** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2020** 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 C";

g) 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 Ind AS financial statements. Refer Note No.31 Contingent liabilities under "Notes Accompanying the Financial Statements" of the standalone Ind AS 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.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M. NO. : 055043

PAN : AACFH 1890 B
FIRM REG. NO. : 111032W
UDIN : 20055043AAAAEC6838

PLACE : SURAT
DATE : 04.07.2020

Annexure- A to our Main Audit Report: F.Y. 2019-20

1. Company has shown Claim Receivable of Rs. 4259.99 lakh as Other Current Assets as on 31.03.2020, which is subject to our verification.
2. As per information and explanations given to us, we are unable to verify the closing balance of following bank accounts as the bank statements have not been provided to us.

Sr. No.	Name of Bank	Balance as on dt.31.03.2020
1.	Union Bank of India (Account Number- 311201980050000)	0

3. The detail of transactions with the MSME Parties is not received by us till the date of audit so we are unable to comment on the same.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M. NO. : 055043

PLACE : SURAT
DATE : 04.07.2020

PAN : AACFH 1890 B
FIRM REG. NO. : 111032W
UDIN : 20055043AAAAEC6838

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE
MEMBERS OF SUMEET INDUSTRIES LTD, ON THE STANDALONE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plants and equipment.

(b) The property, plants and equipment of the company have been physically verified by the management at regular intervals and no significant discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable property are held in the name of the company.
- ii. In our opinion, the inventories have been physically verified at reasonable intervals during the year by the management and no significant discrepancies were noticed on such verification.
- iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence Clause iii (a), (b) and (c) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Act, with respect to the loans and investment made.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit as at 31.03.2020 in contravention of directives issued by the Reserve Bank of India and the provision of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Therefore, the provisions of the 3(v) of the order is not applicable to the company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory due including provident fund, employees' state insurance, income tax, goods and service tax, sales tax, service tax, duty of custom duty, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, goods and service tax, sales tax, service tax, duty of custom, duty of excise and other material statutory due were in arrears as at 31/03/2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of goods and service tax, sales tax or wealth tax or service tax or duty of customs or value added tax or cess, which have not been deposited with the appropriate authorities on account of any dispute. However, based on the audit procedure and on the information and explanations given by the management, the following dues of Income Tax have not been deposited by the company on account of disputes:

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Forum where dispute is pending
Income Tax Act	Income Tax Demand	A.Y. 2012-13	5,95,58,850/-	CIT Appeal, Surat-4
Income Tax Act	Income Tax Demand	A.Y. 2014-15	11,13,928/-	CIT Appeal, Surat-4
Income Tax Act	Income Tax Demand	A.Y. 2015-16	9,72,740/-	CIT Appeal, Surat-4
Income Tax Act	Income Tax Demand	A.Y. 2016-17	36,39,655/-	CIT Appeal, Surat-4

viii. 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 a financial institutions, banks etc. The detail of period and the amount of default as ascertained by the management is as follows: -

Name of Bank	Principal Amount	Remark
BOB Term Loan	10,85,00,000/-	Full loan is called up by bank
Canara Bank Term Loan [Texturising]	75,46,303/-	Full loan is called up by bank
Canara Bank Term Loan[Carpet]	17,85,324/-	Full loan is called up by bank
IDBI Corporate Loan	15,27,77,770/-	Full loan is called up by bank
Tourism Finance Corporation Ltd.	45,00,000/-	Default made in loan repayments of 3 Months
Oldenburgische Landsbank AG	57,34,91,871/- [69,05,414 EURO]	Full loan is called up by bank
ECB London Term Loan (BOB)	29,61,58,861/- [39,28,571 USD]	Full loan is called up by bank

ix. Based on the audit procedures applied by us & according to the information & explanations provided by the management, the Company has not raised any moneys by initial public offer or further public offer (including debt instruments) and term loan during the year.

x. According to the information and explanations given to us, no material fraud by the company or any fraud on the Company by its officers/employees has been noticed or reported during the period covered by our audit.

xi. Managerial remuneration has not been paid and it is in accordance with the provisions of section 197 read with schedule V to the Companies Act.

xii. In our opinion, the company is not a nidhi company. Therefore, the provisions of clause (xii) of the Companies (Auditor's Report) Order, 2016 (As Amended) are not applicable to the company.

xiii. According to the information and explanations given to us all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statement as required by the applicable accounting standards.

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the Order are not applicable. However, the company has issued bonus shares to equity shareholders in the ratio of 1:4.

xv. In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M. NO. : 055043

PLACE : SURAT
DATE : 04.07.2020

PAN : AACFH 1890 B
FIRM REG. NO. : 111032W
UDIN : 20055043AAAAEC6838

AUDITORS REPORT- ANNEXURE C

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE **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, 2020** 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, 2020** 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

PLACE : SURAT
DATE : 04.07.2020

PAN : AACFH 1890 B
FIRM REG. NO. : 111032W
UDIN : 20055043AAAAEC6838

BALANCE SHEET AS AT 31ST MARCH, 2020

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

Particulars	Note No.	31st March, 2020	31st March, 2019
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	27,593.10	30,974.58
(b) Capital Work in Progress		-	-
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Aseets		-	-
(f) Intangible Aseets under Development		-	-
(g) Financial Assets			
(i) Investments	3	2,650.09	3,362.26
(ii) Trade Receivables	4	1,945.81	1,359.19
(iii) Loans	5	1,513.30	1,475.87
(iv) Other Financial Assets		-	-
(h) Deferred Tax Assets		-	-
(i) Other non current assets	6	723.21	705.57
(2) Current Assets			
(a) Inventories	7	17,011.21	16,964.50
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	4	7,127.86	8,733.12
(iii) Cash and Cash Equivalents	8	51.46	1,118.00
(iv) loans		-	-
(v) Other Financial Assets		-	-
(c) Others Current Assets	6	9,696.00	10,685.67
TOTAL ASSETS		68,312.03	75,378.75
II EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	9	10,364.24	10,364.24
Other Equity	10	-7,545.65	-2,943.35
Total Equity		2,818.59	7,420.89
(2) Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	3,964.73	11,642.14
(ii) Trade Payable	12	-	-
(iii) Other Financial Liabilities	13	50.00	50.00
(b) Provisions		-	-
(c) Deferred Tax liabilities (Net)	14	4,835.73	5,491.48
(d) Other non current liabilities	15	229.93	184.74
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	38,261.57	36,759.08
(ii) Trade Payable	12	5,096.36	7,480.09
(iii) Other Financial Liabilities	13	12,426.68	4,434.59
(b) Other Current Liabilities	15	628.44	637.72
(c) Provisions	16	-	1,278.03
Total Liabilities		65,493.44	67,957.87
TOTAL EQUITY AND LIABILITIES		68,312.03	75,378.75
Significant Accounting Policies	1		
Notes on Financial Statements			

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 : 04.07.2020

For and on behalf of the Board of Directors
Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO
PLACE : SURAT
DATE : 04.07.2020

31st MARCH, 2020

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

Particulars	Note No.	31st March, 2020	31st March, 2019
I. Revenue from Operations	17	70,694.04	83,231.95
II. Other Incomes	18	381.54	303.38
III. Share of profits/losses in a Partnership firm/AOP			
IV. Share of profits/losses in a Limited Liability Partnership			
III. Total Revenue (I + II)		71,075.58	83,535.32
IV Expenses :			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	19	63,915.05	74,176.13
Purchases of Stock-in-Trade		2.21	1,449.82
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	550.65	175.00
<u>Administrative & Selling Expenses</u>			
Employee Benefit Expenses	21	2,209.98	2,144.09
Finance Costs	22	4,138.58	6,191.22
Depreciation and Amortization Expense	23	4,022.91	4,666.32
Other Expenses	24	1,543.00	1,305.79
Total Expenses		76,382.38	90,108.37
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		(5,306.80)	(6,573.04)
VI Exceptional Items		(0.10)	5,821.90
VII Profit before Extraordinary Items and Tax (V - VI)		(5,306.70)	(12,394.94)
VIII Extra Ordinary Items		-	-
IX Profit before Tax (VII-VIII)		(5,306.70)	(12,394.94)
X Tax Expense:			
(1) Current tax		-	-
(2) Income Tax of Earlier Year		-	-
(3) Deferred Tax		(655.75)	(739.94)
(4) MAT credit		-	-
		(655.75)	(739.94)
XI Profit/ (Loss) for the period from Continuing Operations		(4,650.95)	(11,655.00)
XII Profit/ (Loss) from discontinuing Operations		-	-
XIII Tax expense of discontinued operation		-	-
XIV Profit/ (Loss) from discontinuing Operations (after tax) (XII-XIII)		-	-
XV Profit/ (Loss) for the period (XI+XIV)		(4,650.95)	(11,655.00)
XVI Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit obligations		(11.03)	(12.23)
Add/Less : Income tax relating to above item		-	3.81
Total		(11.03)	(8.42)

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

Particulars	Note No.	31st March, 2020	31st March, 2019
(b) Fair value of equity instruments through other comprehensive income		(2.18)	(5.00)
Add/Less : Income tax relating to above item		-	1.56
Total		(2.18)	(3.44)
(B) Items that will be reclassified to profit or loss			
(i) Exchange Difference in translating the Financial Statement of a Foreign Operation		-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income net of taxes		<u>(13.22)</u>	<u>(11.86)</u>
Total Comprehensive Income for the period (XV + XVI)		<u>4664.17</u>	<u>11666.86</u>
Earning per equity share (for countinuing operation):			
(1) Basic		-	-
(2) Diluted		-	-

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 : 04.07.2020

For and on behalf of the Board of Directors

Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO

PLACE : SURAT
DATE : 04.07.2020

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2020

(Rs. In Lakhs)

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	Amount	Amount	Amount	Amount
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Extraordinary Items		(5,319.92)		(12,406.80)
Adjustment For:				
Add:				
Depreciation	4,022.91		4,659.00	
Fair Value on investment	1.85		-	
Foreg in Exchange	(187.04)		-	
Loss on sale of Asset	-		88.32	
Interest on Income Tax	688.17		-	
Loss on sale of Investment	582.02		-	
Interest Paid	3,779.78		4,786.67	
Other Adjustment to reconcile profit	(626.31)		-	
	<u>8,261.39</u>		<u>9,533.98</u>	
Less:				
Fair Value on investment	-		-	
Interest Income	298.60		302.60	
Profit on sale of Asset	0.10		-	
Dividend Income	0.64		0.05	
	<u>299.33</u>		<u>302.65</u>	
Operating Profit before Working Capital Changes		7,962.06		9,231.33
Adjustment for:				
Trade Receivables	1,018.64		(4,079.26)	
Other asset	972.03		(4,141.34)	
Inventories	(46.71)		5,877.19	
Trade Payables	(2,383.73)		(931.28)	
Other Financial Liability	7,992.09		511.16	
Other Liabilities	35.92		(505.81)	
Provision	(1,278.02)		(1,295.20)	
		<u>6,310.22</u>		<u>(4,564.54)</u>
Tax Paid		-		(13.98)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		8,952.37		(7,726.02)
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
<u>Fixed Assets & Work in Progress</u>				
Sale of Fixed Assets	0.79		283.76	
Purchase of Fixed Assets	(26.02)		20.72	
Increase/(Decrease) in Fixed Asset due to Exch. Difference	(616.00)		-	
Increase in Capital Work in progress	-		-	
<u>Investments</u>				
Purchase of Investments	(0.60)		(114.40)	
Sale of Investments	315.81		-	
Dividend received	0.64		0.05	
Interest Income	298.60		302.60	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(26.79)		492.73

(Rs. In Lakhs)

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	Amount	Amount	Amount	Amount
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Equity Share Capital raised	-	-	-	-
Security premium received	-	-	-	-
Increase / Decrease in Borrowings	(6,174.92)		9,811.26	
Increase / Decrease in Loans & Advances	(37.42)		79.23	
Interest Paid	(3,779.78)		(4,786.67)	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(9,992.12)		5,103.84
Net Increase in Cash & Cash equivalents		(1,066.54)		(2,129.45)
(D) Opening Cash and Cash equivalents		1,118.00		3,247.45
(E) Closing Cash and Cash equivalents		51.46		1,118.00
		(1,066.54)		(2,129.45)

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 : 04.07.2020

For and on behalf of the Board of Directors

Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO

PLACE : SURAT
DATE : 04.07.2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**Note 1: Company Overview, Basis of Preparation and Significant Accounting Policies****I) THE COMPANY OVERVIEW:**

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

II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**(i) Compliance with Ind AS**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time, the provisions of the Companies Act, 2013 ("the Companies Act") as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The date of transition to Ind AS is April 01, 2016.

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

(ii) Historical cost convention

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

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

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

(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.

(v) Use of estimates and judgment

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

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 tax

III) SIGNIFICANT ACCOUNTING POLICIES
(A) Inventories: [Ind AS 2]

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 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 used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(B) 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.

(C) Income Tax (Ind AS 12)

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

Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions in accordance with the provisions of the Income Tax Act, 1961.

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

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

Tax expense/(credit) recognized in the Statement of Profit and Loss for the year ended 31.03.2020

Sr.No.	Description	Amount (In ₹)	Amount (In ₹)
1	Difference in closing Balance of Depreciations		
	Depreciation as Per Companies Act	40,22,91,351	
	Depreciation as per Income Tax Act	19,46,14,391	
		20,76,76,960	
	Deferred Tax Assets/(Liability)		6,55,74,883
			6,55,74,883

Sr.No.	Particulars	Amount (In ₹)
1	Opening Balance of DTA / (DTL)	(54,91,47,336)
2	Deferred Tax Assets / (Liabilities) of the period	6,55,74,883
3	Closing Balance of DTA / (DTL)	(48,35,72,453)

(D) Employee Benefits: [Ind AS 15]
Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Post-employment obligations

The Company operates the following post employment schemes:

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

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.

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.

Other Employee Benefits

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

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

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

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

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

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual values

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

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

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

(F) Foreign Currency: [Ind AS 19]

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.
- At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. 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.

- **Para D13AA of Appendix D of Ind AS 101:**

financial
financial

A first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the statements for the period ending immediately before the beginning of the first Ind AS reporting period as per the previous Generally Accepted Accounting Principles.

Company has been following policy of capitalizing exchange difference on settlement of foreign currency loan taken for purchase of plant & machinery before adoption of Ind AS. The Company has continued the same policy post implementation of Ind AS.

(G) Government Grants: [Ind AS 20]

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

- In case of capital grants, they are then recognised in Statement of Profit and Loss on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.
- Interest Subsidy Received, being a compensation to Interest on Loan, is recognized on receipt basis.

(H) 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:

Parties where control exists:

Sr. No.	Name of Party	Relationship	Nature of Transaction	Amount	Balance	
					Due To	Due From
1	Atma Ram Sarda	Non-Executive Director	Director Sitting Fees	330000/-	87321/-	-
			Legal & Professional Fees	815236/-		
2	D.S. Khare	Independent Director	Director Sitting Fees	240000/-	83563/-	-
			Committee Fees	421713/-		
			Legal & Professional Fees	434240/-		
3	Somani Overseas Private Limited	Common Director	Sales for Grey Fabrics	6671384/-	6671383/-	-
			Purchase of Stores & Spares	2128472/-		
			Financial Transaction	26892297/-		
4	Betex India Ltd.	Director's Brother is Director	Loan Repayment Received	2960810/-	-	3759346/-
			Interest Received	355928/-		
5	Sumeet Global PTE Ltd.	Fully Owned Subsidiary Company	MEG Purchase	-	76641452/-	-
			PTA Purchase	-	5932870/-	-
			Sales for Texturising (Polyester)	-	-	44370179/-
6	National Poly Yarn Private Limited	Director's Son is Director	Recovery of Advance given against Land	23118455/-	-	-
7	Dhanvirdhi Financial Consultants Private Limited	Common Director	Advance for shares (127500 No. of shares Purchase of Rs. 10/-Each)	1275000/-	-	-
8	Shankarlal Somani	Chairman	Loan Taken	225000/-	16040129/-	-
			Loan Given	-		
			Loan Repayment Received	142000/-		
			Interest Paid	912445/-		
9	Sumicot Ltd.	Relative of key managerial personal (Director)	Interest Received	12652175/-	-	147570296/-
			Loan Repayment Received	5004231/-		
10	Zeel Suresh Kumar Modi	Non-Executive Director	Director Sitting Fees	150000/-	27000/-	-
11	Ganga Devi Somani	Chairman's Wife	Loan Taken	1600000/-	-	-
			Interest Paid	14689/-	1613220/-	-
12	Manisha Somani	Director's Wife (Sumeet Somani)	Loan Taken	200000/-	206610/-	-
			Interest Paid	7344/-	-	-
13	Manoj Kumar Jain	Non-executive Director	Director Sitting Fees	210000/-	81000/-	-
14	Siddhipriya Poly Fab Private Limited	Common Director	Loan Taken	-	-	-
			Loan Repaid	18847/-	-	-

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

(I) Financial instruments:[Ind AS 32]

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

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

Financial assets:**Classification**

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

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

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

Initial recognition and measurement

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

Subsequent measurement

After initial recognition, financial assets are measured at:

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

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 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 FVOCI or FVTPL.

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

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

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

Debt instruments

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

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

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.

On derecognition 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 profit and loss.

Note: On derecognition of Investments the cumulative balance of OCI account related to those investments is been transferred to general reserve.

Financial liabilities:

Initial recognition and measurement

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

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.

(J) 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

number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

(K) Segment reporting: [Ind AS 108]

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note No. 32 for segment information presented.

Fair value measurement [Ind AS 113]

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

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

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

(L) Revenue recognition: [Ind AS 115]

- Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.
- Export sales are accounted at the exchange rate prevailing on the date of invoice. These are net of commission and does not include freight wherever applicable as per the terms of the sales contract.
- Dividend income is recognized when the right to receive the payment is established.
- Interest income is accounted on accrual basis.

(M) Cash and cash equivalents:

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes balance with banks and demand deposits with banks 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.

(N) Provisions and Contingent Liabilities

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

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

NOTE # 2
**Property, plant and equipment
F.Y. 2019-20**

Particulars	Land	Building	Road Development	Plant & Machinery	Furniture & Fixture	Vehicle	Total
Deemed cost as at April 01, 2018	50.23	1,357.88	115.65	41,508.01	76.38	97.79	43,205.94
Additions from 01.04.2018 to 31.03.2019	-	85.49	-	31.89	9.16	-	126.54
Disposal/Adjustment	-	-	-	534.64	-	-	534.64
Closing gross carrying amount as at March 31, 2019	50.23	1,443.37	115.65	41,005.26	85.54	97.79	42,797.84
Accumulated amortization and impairment:							
Opening Accumulated Depreciation	-	241.62	9.93	6,964.69	23.53	50.61	7,290.38
Depreciation/Amortization charge during the year	-	107.99	27.37	4,487.75	10.35	25.53	4,658.99
Disposal/Adjustment	-	-	-	183.36	-	-	183.36
Closing accumulated depreciation	-	349.61	37.30	11,269.08	33.88	76.14	11,766.01
Foreign Exchange Difference	-	-	-	-57.26	-	-	-57.26
Net carrying amount as at March 31, 2019	50.23	1,093.76	78.35	29,678.92	51.67	21.65	30,974.58
Opening Gross Carrying Amount	50.23	1,443.37	115.65	41,005.26	85.54	97.79	42,797.84
Additions	-	-	4.88	14.83	6.32	-	26.02
Disposal/Adjustment	-	-	-	-	-	5.55	5.55
Closing gross carrying amount as at March 31, 2020	50.23	1,443.37	120.53	41,020.09	91.86	92.24	42,818.32
Accumulated amortization and impairment:							
Opening Accumulated Depreciation	-	349.61	37.30	11,269.08	33.88	76.14	11,766.01
Depreciation/Amortization charge during the year	-	98.28	21.17	3,892.12	9.17	2.18	4,022.91
Disposal/Adjustment	-	-	-	-	-	4.86	4.86
Closing accumulated depreciation	-	447.89	58.47	15,161.20	43.05	73.46	15,784.06
Foreign Exchange Difference	-	-	-	616.10	-	-	616.10
Net carrying amount as at March 31, 2020	50.23	995.48	62.05	26,417.73	48.82	18.78	27,593.10

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2020**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 3		
Investments		
Financial instruments at FVTPL		
Equity instruments [Note 3.1]	383.33	1,203.57
Mutual Funds [Note 3.2]	5.19	84.03
	<u>388.52</u>	<u>1,287.61</u>
Investment in Subsidiaries (Note 3.3)	2,261.58	2,074.65
Total	<u><u>2,650.09</u></u>	<u><u>3,362.26</u></u>
Non-current	2,650.09	3,362.26
Current	-	-
Aggregate amount of quoted investments (FMV)		
Non-current		
Current	6.27	87.16
Aggregate amount of unquoted investments (FMV)		
Non-current	2,643.82	3,275.10
Current	-	-
3.1 Details of investments in equity instruments:		
Quoted:		
Stampede Capital Ltd.	0.41	1.87
Tata Steel Ltd.	0.54	1.05
Tata Steel Ltd.	0.01	0.01
M/s. Questfin Ltd.	0.04	0.04
Zylog Systems Ltd.	0.09	0.15
	<u>1.09</u>	<u>3.13</u>
Unquoted:		
Sumicot Ltd.	381.65	1,200.45
Inherent Computers Pvt Ltd	0.60	-
	<u>382.25</u>	<u>1,200.45</u>
Total	<u><u>383.33</u></u>	<u><u>1,203.57</u></u>

Investment in Sumicot Ltd. has been taken at carrying amount.

3.2 Investment in Mutual funds - Quoted

Canara Robeco Capital Protection ORIT.Fund-6-RG	-	61.81
India First Life Insurance Co Ltd. MF	5.00	5.00
Union KBC Capital Protection Oriental Fund	-	17.22
Baroda Treasury Advantage Fund	0.19	-
Total	<u><u>5.19</u></u>	<u><u>84.03</u></u>

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

3.3 Investment in Subsidiaries - Unquoted

Sumeet Global Pte. Ltd. (Wholly owned subsidiary)	2,261.58	2,074.65
Investment in Sumeet Global Pte. Ltd. has been taken at carrying amount.		

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 4		
Trade Receivables		
<u>Unsecured</u>		
Considered Good	9,073.66	10,092.31
Doubtful	-	-
Less : Allowance for expected credit loss	-	-
Total	9,073.66	10,092.31

Non - current	1,945.81	1,359.19
Current	7,127.86	8,733.12

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

NOTE # 5
Loans

Loans to Related Parties

Non - Current	1,513.30	1,475.87
Current	-	-
Total	1,513.30	1,475.87

NOTE # 6
Other Assets
Non - Current

Capital Advances	-	-
Advances other than capital advances	-	-
Security deposits	723.21	705.57
Advance to Suppliers	-	-
Total	723.21	705.57

Current

Prepaid Expenses	13.71	5.19
Advance to Suppliers	984.64	1,172.56
Balance with Excise, Customs, Income Tax and other authorities	4,410.22	4,621.18
Advance to Staff	13.93	17.64
Claim Receivable	4,259.99	4,855.59
Preliminary Expenses	-	-
Income Tax Seized Cash	13.50	13.50
Total	9,696.00	10,685.67

NOTE # 7
Inventories

Raw Materials	698.68	529.59
Work-in-progress	4,902.51	5,669.01
Finished goods	6,377.60	6,161.75
Stores and spares	5,032.41	4,604.15
Total	17,011.21	16,964.50

Mode of Valuation of Inventories

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

(Rs. In Lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
NOTE # 8		
Cash and cash equivalents		
Balances with Banks		
Current accounts	48.96	43.98
Demand deposits (Fixed deposits/Margin Money/Security against borrowings)	1.23	1,061.22
Cash on hand	1.27	12.79
Total	51.46	1,118.00

NOTE # 9
Share Capital
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, 2020		As at March 31, 2019	
	No of shares	Amt in lakhs	No of shares	Amt in lakhs
Authorised Capital				
Number of shares at the beginning	17,50,00,000	17,500.00	17,50,00,000	17,500.00
Add : Increased during the year	-	-	-	-
Number of shares at the end	17,50,00,000	17,500.00	17,50,00,000	17,500.00
Issued, Subscribed and Paid-up				
Number of equity shares at the beginning	10,36,42,389	10,364.24	8,29,13,911	8,291.39
Add : Issued during the year	-	-	2,07,28,478	2,072.85
Number of shares at the end	10,36,42,389	10,364.24	10,36,42,389	10,364.24
Number of preference shares at the beginning	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Add : Issued during the year	-	-	-	-
Number of shares at the end	3,00,00,000	3,000.00	3,00,00,000	3,000.00

(ii) Terms and rights attached to equity shares.

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

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

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

Particulars	As at March 31, 2020	%	As at March 31, 2019	%
Shankarlal Somani	55,00,000	5.31	-	-
Somani Overseas Private Limited	1,02,88,855	9.93	1,02,88,855	9.93

(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2020:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-

NOTE # 10
Statement of changes in Equity for the year ended March 31, 2020

(Rs. In Lakhs)

A. Equity Share Capital	
Particulars	Amount
As at April 1, 2018	8,291.39
Changes in Equity share capital	2,072.85
As at March 31, 2019	10,364.24
Changes in Equity share capital	-
As at March 31, 2020	10,364.24

B. Other Equity

(Rs. In Lakhs)

Particulars	Reserves and surplus						
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit obligations	Equity instruments through OCI	Total other equity
Balance as at April 01, 2019	25.00	6,741.20	62.08	(10,268.84)	(42.39)	539.60	-2,943.35
Prior period adjustments	-	-	-	-	-	-	-
Provision for taxation	-	-	-	-46.96	-	-	-46.96
Restated balance at the beginning	25.00	6,741.20	62.08	-10,315.80	(42.39)	539.60	-2,990.31
Other comprehensive income for the year	-	-	-	-	(11.03)	(2.18)	(13.22)
Transfer to general reserve	-	-	-	-	-	(402.60)	(402.60)
Transfer from Other Comprehensive Income (Equity Instruments)	-	-	402.60	-	-	-	402.60
Transfer from Provision for Taxation (OCI)	-	-	108.81	-	-	-	108.81
Transfer to retained earnings	-	-	-	(4,650.95)	-	-	(4,650.95)
Balance as at March 31, 2020	25.00	6,741.20	573.49	(14,966.74)	(53.42)	134.82	(7,545.65)

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

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
NOTE # 11		
Borrowings		
Non - current Borrowings:		
<u>Secured</u>		
Term loans from banks	1.10	7,480.09
Term loans from others	501.02	549.02
<u>Unsecured</u>		
Loans and Deposits	462.61	613.03
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3,000.00
Total	3,964.73	11,642.14
Current Borrowings:		
Cash Credit facilities	36,728.51	31,839.95
Inland LCs and Current a/c	1,533.06	4,919.13
Total	38,261.57	36,759.08

Nature of security

1. Hypothecation of 1st charge on all fixed assets of the company and 2nd pari passu 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 hypothecation of Exclusive Charges of Machinery.
4. Vehicle Loans are secured by hypothecation of vehicles itself.
5. The secured term loan includes loan availed by the company from LIC against Key Man Insurance policy taken by the company

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. 35.99 Crores &
US\$ 39.29 Lacs

Mr. Shankarlal Sitaram Somani has personally guaranteed amount of Euros 6905414.11 for loan taken from Oldenburgische Landesbank AG (Formerly known as Bremer Kredit Bank AG).

Terms of repayment of term loans & other loans (Refer Notes to accounts)

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
NOTE # 12		
Trade Payables		
Creditors for Goods	3,252.04	5,462.49
Creditors for Expenses	1,844.32	2,017.60
Total	5,096.36	7,480.09
<u>Non Current</u>	-	-
Current	5,096.36	7,480.09
NOTE # 13		
Other Financial Liabilities		
<u>Non - Current</u>		
Agency deposits	50.00	50.00
<u>Current</u>		
Current maturities of long term debt	11,702.60	3,680.20
Interest accrued but not paid	724.08	754.39
Total	12,426.68	4,434.59
Total	12,476.68	4,484.59
NOTE # 14		
Deferred Tax Liabilities		
Opening Balance	5,491.48	6,231.42
Provision for the period	(655.75)	(739.94)
Closing Balance	4,835.73	5,491.48
NOTE # 15		
Other liabilities		
<u>Non-current</u>		
Retention Money	-	-
Security Deposit from Staff	0.28	0.05
Provision for employee benefits - Gratuity Payable	229.65	184.69
	229.93	184.74
<u>Current</u>		
Advance from Customers	109.54	53.15
Provision for Expenses	484.86	554.52
Statutory Dues Payable	34.04	30.05
	628.44	637.72
Total	858.37	822.45
NOTE # 16		
Provisions		
<u>Current</u>		
Provision for Taxation	-	1,169.21
Provision for taxation - OCI	-	108.82
Total	-	1,278.03
NOTE # 17		
Revenue From Operations		
<u>Sale of Products</u>		
Domestic sales	69,971.28	72,154.82
<u>Export</u>		
Export sales	-	-
Export against Bond	722.76	5,223.57
Deemed Export sales	-	5,853.56
	70,694.04	83,231.95
Other Operating Revenues	70,694.04	83,231.95
Export Incentives	-	-
Total	70,694.04	83,231.95

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
NOTE # 18		
Other Incomes		
Dividend received	0.64	0.05
Discount received	0.06	0.73
Int. on FDR'S	33.53	135.77
Others - Interest	167.78	166.83
Exchange Diff Income	179.54	-
Total	381.54	303.38
NOTE # 19		
Cost of Materials Consumed		
Purchases of Raw Materials and Stores		
Opening stock	529.59	6,001.24
Add: Purchase (net)	52,976.11	56,837.89
	53,505.70	62,839.13
Less: Closing Stock	698.68	529.59
	52,807.01	62,309.54
Direct/Production expenses		
Labour & Security	3.09	13.26
Power & Fuel	8,296.89	8,181.08
Freight & Octroi	609.92	944.41
Stores & Spares	512.26	684.87
Factory Expense	9.95	10.54
Repair & Maintenance: Factory	0.02	0.61
Repair & Maintenance: Plant & Machinery	31.54	38.24
Packing Expenses	1,644.36	1,993.56
	11,108.04	11,866.60
Total	63,915.05	74,176.13
NOTE # 20		
Change in inventories		
Opening Stock	11,830.76	12,005.76
Less: Closing Stock	11,280.12	11,830.76
Total	550.65	175.00
NOTE # 21		
Employment Benefit Expenses		
Salary	1,834.99	1,682.60
Gratuity	48.26	45.10
Bonus	107.44	102.15
P.F.	35.79	33.68
Leave Encashment	13.62	18.72
Directors Remuneration	-	18.00
ESIC	0.07	0.09
Manpower Supply Service	169.80	243.74
Total	2,209.98	2,144.09

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 22		
Financial Cost		
Interest paid to Banks	2,955.75	4,444.27
Interest paid to others	824.03	342.39
Bank Charges & Guarantee commission	356.37	1,396.13
Overseas Bank Charges	2.43	8.43
Total	4,138.58	6,191.22
NOTE # 23		
Depreciation and Amortization Expense		
Depreciation	4,022.91	4,659.00
Preliminary Expenses written off	-	7.32
Total	4,022.91	4,666.32
NOTE # 24		
Other Expenses		
Advertisement & Publicity	1.78	1.68
Auditors Remuneration	8.25	10.85
Bad Debts	4.01	-
Brokerage & Overseas Agency Commission	117.33	198.53
Carriage outward	536.06	634.29
Computer and printer expenses	3.73	-
Demat Charges	0.01	0.03
Director Sitting Fees	9.30	13.50
Donation & CSR Activity	9.76	27.34
Electricity Expenses	4.69	4.69
EPCG Composition Fees	8.48	-
Insurance Expenses	38.67	23.16
Legal & Professional	116.49	176.69
Loss on sale of Fixed Assets	-	88.32
Loss on sale of Investments	582.02	-
Membership & Subscriptions	0.21	3.74
Office & General Expenses	32.37	33.09
Postage & Telegram & Telephone	5.76	14.70
Printing & Stationery Expenses	11.73	10.60
Rent, Rates & Taxes	9.93	29.69
Repairs Office Building	1.86	-
Repairs Other	0.49	2.70
Sales Promotion Expenses	10.00	1.29
Travelling & Conveyance	8.43	5.57
Vehicle Expense	21.61	25.32
Book & Periodical Expenses	0.03	-
Total	1,543.00	1,305.79

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 : 04.07.2020

For and On behalf Of the Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

PLACE : SURAT
DATE : 04.07.2020

SCHEDULE: FIXED ASSETS
FINANCIAL YEAR 2019-20
Schedules To And Forming Part Of Accounts

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2019	Addition	Deletion	As At 31.03.2020	As At 01.04.2019	For the Year	Adjustment	As At 31.03.2020	As At 31.03.2020	As At 31.03.2019
1	Land	50,23,285	-	-	50,23,285	-	-	-	-	50,23,285	50,23,285
2	Building	28,02,36,996	-	-	28,02,36,996	17,08,59,730	98,27,552	-	18,06,87,282	9,95,49,714	10,93,77,266
3	Road Development	1,15,65,174	4,87,597	-	1,20,52,771	37,29,844	21,17,230	-	58,47,074	62,05,697	78,35,330
4	Plant & Machinery	5,42,96,66,789	14,83,229	-	5,43,11,50,018	2,45,60,49,425	38,92,11,552	-	2,84,52,60,977	2,58,58,89,040	2,97,36,17,363
5	Plant & Machinery (Foreign Exchange)	-	5,58,83,443	-	5,58,83,443	-	-	-	-	5,58,83,443	-57,26,192
6	Furniture, Fixture & Equipments	2,33,04,257	6,31,663	-	2,39,35,920	1,81,37,739	9,17,314	-	1,90,55,053	48,80,867	51,66,518
7	Vehicle	3,27,99,652	-	5,55,000	3,22,44,652	3,06,35,047	2,17,703	4,86,089	3,03,66,661	18,77,991	21,64,605
	Total	5,78,25,96,153	5,84,85,932	5,55,000	5,84,05,27,085	2,67,94,11,785	40,22,91,351	4,86,089	3,08,12,17,047	2,75,93,10,037	3,09,74,58,175
	Grand Total	5,78,25,96,153	5,84,85,932	5,55,000	5,84,05,27,085	2,67,94,11,785	40,22,91,351	4,86,089	3,08,12,17,047	2,75,93,10,037	3,09,74,58,175

**Terms of repayment of term loans & other loans
F.Y. 2019-20**

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, 2020		Balance as on 31st March, 2019		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 (10 MN USD)	7	Quarterly	-	-	29,61,58,861	17,28,87,476	9,87,92,852	5.36%
Oldenburgische Landsbank AG	10441142 Euro	8.5	Half-Yearly	-	-	57,34,91,871	42,18,68,116	11,44,92,693	2.20%
Term Loan (BOB FDY Winder Loan)	Rs. 29.45 Crores	4	Quarterly	-	-	10,85,00,000	4,65,00,000	6,20,00,000	11.70%
Term Loan (Canara Bank Text)	Rs. 4.12 Crores	6	Monthly	-	-	75,46,303	73,94,235	63,37,884	13.65%
IDBI Loan (Corporate)	Rs. 25 Crores	4.5	Monthly	-	-	15,27,77,770	9,72,22,210	5,55,55,560	11.90%
Canara Bank (Carpet Yarn)	Rs. 3.85 Crores	6.5	Monthly	-	-	17,85,324	15,42,178	8,41,176	13.90%
TFCI Ltd.	Rs. 12 Crores	4	Monthly	31-03-2023	-	3,00,00,000	5,25,00,000	3,00,00,000	13.00%
Total						4,77,00,000	79,99,14,215	36,80,20,165	

Notes Accompanying the Financial Statements

25. The amount of reserve and surplus was reduced an amount of Rs. 46.96 lakhs on account of income tax of previous years.
26. The following term loans are called up by banks so now these are payable on demand basis. We are show under the head Current Liabilities as Other Financial Liabilities.

- BOB Term Loan
- Canara Bank Term Loan [Texturising]
- Canara Bank Term Loan [Carpet]
- IDBI Corporate Loan
- Oldenburgische Landesbank AG (Formerly known as Bremer Kredit Bank AG)
- ECB London Term Loan (BOB)

27. 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.

The Company's obligation in respect of the gratuity plan is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

	Year ended	
	March 31, 2020	March 31, 2019
Current service cost	33,91,320.00	33,19,953.00
Net interest on net defined benefit liability/(asset)	14,35,024.00	11,90,041.00
Net gratuity cost/(benefit)	48,26,344.00	45,09,994.00

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

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

	Year ended	
	March 31, 2020	March 31, 2019
Discount rate	6.84%	7.77%
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 (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A	N.A

Change in present value of defined benefit obligation is summarized below:

	Year ended	
	March 31, 2020	March 31, 2019
Present value of Defined Benefit Obligation at the beginning of the period	1,84,68,782.00	1,52,96,162.00
Current service cost	33,91,320.00	33,19,953.00
Past service cost	-	-
Interest cost	14,35,024.00	11,90,041.00
Liability transferred In/Acquisitions	-	-
(Liability transferred Out/Divestments)	-	-
(Gains)/Losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefits paid directly by the employer)	-14,33,663.00	-25,60,055.00
(Benefits paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial loss/(gain) arising from financial assumptions	25,02,088.00	23,053.00
Actuarial loss/(gain) arising from demographic assumptions	-	-
Actuarial loss/(gain) arising from experience assumptions	-13,98,861.00	11,99,628.00
Present value of Defined Benefit Obligation at the end of the period	2,29,64,690.00	1,84,68,782.00

Amount Recognized in the Balance Sheet:

	As at	
	March 31, 2020	March 31, 2019
(Present Value of Benefit Obligation at the end of the Period)	-2,29,64,690.00	-1,84,68,782.00
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	-2,29,64,690.00	-1,84,68,782.00
Net (Liability)/Asset Recognized in the Balance Sheet	-2,29,64,690.00	-1,84,68,782.00

Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years from the Date of Reporting	As at	
	March 31, 2020 (Amt in ₹)	March 31, 2019 (Amt in ₹)
1st Following Year	6,30,555.00	5,78,196.00
2nd Following Year	6,14,481.00	5,47,420.00
3rd Following Year	11,59,750.00	6,04,252.00
4th Following Year	10,71,677.00	11,03,784.00
5th Following Year	12,02,881.00	10,29,154.00
Sum of Years 6 To 10	67,49,170.00	69,10,675.00
Sum of Years 11 and above	5,66,35,117.00	5,35,13,730.00

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, 2020 (Amt in ₹)	March 31, 2019 (Amt in ₹)
Projected Benefit Obligation on Current Assumptions	2,29,64,690.00	1,84,68,782.00
Delta Effect of +1% Change in Rate of Discounting	-26,73,404.00	-21,04,213.00
Delta Effect of -1% Change in Rate of Discounting	32,38,705.00	25,43,547.00
Delta Effect of +1% Change in Rate of Salary Increase	31,68,149.00	25,11,991.00
Delta Effect of -1% Change in Rate of Salary Increase	-26,69,769.00	-21,17,990.00
Delta Effect of +1% Change in Rate of Employee Turnover	-3,92,312.00	-1,31,203.00
Delta Effect of -1% Change in Rate of Employee Turnover	4,44,692.00	1,41,309.00

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

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

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

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

Risks associated with defined benefit plan

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

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

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.

28. 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

29. Managerial Remuneration:

Sr. No.	Particulars	Current Period	Previous Year
(i)	Salary	0	18,00,000/-
(ii)	Perquisite	-	-

30. Earnings Per share (Ind AS 33) :

Sr. No.	Particulars	Current Period	Previous Year
(i)	Net profit/(loss) as per Profit & Loss A/c	-46,50,94,780	-116,54,99,323
(ii)	Net Profit/(loss) adjusted from reserves		-148,61,45,441
(iii)	Net Profit Attributable to ordinary Shareholders [(i)+(ii)]	-46,50,94,780	-265,16,44,764
(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 (₹)	-	-
(vi)	Diluted earnings per share (₹)	-	-

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.

31. Contingent Liabilities:

- (A) The Company has given corporate guarantee to State Bank of India for term loan given to Sumicot Ltd (Formally known as Sumeet Poly Power Limited) and the present outstanding is Rs. 11.66 Crores.
- (B) Income Tax Assessment for A.Y. 2012-13, 2014-15, 2015-16 and 2016-17 is pending with CIT (Appeals), Surat. Total amount of demand involved in all these cases is as follows subject to final order and rectification:

Sr. No.	Particulars	Current Period	Previous Year
(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. 2012-13 pending in CIT Appeal [Note No. (a)]	595.59	595.59
(ii)	Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2014-15 pending in CIT Appeal [Note No. (b)]	11.14	11.14
(iii)	Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2015-16 pending in CIT Appeal [Note No. (c)]	9.73	9.73
(iv)	Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2016-17 pending in CIT Appeal [Note No. (d)]	36.40	-

- a) The Company has filed appeal with CIT Appeal for the Income Tax demand of Rs. 5,95,58,850/- for the period A.Y. 2012-13, disputed by the companies which are still pending in the appeals.
- b) The Company has filed appeal with CIT Appeal for the Income Tax demand of Rs. 11,13,928/- for the period A.Y. 2014-15, disputed by the companies which are still pending in the appeals.
- c) The Company has filed appeal with CIT Appeal for the Income Tax demand of Rs. 9,72,740/- for the period A.Y. 2015-16, disputed by the companies which are still pending in the appeals.
- d) The Company has filed appeal with CIT Appeal for the Income Tax demand of Rs. 36,39,655/- for the period A.Y. 2016-17, disputed by the companies which are still pending in the appeals.
- e) 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.

32. Operating Segment:

The operations of the company are limited to one segment viz. Yarn manufacturing.

Operating segments are defined as components of a company for which discrete financial information is available that is evaluated regularly by Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance.

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

(Rs. In Lakhs)

Sr. No.	Particulars	31-03-2020	31-03-2019
(i)	India	69971.28	72250.92
(ii)	Rest of the world	722.76	11077.13

Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2020 and March 31, 2019.

(Rs. In Lakhs)

Sr. No.	Name of Customer	31-03-2020	31-03-2019
(i)	Sharda Enterprise	12318.00	9929.75
(ii)	Ginni Tradelinks Pvt. Ltd.	10972.45	11148.85
(iii)	Eagle Fibers Limited	13349.08	-
(iv)	Pallas Fincap Privat Limited	8613.17	-

See accompanying notes to the financial statements

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 : 04.07.2020

For and on behalf of the Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

PLACE : SURAT
DATE : 04.07.2020

INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS
SUMEET INDUSTRIES LIMITED**

Report on the Audit of Consolidated Financial Statements**Opinion**

1. We have audited the accompanying consolidated financial statements of SUMEET INDUSTRIES LIMITED ("The Company") which comprises the Balance Sheet as on 31st March 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, 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 Company as at March 31, 2020, and its loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. 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 to provide a basis for our opinion.

Key Audit Matters

4. 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.

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

5. 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.

Management's Responsibility for the Consolidated Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated 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.

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.

7. 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.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

1. 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.
2. 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.
3. 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.
 4. 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.
 5. 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.

Other Matters

- 1) 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 of Rs. 9291.13 Lakh as at 31st March, 2020, total revenues is Nil and Net Profit /(Loss) of Rs. (9296.28) Lakh for the year ended 31st March 2020.

This financial statements / financial information has been audited by M/s Stamford Associates LLP, whose reports have been furnished to us by the Management in which they have mentioned disclaimer of opinion in the audit report.

"Disclaimer of opinion

We do not express an opinion on the accompanying financial statements of the company. We are unable to verify the existence, valuation, correctness, and completeness of the bank overdraft included in borrowing as we are unable to obtain direct balance confirmation from the bank. Further, the same is overdue and not yet paid to the bank. We also noted that the company's operations, sales and purchase transaction were ceased in July 2018 and as such no subsequent transactions recorded till the date of signing of this report. Therefore, it indicates that the company has severe going concern problem."

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 reports of the M/s Stamford Associates LLP.

- 2) 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 financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

- 1) In our opinion, the provision of The Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in term of sub-section (11) of Section 143 of the Companies Act, 2013 are not applicable to consolidated financial statements.
- 2) As required by section 143(3) of the Act, 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e) On the basis of written representations received from the directors as on **31st March, 2020** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2020** from being appointed as a director in terms of Section 164(2) of the Act;
- f) In our opinion, the provisions of section 143(3)(i) of Companies Act, 2013 with respect to reporting about the adequacy of the internal financial controls are not applicable vide Notification dated 13th June, 2018.
- g) 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 consolidated Ind AS financial statements. Refer Note No. 29 Contingent liabilities under "Notes Accompanying the Financial Statements" of the consolidated Ind AS financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M. NO. : 055043

PAN : AACFH 1890 B
FIRM REG. NO. : 111032W
UDIN : 20055043AAAAED9714

PLACE : SURAT
DATE : 04.07.2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

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

Particulars	Note No.	31st March, 2020	31st March, 2019
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	27,593.10	30,974.58
(b) Capital Work in Progress		-	-
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Aseets		-	-
(f) Intangible Aseets under Development		-	-
(g) Financial Assets			
(i) Investments	3	388.52	1,287.61
(ii) Trade Receivables	4	1,945.81	1,359.19
(iii) Loans	5	1,513.30	1,475.87
(iv) Other Financial Assets		-	-
(h) Deferred Tax Assets		-	-
(i) Other non current assets	6	723.21	705.57
(2) Current Assets			
(a) Inventories	7	17,011.21	16,964.50
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	4	15,594.90	16,394.32
(iii) Cash and Cash Equivalents	8	51.46	1,118.00
(iv) loans		-	-
(v) Other Financial Assets		-	-
(b) Others Current Assets	6	9,696.00	10,685.67
TOTAL ASSETS		<u>74,517.49</u>	<u>80,965.31</u>
II EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	9	10,364.24	10,364.24
Other Equity	10	-15,738.36	-1,905.26
Total Equity		<u>-5,374.12</u>	<u>8,458.98</u>
(2) Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	3,964.73	11,642.14
(ii) Trade Payable	12	-	-
(iii) Other Financial Liabilities	13	50.00	50.00
(b) Provisions		-	-
(c) Deferred Tax liabilities (Net)	14	4,835.73	5,491.48
(d) Other non current liabilities	15	229.93	184.74
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	44,149.22	42,160.10
(ii) Trade Payable	12	13,564.91	6,616.29
(iii) Other Financial Liabilities	13	12,426.68	4,434.59
(b) Other Current Liabilities	15	628.44	637.72
(c) Provisions	16	41.97	1,289.29
Total Liabilities		<u>79,891.62</u>	<u>72,506.35</u>
TOTAL EQUITY AND LIABILITIES		<u>74,517.49</u>	<u>80,965.31</u>
Significant Accounting Policies			
Notes on Financial Statements	1		

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 : 04.07.2020

For and on behalf of the Board of Directors
Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO
PLACE : SURAT
DATE : 04.07.2020

CONSOLIDATED PROFIT & LOSS STATEMENT FOR YEAR ENDED ON 31ST MARCH, 2020

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

Particulars	Note No.	31st March, 2020	31st March, 2019
I. Revenue from Operations	17	70,694.04	86,684.05
II. Other Incomes	18	381.54	372.66
III. Share of profits/losses in a Partnership firm/AOP		-	-
IV. Share of profits/losses in a Limited Liability Partnership		-	-
III. Total Revenue (I + II)		<u>71,075.58</u>	<u>87,056.71</u>
IV Expenses:			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	19	63,915.05	74,176.13
Purchases of Stock-in-Trade		2.21	4,700.06
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	550.65	175.00
<u>Administrative & Selling Expenses</u>			
Employee Benefit Expenses	21	2,209.98	2,144.09
Finance Costs	22	4,138.58	6,261.14
Depreciation and Amortization Expense	23	4,022.91	4,666.32
Other Expenses	24	10,839.28	1,542.97
Total Expenses		<u>85,678.66</u>	<u>93,665.71</u>
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		<u>(14,603.08)</u>	<u>(6,609.00)</u>
VI Exceptional Items		(0.10)	5,821.90
VII Profit before Extraordinary Items and Tax (V - VI)		<u>(14,602.98)</u>	<u>(12,430.90)</u>
VIII Extra Ordinary Items		-	-
IX Profit before Tax (VII-VIII)		<u>(14,602.98)</u>	<u>(12,430.90)</u>
X Tax Expense:			
(1) Current tax		-	-
(2) Income Tax of Earlier Year		-	-
(3) Deferred Tax		(655.75)	(739.94)
(4) MAT credit		-	-
		<u>(655.75)</u>	<u>(739.94)</u>
XI Profit/ (Loss) for the period from Continuing Operations		<u>(13,947.23)</u>	<u>(11,690.96)</u>
XII Profit/ (Loss) from discontinuing Operations		-	-
XIII Tax expense of discontinued operation		-	-
XIV Profit/ (Loss) from discontinuing Operations (after tax) (XII-XIII)		-	-
XV Profit/ (Loss) for the period (XI+XIV)		<u>(13,947.23)</u>	<u>(11,690.96)</u>
XVI Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit obligations		(11.03)	(12.23)
Add/Less : Income tax relating to above item		-	3.81
Total		<u>(11.03)</u>	<u>(8.42)</u>

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

Particulars	Note No.	31st March, 2020	31st March, 2019
(b) Fair value of equity instruments through other comprehensive income		(2.18)	(5.00)
Add/Less : Income tax relating to above item		-	1.56
Total		(2.18)	(3.44)
(B) Items that will be reclassified to profit or loss			
(i) Exchange Difference in translating the Financial Statement of a Foreign Operation		95.18	65.13
(ii) Income Tax relating to items that will be reclassified to profit or loss		(29.70)	(20.32)
Total		65.48	44.81
Other Comprehensive Income Net of taxes		52.26	32.95
Total Comprehensive Income for the period (XV + XVI)		(13894.96)	(11658.01)
Earning per equity share (for continuing operation):		-	-
(1) Basic		-	-
(2) Diluted		-	-

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 : 04.07.2020

For and on behalf of the Board of Directors

Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO

PLACE : SURAT
DATE : 04.07.2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020

(Rs. In Lakhs)

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	Amount	Amount	Amount	Amount
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Extraordinary Items		(14,616.20)		(12,406.80)
Adjustment For:				
Add:				
Depreciation	4,022.91		4,659.00	
Fair Value on investment	1.85		-	
Exchange diff. from Internal Transaction	65.48		-	
Interest on Income Tax	688.17		-	
Loss on sale of Asset	-		88.32	
Loss on sale of Investment	582.02		-	
Interest Paid	3,779.78		4,786.67	
Other Adjustment to reconcile profit	(626.31)		-	
	8,513.91		9,533.98	
Less:				
Fair Value on investment	-		-	
Interest Income	298.60		302.60	
Profit on sale of Asset	0.10		-	
Dividend Income	0.64		0.05	
	299.33		302.65	
Operating Profit before Working Capital Changes		8,214.58		9,231.33
Trade Receivables	212.80		(4,079.26)	
Other asset	972.03		(4,141.34)	
Inventories	(46.71)		5,877.19	
Trade Payables	6,948.53		(931.28)	
Other Financial Liability	7,992.09		511.16	
Other Liabilities	35.92		(505.81)	
Provision	(1,247.30)		(1,295.20)	
		14,867.36		(4,564.54)
Tax Paid		-		(13.98)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		8,465.73		(7,726.02)
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
<u>Fixed Assets & Work in Progress</u>				
Sale of Fixed Assets	0.79		283.76	
Purchase of Fixed Assets	(26.02)		20.72	
Increase/(Decrease) in Fixed Asset due to Exch. Difference	(616.00)		-	
Increase in Capital Work in progress	-		-	
<u>Investments</u>				
Purchase of Investments	(0.60)		(114.40)	
Sale of Investments	315.81		-	
Dividend received	0.64		0.05	
Interest Income	298.60		302.60	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(26.79)		492.73

(Rs. In Lakhs)

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	Amount	Amount	Amount	Amount
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Equity Share Capital raised	-	-	-	-
Security premium received	-	-	-	-
Increase / Decrease in Borrowings	(5,688.29)		9,811.26	
Increase / Decrease in Loans & Advances	(37.42)		79.23	
Interest Paid	(3,779.78)		(4,786.67)	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(9,505.49)		5,103.84
Net Increase in Cash & Cash equivalents		(1,066.54)		(2,129.45)
(D) Opening Cash and Cash equivalents		1,118.00		3,247.45
(E) Closing Cash and Cash equivalents		51.46		1,118.00
		(1,066.54)		(2,129.45)

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 : 04.07.2020

For and on behalf of the Board of Directors

Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO

PLACE : SURAT
 DATE : 04.07.2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**Note 1: Company Overview, Basis of Preparation and Significant Accounting Policies****I) THE COMPANY OVERVIEW:**

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

II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**(i) Compliance with Ind AS**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time, the provisions of the Companies Act, 2013 ("the Companies Act") as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The date of transition to Ind AS is April 01, 2016.

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

(ii) Historical cost convention

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

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

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

(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.

(v) Use of estimates and judgment

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialised.

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

III) SIGNIFICANT ACCOUNTING POLICIES

(A) Inventories: [Ind AS 2]

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 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 used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(B) 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.

(C) Income Tax (Ind AS 12)

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

Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions in accordance with the provisions of the Income Tax Act, 1961.

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

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

Tax expense/(credit) recognized in the Statement of Profit and Loss for the year ended 31.03.2020:

(D)

Sr.No.	Description	Amount (In ₹)	Amount (In ₹)
1	Difference in closing Balance of Depreciations		
	Depreciation as Per Companies Act	40,22,91,351	
	Depreciation as per Income Tax Act	19,46,14,391	
		20,76,76,960	
	Deferred Tax Assets/(Liability)		6,55,74,883
			6,55,74,883

Sr .No.	Particulars	Amount (In ₹)
1	Opening Balance of DTA / (DTL)	(54,91,47,336)
2	Deferred Tax Assets / (Liabilities) of the period	6,55,74,883
3	Closing Balance of DTA / (DTL)	(48,35,72,453)

(E) Employee Benefits: [Ind AS 15]
Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Post-employment obligations

The Company operates the following post employment schemes:

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

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.

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.

Other Employee Benefits

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

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

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

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

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

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual values

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

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

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

(G) Foreign Currency: [Ind AS 19]

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.
- At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. 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.
- **Para D13AA of Appendix D of Ind AS 101:**

A first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous Generally Accepted Accounting Principles.

Company has been following policy of capitalizing exchange difference on settlement of foreign currency loan taken for purchase of plant & machinery before adoption of Ind AS. The Company has continued the same policy post implementation of Ind AS.

(H) Government Grants: [Ind AS 20]

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

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

- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.
- Interest Subsidy Received, being compensation to Interest on Loan, is recognized on receipt basis.

(H) 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:

Parties where control exists:

- a) The other related parties are:

Sr. No.	Name Of Party	Relationship	Nature of Transaction	Amount	Balance			
					Due To	Due From		
1	Atma Ram Sarda	Non-executive Director	Director Sitting Fees	330000/-	87321/-	-		
			Legal & Professional Fees	815236/-				
2	D.S. Khare	Independent Director	Director Sitting Fees	240000/-	83563/-	-		
			Committee Fees	421713/-				
			Legal & Professional Fees	434240/-				
3	Somani Overseas Private Limited	Common Director	Sales for Grey Fabrics	6671384/-	6671383/-	-		
			Stores & Spares Purchase	2128472/-				
			Financial Transaction	26892297/-				
4	Betex India Ltd.	Director's Brother is Director	Loan Repayment Received	2960810/-	-	3759346/-		
			Interest Received	355928/-				
			PTA Purchase	-			5932870/-	-
			Sales for Texturising (Polyester)	-			-	44370179/-
5	National Poly Yarn Private Limited	Director's Son is Director	Recovery of Advance given against Land	23118455/-	-	-		
6	Dhanvirdhi Financial Consultants Private Limited	Common Director	Advance for shares (127500 No. of shares Purchase of Rs. 10/-Each)	1275000/-				
7	Shankarlal Somani	Chairman	Loan Taken	225000/-	16040129/-	-		
			Loan Given	-				
			Loan Repayment Received	142000/-				
			Interest Paid	912445/-				
8	Sumicot Ltd.	Relative of key managerial personal(Director)	Interest Received	12652175/-	-	147570296/-		
			Loan Repayment Received	5004231/-				
9	Zeel Suresh Kumar Modi	Non-Executive Director	Director Sitting Fees	150000/-	27000/-			
10	Ganga Devi Somani	Chairman's Wife	Loan Taken	1600000/-	-	-		
			Interest Paid	14689/-	1613220/-	-		
11	Manisha Somani	Director Wife (Sumeet Somani)	Loan Taken	200000/-	206610/-	-		
			Interest Paid	7344/-	-	-		
12	Manoj Kumar Jain	Non-executive Director	Director Sitting Fees	210000/-	81000/-	-		
13	Siddhipriya Poly Fab Private Limited	Common Director	Loan Taken	-	-	-		
			Loan Repaid	18847/-	-	-		

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

(I) Financial instruments:[Ind AS 32]

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

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

Financial assets:**Classification**

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

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

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

Initial recognition and measurement

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

Subsequent measurement

After initial recognition, financial assets are measured at:

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

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 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 FVOCI or FVTPL.

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

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

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

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 de-recognition.

On de-recognition of a financial asset, the difference between:

- (a) the carrying amount (measured at date of de-recognition); and
- (b) the consideration received shall be recognized in profit and loss.

Note: On derecognition of Investments the cumulative balance of OCI account related to those investments is been transferred to general reserve.

Debt instruments

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

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

Financial liabilities:**Initial recognition and measurement**

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

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.

(J) 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 number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

(K) Segment Reporting: [Ind AS 108]

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note No. 30 for segment information presented

(L) 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.
- 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].
- III. 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.

Fair value measurement [Ind AS 113]

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

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

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

(M) Revenue recognition: [Ind AS 115]

- Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.
- Export sales are accounted at the exchange rate prevailing on the date of invoice. These are net of commission and does not include freight wherever applicable as per the terms of the sales contract.
- Dividend income is recognized when the right to receive the payment is established.
- Interest income is accounted on accrual basis.

(N) Cash and cash equivalents:

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes balance with banks and demand deposits with banks 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.

(O) Provisions and Contingent Liabilities

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

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

NOTE # 2
**Property, plant and equipment
F.Y. 2019-20**

Particulars	Land	Building	Road Development	Plant & Machinery	Furniture & Fixture	Vehicle	Total
Deemed cost as at April 01, 2018	50.23	1,357.88	115.65	41,508.01	76.38	97.79	43,205.94
Additions from 01.04.2018 to 31.03.2019	-	85.49	-	31.89	9.16	-	126.54
Disposal/Adjustment	-	-	-	534.64	-	-	534.64
Closing gross carrying amount as at March 31, 2019	50.23	1,443.37	115.65	41,005.26	85.54	97.79	42,797.84
Accumulated amortization and impairment:							
Opening Accumulated Depreciation	-	241.62	9.93	6,964.69	23.53	50.61	7,290.38
Depreciation/Amortization charge during the year	-	107.99	27.37	4,487.75	10.35	25.53	4,658.99
Disposal/Adjustment	-	-	-	183.36	-	-	183.36
Closing accumulated depreciation	-	349.61	37.30	11,269.08	33.88	76.14	11,766.01
Foreign Exchange Difference	-	-	-	-57.26	-	-	-57.26
Net carrying amount as at March 31, 2019	50.23	1,093.76	78.35	29,678.92	51.67	21.65	30,974.58
Opening Gross Carrying Amount	50.23	1,443.37	115.65	41,005.26	85.54	97.79	42,797.84
Additions	-	-	4.88	14.83	6.32	-	26.02
Disposal/Adjustment	-	-	-	-	-	5.55	5.55
Closing gross carrying amount as at March 31, 2020	50.23	1,443.37	120.53	41,020.09	91.86	92.24	42,818.32
Accumulated amortization and impairment:							
Opening Accumulated Depreciation	-	349.61	37.30	11,269.08	33.88	76.14	11,766.01
Depreciation/Amortization charge during the year	-	98.28	21.17	3,892.12	9.17	2.18	4,022.91
Disposal/Adjustment	-	-	-	-	-	4.86	4.86
Closing accumulated depreciation	-	447.89	58.47	15,161.20	43.05	73.46	15,784.06
Foreign Exchange Difference	-	-	-	616.10	-	-	616.10
Net carrying amount as at March 31, 2020	50.23	995.48	62.05	26,417.73	48.82	18.78	27,593.10

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2020**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 3		
Investments		
Financial instruments at FVTPL		
Equity instruments [Note 3.1]	383.33	1,203.57
Mutual Funds [Note 3.2]	5.19	84.03
	<u>388.52</u>	<u>1,287.61</u>
Investment in Subsidiaries (Note 3.3)	-	-
Total	<u><u>388.52</u></u>	<u><u>1,287.61</u></u>
Non-current	388.52	1,287.61
Current	-	-
Aggregate amount of quoted investments (FMV)		
Non-current	6.27	87.16
Current	-	-
Aggregate amount of unquoted investments (FMV)		
Non-current	-	1,200.45
Current	-	-
3.1 Details of investments in equity instruments:		
Quoted:		
Stampede Capital Ltd.	0.41	1.87
Tata Steel Ltd.	0.54	1.05
Tata Steel Ltd.	0.01	0.01
M/s. Questfin Ltd.	0.04	0.04
Zylog Systems Ltd.	0.09	0.15
	<u>1.09</u>	<u>3.13</u>
Unquoted:		
Sumicot Ltd.	381.65	1,200.45
Inherent Computers Pvt Ltd	0.60	-
	<u>382.25</u>	<u>1,200.45</u>
Total	<u><u>383.33</u></u>	<u><u>1,203.57</u></u>

Investment in Sumicot Ltd. has been taken at carrying amount.

3.2 Investment in Mutual funds - Quoted

Canara Robeco Capital Protection ORIT. Fund-6-RG	-	61.81
India First Life Insurance Co Ltd. MF	5.00	5.00
Union KBC Capital Protection Oriental Fund	-	17.22
Baroda Treasury Advantage Fund	0.19	-
Total	<u><u>5.19</u></u>	<u><u>84.03</u></u>

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

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 4		
Trade Receivables		
<u>Unsecured</u>		
Considered Good	17,540.70	17,753.51
Doubtful	-	-
Less : Allowance for expected credit loss	-	-
Total	17,540.70	17,753.51
Non - current	1,945.81	1,359.19
Current	15,594.90	16,394.32

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

NOTE # 5
Loans
Loans to Related Parties

Non - Current	1,513.30	1,475.87
Current	-	-
Total	1,513.30	1,475.87

NOTE # 6
Other Assets
Non - Current

Capital Advances	-	-
Advances other than capital advances	-	-
Security deposits	723.21	705.57
Advance to Suppliers	-	-
Total	723.21	705.57

Current

Prepaid Expenses	13.71	5.19
Advance to Suppliers	984.64	1,172.56
Balance with Excise, Customs, Income Tax and other authorities	4,410.22	4,621.18
Advance to Staff	13.93	17.64
Claim Receivable	4,259.99	4,855.59
Preliminary Expenses	-	-
Income Tax Seized Cash	13.50	13.50
Total	9,696.00	10,685.67

NOTE # 7
Inventories

Raw Materials	698.68	529.59
Work-in-progress	4,902.51	5,669.01
Finished goods	6,377.60	6,161.75
Stores and spares	5,032.41	4,604.15
Total	17,011.21	16,964.50

Mode of Valuation of Inventories
Particulars **Mode of Valuation**

Raw material & W.I.P. : Valued at cost.

Finished Goods : Valued at cost or Market Value whichever is lower.

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 8		
Cash and cash equivalents		
Balances with Banks		
Current accounts	48.96	43.98
Demand deposits	1.23	1,061.22
(Fixed deposits/Margin Money/Security against borrowings)		
Cash on hand	1.27	12.79
Total	51.46	1,118.00
NOTE # 9		
Share Capital		
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, 2020		As at March 31, 2019	
	No of shares	Amt in lakhs	No of shares	Amt in lakhs
Authorised Capital				
Number of shares at the beginning	17,50,00,000	17,500.00	17,50,00,000	17,500.00
Add : Increased during the year	-	-	-	-
Number of shares at the end	17,50,00,000	17,500.00	17,50,00,000	17,500.00
Issued, Subscribed and Paid-up				
Number of equity shares at the beginning	10,36,42,389	10,364.24	8,29,13,911	8,291.39
Add : Issued during the year	-	-	2,07,28,478	2,072.85
Number of shares at the end	10,36,42,389	10,364.24	10,36,42,389	10,364.24
Number of preference shares at the beginning	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Add : Issued during the year	-	-	-	-
Number of shares at the end	3,00,00,000	3,000.00	3,00,00,000	3,000.00

(ii) Terms and rights attached to equity shares.

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

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

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

Particulars	As at March 31, 2020	%	As at March 31, 2019	%
Shankarlal Somani	55,00,000	5.31	-	-
Somani Overseas Private Limited	1,02,88,855	9.93	1,02,88,855	9.93

(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2020:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-

NOTE # 10
Statement of changes in Equity for the year ended March 31, 2020
A. Equity Share Capital

(Rs. In Lakhs)

Particulars	Amount
As at April 1, 2018	8,291.39
Changes in Equity share capital	2,072.85
As at March 31, 2019	10,364.24
Changes in Equity share capital	-
As at March 31, 2020	10,364.24

(Rs. In Lakhs)

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 OCI	Exchange Difference in Financial Statement of a Foreign Operation		
Balance as at April 01, 2019	25.00	6,741.20	62.08	(9,364.51)	(42.39)	604.47	68.89	-1,905.26	
Prior period adjustments	-	-	-	-	-	-	-	-	
Provision for taxation	-	-	-	-46.96	-	-	-	-46.96	
Restated balance at the beginning	25.00	6,741.20	62.08	-9,411.47	(42.39)	604.47	68.89	-1,952.22	
Other comprehensive income for the year	-	-	-	-	(11.03)	(2.18)	65.48	52.26	
Transfer to general reserve	-	-	-	-	-	(402.60)	-	(402.60)	
Transfer from Other Comprehensive Income (Equity Instruments)	-	-	402.60	-	-	-	-	402.60	
Transfer from Provision for Taxation (OCI)	-	-	108.81	-	-	-	-	108.81	
Transfer to retained earnings	-	-	-	(13,947.23)	-	-	-	(13,947.23)	
Balance as at March 31, 2020	25.00	6,741.20	573.49	(23,358.69)	(53.42)	199.69	134.37	(15,738.36)	

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

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 11		
Borrowings		
Non - current Borrowings:		
<u>Secured</u>		
Term loans from banks	1.10	7,480.09
Term loans from others	501.02	549.02
Unsecured		
Loans and Deposits	462.61	613.03
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3,000.00
Total	3,964.73	11,642.14
Current Borrowings:		
Cash Credit facilities	36,728.51	31,839.95
Inland LCs and Current a/c	1,533.06	4,919.13
Bank Overdraft	5,887.65	5,401.02
Total	44,149.22	42,160.10

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.
4. Vehicle Loans are secured by hypothecation of vehicles itself.
5. The secured term loan includes loan availed by the company from LIC against Key Man Insurance policy taken by the company

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. 35.99 Crores &
US\$ 39.29 Lacs

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 6905414.11 for loan taken from Bremer kredit Bank AG .

Terms of repayment of term loans & other loans

(Refer Notes to accounts)

**Terms of repayment of term loans & other loans
F.Y. 2019-20**

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, 2020		Balance as on 31st March, 2019		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 (10 MN USD)	7	Quarterly	-	-	29,61,58,861	17,28,87,476	9,87,92,852	5.36%
Oldenburgische Landsbank AG	10441142 Euro	8.5	Half-Yearly	-	-	57,34,91,871	42,18,68,116	11,44,92,693	2.20%
Term Loan (BOB FDY Winder Loan)	Rs. 29.45 Crores	4	Quarterly	-	-	10,85,00,000	4,65,00,000	6,20,00,000	11.70%
Term Loan (Canara Bank Text)	Rs. 4.12 Crores	6	Monthly	-	-	75,46,303	73,94,235	63,37,884	13.65%
IDBI Loan (Corporate)	Rs. 25 Crores	4.5	Monthly	-	-	15,27,77,770	9,72,22,210	5,55,55,560	11.90%
Canara Bank (Carpet Yarn)	Rs. 3.85 Crores	6.5	Monthly	-	-	17,85,324	15,42,178	8,41,176	13.90%
TFCI Ltd.	Rs.12 Crores	4	Monthly	31-03-2023	4,77,00,000	3,00,00,000	5,25,00,000	3,00,00,000	13.00%
Total					4,77,00,000	1,17,02,60,129	79,99,14,215	36,80,20,165	

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 12		
Trade Payables		
Creditors for Goods	11,720.60	4,598.68
Creditors for Expenses	1,844.32	2,017.60
Total	13,564.92	6,616.28
Non Current	-	-
Current	13,564.92	6,616.29
NOTE # 13		
Other Financial Liabilities		
<u>Non - Current</u>		
Agency deposits	50.00	50.00
<u>Current</u>		
Current maturities of long term debt	11,702.60	3,680.20
Interest accrued but not paid	724.08	754.39
Total	12,426.68	4,434.59
Total	12,476.68	4,484.59
NOTE # 14		
Deferred Tax Liabilities		
Opening Balance	5,491.48	6,231.42
Provision for the period	(655.75)	(739.94)
Closing Balance	4,835.73	5,491.48
NOTE # 15		
Other liabilities		
<u>Non-current</u>		
Retention Money	-	-
Security Deposit from Staff	0.28	0.05
Provision for employee benefits - Gratuity Payable	229.65	184.69
Total	229.93	184.74
<u>Current</u>		
Advance from Customers	109.54	53.15
Provision for Expenses	484.86	554.52
Statutory Dues Payable	34.04	30.05
Total	628.44	637.72
Total	858.37	822.45
NOTE # 16		
Provisions		
<u>Current</u>		
Provision for Taxation	12.27	1,180.47
Provision for taxation - OCI	29.70	108.82
Total	41.97	1,289.29

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 17		
Revenue From Operations		
<u>Sale of Products</u>		
Domestic sales	69,971.28	75,606.92
<u>Export</u>		
Export sales	-	-
Export against Bond	722.76	5,223.57
Deemed Export sales	-	5,853.56
	<u>70,694.04</u>	<u>86,684.05</u>
Other Operating Revenues		
Export Incentives	-	-
Total	<u><u>70,694.04</u></u>	<u><u>86,684.05</u></u>
NOTE # 18		
Other Incomes		
Dividend received	0.64	0.05
Discount received	0.06	53.19
Int. on FDR'S	33.53	135.77
Others - Interest	167.78	183.65
Exchange Diff Income	179.54	-
Total	<u><u>381.54</u></u>	<u><u>372.66</u></u>
NOTE # 19		
Cost of Materials Consumed		
Purchases of Raw Materials and Stores		
Opening stock	529.59	6,001.24
Add: Purchase (net)	52,976.11	56,837.89
	<u>53,505.70</u>	<u>62,839.13</u>
Less: Closing Stock	698.68	529.59
	<u><u>52,807.01</u></u>	<u><u>62,309.54</u></u>
Direct/Production expenses		
Labour & Security	3.09	13.26
Power & Fuel	8,296.89	8,181.08
Freight & Octroi	609.92	944.41
Stores & Spares	512.26	684.87
Factory Expense	9.95	10.54
Repair & Maintenance: Factory Building	0.02	0.61
Repair & Maintenance: Plant & Machinery	31.54	38.24
Packing Expenses	1,644.36	1,993.56
	<u>11,108.04</u>	<u>11,866.60</u>
Total	<u><u>63,915.05</u></u>	<u><u>74,176.13</u></u>
NOTE # 20		
Change in inventories		
Opening Stock	11,830.76	12,005.76
Less: Closing Stock	11,280.12	11,830.76
Total	<u><u>550.65</u></u>	<u><u>175.00</u></u>
NOTE # 21		
Employment Benefit Expenses		
Salary	1,834.99	1,682.60
Gratuity	48.26	45.10
Bonus	107.44	102.15
P.F.	35.79	33.68
Leave Encashment	13.62	18.72
Directors Remuneration	-	18.00
ESIC	0.07	0.09
Manpower Supply Service	169.80	243.74
Total	<u><u>2,209.98</u></u>	<u><u>2,144.09</u></u>

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE # 22		
Financial Cost		
Interest paid to Banks	2,955.75	4,444.27
Interest paid to others	824.03	342.39
"Bank Charges & Guarantee commission (Others & Buyers credit)"	356.37	1,466.05
Overseas Bank Charges	2.43	8.43
Total	4,138.58	6,261.14
NOTE # 23		
Depreciation and Amortization Expense		
Depreciation	4,022.91	4,659.00
Preliminary Expenses written off	-	7.32
Total	4,022.91	4,666.32
NOTE # 24		
Other Expenses		
Advertisement & Publicity	1.78	1.68
Auditors Remuneration	8.25	10.85
Bad Debts	4.01	-
Brokerage & Overseas Agency Commission	117.33	301.28
Carriage outward	536.06	634.29
Computer and printer expenses	3.73	-
Demat Charges	0.01	0.03
Director Sitting Fees	9.30	13.50
Donation & CSR Activity	9.76	27.34
Electricity Expenses	4.69	4.69
EPCG Composition Fees	8.48	-
Insurance Expenses	38.67	23.16
Legal & Professional	116.49	170.05
Loss on sale of Fixed Assets	-	88.32
Loss on sale of Investments	582.02	-
Membership & Subscriptions	0.21	3.74
Office & General Expenses	32.37	33.09
Postage & Telegram & Telephone	5.76	14.70
Printing & Stationery Expenses	11.73	10.60
Rent, Rates & Taxes	9.93	29.69
Repairs Office Building	1.86	-
Repairs Other	0.49	2.70
Sales Promotion Expenses	10.00	1.29
Travelling & Conveyance	8.43	5.57
Vehicle Expense	21.61	25.32
Book & Periodical Expenses	0.03	-
Other Expenses	-	141.08
Provision for Bad & Doubtful Debts	9,291.13	-
Admin exp	5.15	-
Total	10,839.28	1,542.97

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 : 04.07.2020

For and on behalf of the Board of Directors
Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO
PLACE : SURAT
DATE : 04.07.2020

Notes Accompanying the Financial Statements
25. 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.

The Company's obligation in respect of the gratuity plan is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

	Year ended	
	March 31, 2020	March 31, 2019
Current service cost	33,91,320.00	33,19,953.00
Net interest on net defined benefit liability/(asset)	14,35,024.00	11,90,041.00
Net gratuity cost/(benefit)	48,26,344.00	45,09,994.00

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

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

	Year ended	
	March 31, 2020	March 31, 2019
Discount rate	6.84%	7.77%
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 (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A	N.A

Change in present value of defined benefit obligation is summarized below:

	Year ended	
	March 31, 2020	March 31, 2019
Present value of Defined Benefit Obligation at the beginning of the period	1,84,68,782.00	1,52,96,162.00
Current service cost	33,91,320.00	33,19,953.00
Past service cost	-	-
Interest cost	14,35,024.00	11,90,041.00
Liability transferred In/Acquisitions	-	-
(Liability transferred Out/Divestments)	-	-
(Gains)/Losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefits paid directly by the employer)	-14,33,663.00	-25,60,055.00
(Benefits paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial loss/(gain) arising from financial assumptions	25,02,088.00	23,053.00
Actuarial loss/(gain) arising from demographic assumptions	-	-
Actuarial loss/(gain) arising from experience assumptions	-13,98,861.00	11,99,628.00
Present value of Defined Benefit Obligation at the end of the period	2,29,64,690.00	1,84,68,782.00

Amount Recognized in the Balance Sheet:

	As at	
	March 31, 2020	March 31, 2019
(Present Value of Benefit Obligation at the end of the Period)	-2,29,64,690.00	-1,84,68,782.00
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	-2,29,64,690.00	-1,84,68,782.00
Net (Liability)/Asset Recognized in the Balance Sheet	-2,29,64,690.00	-1,84,68,782.00

Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years from the Date of Reporting	As at	
	March 31, 2020 (Amt in ₹)	March 31, 2019 (Amt in ₹)
1st Following Year	6,30,555.00	5,78,196.00
2nd Following Year	6,14,481.00	5,47,420.00
3rd Following Year	11,59,750.00	6,04,252.00
4th Following Year	10,71,677.00	11,03,784.00
5th Following Year	12,02,881.00	10,29,154.00
Sum of Years 6 To 10	67,49,170.00	69,10,675.00
Sum of Years 11 and above	5,66,35,117.00	5,35,13,730.00

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, 2020 (Amt in ₹)	March 31, 2019 (Amt in ₹)
Projected Benefit Obligation on Current Assumptions	2,29,64,690.00	1,84,68,782.00
Delta Effect of +1% Change in Rate of Discounting	-26,73,404.00	-21,04,213.00
Delta Effect of -1% Change in Rate of Discounting	32,38,705.00	25,43,547.00
Delta Effect of +1% Change in Rate of Salary Increase	31,68,149.00	25,11,991.00
Delta Effect of -1% Change in Rate of Salary Increase	-26,69,769.00	-21,17,990.00
Delta Effect of +1% Change in Rate of Employee Turnover	-3,92,312.00	-1,31,203.00
Delta Effect of -1% Change in Rate of Employee Turnover	4,44,692.00	1,41,309.00

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

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

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

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

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

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

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.

26. 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

27. Managerial Remuneration:

Sr. No.	Particulars	Current Period	Previous Year
(i)	Salary	-	18,00,000
(ii)	Perquisite	-	-

28. Earnings Per share (Ind AS 33) :

Sr. No.	Particulars	Current Period	Previous Year
(i)	Net profit/(loss) as per Profit & Loss A/C	-1,39,47,22,790	-116,90,96,482
(ii)	Net Profit/(loss) adjusted from reserves	-	-148,614,5441
(iii)	Net Profit Attributable to ordinary Shareholders [(i)+(ii)]	-1,39,47,22,790	-2,65,52,41,923
(ii)	Weighted average number of shares for Basic Earnings per share	10,364,2389	10,364,2389
(iii)	Weighted average number of shares for Diluted Earnings per share	10,364,2389	10,364,2389
(iv)	Nominal value per share	10	10
(v)	Basic earnings per share (₹)	-	-
(vi)	Diluted earnings per share (₹)	-	-

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.

29. Contingent Liabilities:

- (a) The Company has given corporate guarantee to State Bank of India for term loan given to Sumicot Ltd (Formally known as Sumeet Poly Power Limited) and the present outstanding is Rs. 11.66 Crores.
- (b) Income Tax Assessment for A.Y. 2012-13, 2014-15, 2015-16 and 2016-17 is pending with CIT (Appeals), Surat. Total amount of demand involved in all these cases is as follows subject to final order and rectification:

(₹ In Lakhs)

Sr. No.	Particulars	Current Period	Previous Year
(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. 2012-13 pending in CIT Appeal [Note No. (a)]	595.59	595.59
	(ii) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2014-15 pending in CIT Appeal [Note No. (b)]	11.14	11.14
	(iii) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2015-16 pending in CIT Appeal [Note No. (c)]	9.73	9.73
	(iv) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2016-17 pending in CIT Appeal [Note No. (d)]	36.40	-

- a) The Company has filed appeal with CIT Appeal for the Income Tax demand of Rs. 5,95,58,850/- for the period A.Y. 2012-13, disputed by the companies which are still pending in the appeals.
- b) The Company has filed appeal with CIT Appeal for the Income Tax demand of Rs. 11,13,928/- for the period A.Y. 2014-15, disputed by the companies which are still pending in the appeals.
- c) The Company has filed appeal with CIT Appeal for the Income Tax demand of Rs. 9,72,740/- for the period A.Y. 2015-16, disputed by the companies which are still pending in the appeals.
- d) The Company has filed appeal with CIT Appeal for the Income Tax demand of Rs. 36,39,655/- for the period A.Y. 2016-17, disputed by the companies which are still pending in the appeals.
- e) 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.

30. Operating Segment:

The operations of the company are limited to one segment viz. Yarn manufacturing.

Operating segments are defined as components of a company for which discrete financial information is available that is evaluated regularly by Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance.

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

(₹ In Lakhs)

Sr. No.	Particulars	31-03-2020	31-03-2019
(i)	India	69971.28	72250.92
(ii)	Rest of the world	722.76	11077.13

Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2020 and March 31, 2019.

(₹ In Lakhs)

Sr. No.	Name of Customer	31-03-2020	31-03-2019
(i)	Sharda Enterprise	12318.00	9929.75
(ii)	Ginni Tradelinks Pvt. Ltd.	10972.45	11148.85
(iii)	Eagle Fibers Limited	13349.08	-
(iv)	Pallas Fincap Privat Limited	8613.17	-

See accompanying notes to the financial statements

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 : 04.07.2020

For and on behalf of the Board of Directors

Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO

PLACE : SURAT
DATE : 04.07.2020

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To,
Bigshare Service Pvt. Ltd.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (e)
Mumbai-400059
Ph. : (022) 62638200

SUB. : REQUEST FOR ECS / MANDATE

Unit: Sumeet Industries Limited

Folio No. : _____

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

Name of the holder : _____

Securities held in : _____
(Name of the Company)

DPID : _____ **Client ID :** _____

Type of Instruction (select)	<input type="checkbox"/> ECS	<input type="checkbox"/> Mandate									
Bank Name											
Bank Address											
9 digit MICR code (If ECS)	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> </tr> </table>										
A/c Type											
A/c Number											

Tel No. (With STD code) / Mobile : _____

Email ID : _____ **PAN :** _____

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

Thank you.

Yours faithfully

(Signature of the First holder)

(Signature of the Second holder)

Please Note:

- 1) In case you are having Electronic holding shares this form needs to be submitted to your depository Participant. Quoting ... DPID / Client ID
- 2) All the holder(s) sign is compulsory.
- 3) **Cancelled cheque** must be enclosed for processing mandate request.

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FIVE YEARS OPERATING & FINANCIAL DATA (STANDALONE)

OPERATING DATA

(₹ in Lakhs)

PARTICULARS	2019-20	2018-19	2017-18	2016-17	2015-16
Sales & Income from operation	70694.04	83231.95	107081.71	130180.80	105248.48
Other Income	381.54	303.38	952.60	729.50	542.99
Increase (Decrease) in Inventories	-550.65	-175.00	311.83	429.85	405.66
Total	70524.93	83360.33	108346.14	131340.15	106197.13
Purchase of Finished Goods	2.21	1449.82	21089.63	43087.46	28829.18
Raw Material Consumed	52807.01	62309.54	59262.86	51339.48	52776.84
Staff Cost	2209.98	2144.09	2236.87	1667.55	1311.61
Manufacturing Expenses	11108.04	11866.60	12102.01	10922.92	11658.72
Administrative & Selling & Dist. Exp.	1543.00	1305.78	4174.97	11969.06	2608.10
Interest & Depreciation	8161.49	10857.54	10177.36	6868.80	6174.65
Total	75831.73	89933.37	109043.70	125855.27	103359.10
Profit/(Loss) before Taxation	-5306.80	-6573.04	-697.56	5484.88	2838.03
Exceptional Items	-0.10	-5821.90	-	-	-
Taxation	655.75	739.94	-372.70	1812.14	1153.57
Profit & Loss after Taxation	-4650.95	-11655.00	-324.86	3672.74	1684.46
Other Comprehensive Income	-13.21	-11.86	138.68	63.53	-
Total Comprehensive Income for the Period	-4664.16	-11666.86	-186.18	3736.27	1684.46
Earning per Share (EPS)	-	-	-	6.44	2.90

FINANCIAL DATA

Share Capital *	13364.24	13364.24	11291.39	8803.97	8803.97
Share Application Money	0.00	0.00	0.00	0.00	0.00
Reserve & Surplus	-7545.65	-2943.35	25657.81	22361.60	18318.46
Deferred Tax Liability	4835.73	5491.48	6231.42	7403.30	5747.03
Loan Funds **	39226.30	45401.22	35589.96	38945.89	46138.15
Capital & Funds Employed	49880.62	61313.59	78770.58	77514.76	79007.61
Fixed Assets #	27593.10	30974.58	36026.37	40200.88	41448.32
Investments	2650.09	3362.26	3247.86	3042.53	2592.29
Current Assets	38068.84	41041.92	55804.60	49460.29	49632.85
Current Liabilities & Provisions	18431.41	14065.17	16308.25	15188.93	14665.85
Net Current Assets	19637.43	26976.75	39496.35	34271.36	34967.00
Capital & Funds Applied	49880.62	61313.59	78770.58	77514.76	79007.61

* Includes Equity and Preference Share Capital

** Includes Secured & Unsecured Loan

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



If undelivered please return to :

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Ring Road, Surat - 395 002, Gujarat, India.

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Email : corporate@sumeetindustries.com

Website : www.sumeetindustries.com