

Sumecet

INDUSTRIES LIMITED

Marching towards a new drive for promising future



Putting determined efforts.....

33RD

ANNUAL

REPORT

2020-21



Chairman's Message

“Our response to the crisis was a testament to our inherent strength and the resilience of our people. We acted swiftly and responsibly to protect the interests of all our stakeholders. This resilience has been developed and embedded over the years, was thoroughly tested by the unforeseen events of 2020-21.”

Dear Shareholders,

FY21 was a completely unprecedented year, as it began with tremendous challenges before us due to pandemic resulted in nationwide lockdowns and factories were shut, demand had collapsed and bringing economies to standstill for a major part of the year. However, towards the second half of the year under review, the scenario improved significantly. Manufacturing plants started opening up in a phased manner and consumer sentiment improved which helped create new opportunities across the value chain and we worked ever longer and harder to see how we can position ourselves in the market at higher pitch. 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.

The Indian GDP, after a steep fall of 24.4% and 7.3% in Q1 and Q2 of FY 2020-21 respectively, has shown recovery with 0.4% growth in Q3. Based on this recovery trend, the GDP for 2021 is estimated to be contracting by 8% which is a clear outcome of the efforts undertaken in minimising the impact of Covid-19 on the economy. But the second wave of the Covid-19 pandemic has struck India with unforeseen fury and it will compound the misery of repeated economic disruptions and slowdowns over the past few years. The extent of economic loss will primarily depend on how fast the chain of infections can be broken and how India manages to contain this with mass vaccination efforts.

Government of India provided much needed stimulus to economy through Atmanirbhar package promptly addressing concerns of various sectors and facilitating flow of credit to the economy. The Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory.

In spite of the economic turbulence and lockdowns, Our Company has delivered its mixed performance so far. The company is falling under the status of NPA category with Banks due to liquidity shortage. In the current year the company is gradually coming out from financial setbacks and resubmitted its Debt Restructuring Plan to the Consortium Bankers and expected to be finalised by them shortly.

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.

Before I conclude, I wish to thank all my fellow Board members, management team, employees, customers, suppliers, Bankers, regulatory authorities and our shareholders for their unflinching guidance and continued support throughout the year.

Shankarlal Somani
Chairman

THIRTY THIRD ANNUAL REPORT

BOARD OF DIRECTORS

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

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

33rd ANNUAL GENERAL MEETING

DATE : Tuesday, 14th September, 2021

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 **33rd Annual General Meeting** (AGM) of the members of SUMEET INDUSTRIES LIMITED will be held on Tuesday, 14th September, 2021 at 3:30 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, 2021 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, 2021 together with the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Shankarlal Somani (DIN:00165238), who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS

3. 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, 2022, 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.”

4. RE-APPOINTMENT OF MS. ZEEL SURESHKUMAR MODI (DIN:08290608) 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 any 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 Ms. Zeel Sureshkumar Modi (DIN:08290608), who was appointed as a Director of the Company in the category of Non- Executive, Independent Director at the 31st Annual General meeting of the company and who holds office up to 29th November, 2021 proposing her candidature for the office of Director 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 continuation of 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 30th November, 2021 to 29th November, 2026 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.”

5. APPOINTMENT OF MR. SAURAV SANTOSH DUGAR (DIN:08937448) 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 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. Saurav Santosh Dugar (DIN:08937448) who was appointed as an Additional Director in the category of ‘Non-Executive, Independent Director’ with effect from October 28, 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 proposing her candidature for the office of Director 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 continuation of office of the Director, be and is hereby appointed as a Non-Executive, Independent Director of the Company for a period upto 5 (Five) consecutive years upto October 27, 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.”

Registered Office :

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

By order of the Board Directors

Place : Surat

Date : 04.08.2021

Sd/-
Shankarlal Somani
Chairman

11. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through 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. 7th September 2021, may cast their vote either by remote e-voting as well as e-voting system as on date of AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
12. The information with respect to voting process and other instructions regarding e-voting are detailed in Note no. 24.
13. The Notice of 33rd AGM and the Annual Report of the Company for the year ended 31st March, 2021 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.
14. 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.
15. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.
16. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. The Company has uploaded the information in respect of the unclaimed dividends/Shares as on the date of the 33rd AGM held on 14th September, 2021 on its website www.sumeetindustries.com and also on the website of the Investor Education and Protection Fund www.iepf.gov.in.
17. In the year 2018-19, the Company has transferred 1296302 equity shares to the demat account of IEPF Authority.
18. 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.
19. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company’s RTA.

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

20. 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 has required under the Companies Act, 2013 and the Rules thereunder.

21. With a view to conserve natural resources, we request Members to update and register their email addresses and Mobile No. 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/ForInvestor.aspx>.
22. Members holding shares in Physical mode have to update in Bank Account Details by clicking the link: <https://www.bigshareonline.com/ForInvestor.aspx>.
 - a. Name and Branch of the Bank in which you wish to receive the dividend
 - b. Type of Bank Account
 - c. Bank Account Number 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.
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:
 1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus 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.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after 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 atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGMs has been uploaded on the website of the Company at www.sumeetindustries.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The 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 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Saturday, 11th September 2021 at 9:00 a.m. IST and ends on Monday, 13th September 2021 at 5:00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 7th September 2021 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) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

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

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual **shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual 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).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) **Facility for Non-Individual Shareholders and Custodians –Remote Voting**
- 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.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 corporate@sumeetindustries.com. 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 corporate@sumeetindustries.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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 update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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	Ms. Zeel Sureshkumar Modi	Mr. Saurav Santosh Dugar
Date of Birth	03/06/1994	20/06/1992
Date of First Appointment	30/11/2018	28/10/2020
Expertise in specific functional areas	Enviro and Project Engineering	Statutory & Tax-audit, Internal - audit of large & medium scale Companies, Bank Audits, Direct Taxation, Indirect Taxation & Company Law matters.
Qualifications	B.Tech in Environmental Engineering	Practicing Chartered Accountant, Completed Certificate Course on Forensic Accounting and Fraud Detection from ICAI.
Shareholding in the Company as on 4th August, 2021	Nil	Nil
List of other companies in which Directorship held	Nil	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. 03**

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, 2022.

The remuneration of the Cost Auditors was fixed by the Board of Directors as Rs. 40,000/- (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.3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2022.

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.3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.3 of the Notice for approval by the members.

ITEM NO. 04

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 4th August, 2021 had re-appointed Ms. Zeel Sureshkumar Modi (DIN:08290608) 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. 30th November, 2021 to 29th November, 2026, subject to approval of the members of the company.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Zeel Sureshkumar Modi for the office of Director of the Company. The Company has also received a declaration from Ms. Zeel Sureshkumar Modi that she 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 for re-appointment of Ms. Zeel Sureshkumar Modi (DIN:08290608) as a Director of the Company in the category of Non- Executive, Independent Director.

Ms. Zeel Sureshkumar Modi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

In the opinion of the Board, Ms. Zeel Sureshkumar Modi fulfils the conditions for appointment as an independent Director as specified in the Act and the Listing Regulations. She is also independent of the management.

Ms. Zeel Sureshkumar Modi is a Graduate Engineer from the field of Environment Engineering. She has more than 5 Years of experience in the field of Environment and Project Engineering.

The Board considering Ms. Zeel Sureshkumar Modi has rich experience in the field of environment and project engineering and taking in to account the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 4th August, 2021, appointed her as Non-Executive, Independent Director of the company, not liable to retire by rotation with effect from 30/11/2021 to 29/11/2026 subject to approval of members. Copy of the draft letter for appointment of Ms. Zeel Sureshkumar Modi as Non-Executive, 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 Ms. Zeel Sureshkumar Modi as Non-Executive, Independent, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial personnel (KMPs) or relatives of Directors except Ms. Zeel Sureshkumar Modi being and appointee is concerned or interested in the resolution mentioned at item no.4 of the convening Notice.

ITEM NO. 05

The Board of Directors of the company had appointed Mr. Saurav Santosh Dugar (DIN : 08937448) as an Additional Independent Director with effect from 28th day of October, 2020 in accordance with the provisions of Article of the Association of the company read with Section 161 of the Act. Mr. Saurav Santosh Dugar holds office only up to the date of this Annual General Meeting. A notice has been received from a member, as required under Section 160 of the Companies Act, proposing Mr. Saurav Santosh Dugar as a candidate for the office of Director of the Company.

Mr. Saurav Santosh Dugar is a Practicing Chartered Accountant with an overall experience of around 7 years. He is a Key Partner of the Firm A J S S D & Company, Chartered Accountants based at Surat. He has also Completed Certificate Course on Forensic Accounting and Fraud Detection from ICAI. He has been conducting Statutory & Tax-audit, Internal- audit of large & medium scale Companies, He has also specialization in Bank Audits, Direct Taxation, Indirect Taxation & Company Law matters.

The Board considering Mr. Saurav Santosh Dugar has rich experience in the field of Statutory & tax Audit matters and Taxation and taking into account the recommendation of the Nomination and Remuneration Committee, appointed Mr. Saurav Santosh Dugar at the meeting of the Board of Directors held on 4th August, 2021 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 28/10/2020 to 27/10/2025 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. Saurav Santosh Dugar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company and he is independent of the Management. Copy of the draft letter for appointment of Mr. Saurav Santosh Dugar 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. Saurav Santosh Dugar 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. Saurav Santosh Dugar is concerned or interested in the resolution mentioned at item no.5 of the convening Notice.

Registered Office :

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

By order of the Board Directors

Place : Surat

Date : 4th August, 2021

Sd/-
Shankarlal Somani
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 33rd Annual Report along with the Audited Statement of Accounts for the year ended 31st March, 2021.

The year 2020-21 witnessed unparalleled crisis with COVID-19 and remained extremely challenging. The pandemic and the lockdowns across India for more than a month pushed the economy in recession. Despite the headwinds, the Company delivered steady operational performance, backed by a strong focus on cost reduction, optimization of production process, mix of value-added products and prudent business approach.

The Company has registered Standalone revenue of Rs. 573.87 Crore with EBIDTA of Rs. 26.91 Crore. We remained resolute and relentless in our quest for strengthening our cost-competiveness.

FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Sales & Income from operation	57386.63	70694.04	57386.63	70694.04
Other Income	290.35	381.54	290.35	381.54
Profit before Financial cost, Depreciation and Exceptional items & Tax (EBITDA)	2690.96	2854.69	2686.68	-6441.59
Interest	316.85	4138.58	316.85	4138.58
Depreciation	3579.77	4022.91	3579.77	4022.91
Profit/(Loss) before Exceptional and Extraordinary items	-1205.66	-5306.80	-1209.75	-14603.08
Exceptional & Extraordinary items	0.19	-0.10	0.19	-0.10
Profit/(Loss) before Tax	-1205.85	-5306.70	-1209.94	-14602.98
Provision for Taxation	-	-	-	-
Current tax	-	-	-	-
Mat Credit	-	-	-	-
Deferred Tax	-498.31	-655.75	-498.31	-655.75
Profit/(Loss) after Tax	-707.54	-4650.95	-711.63	-13947.23
Taxation for previous year	-	-	-	-
profit available for appropriation	-	-	-	-
Dividend on Equity & Pref. Shares	-	-	-	-
Transfer to General Reserve	-707.54	-4650.95	-711.63	-13947.23

OPERATIONS

Global economic activity faced several challenges being predominated by Covid-19 pandemic. The Pandemic has had a tremendous impact on numerous Indian industries with Textile being one of the hardest hit. Despite Challenging business environment the company has posted mixed performance for the year under review.

The Company has produced 70091.011 Tons of Pet Chips/Polyester and Texturized Yarn and dispatched 72947.937 Tons of Pet Chips / Polyester and Texturized Yarns.

Income from operation (Consolidated) of the company has decreased from Rs. 706.94 Crore to Rs. 573.87 Crore. The Company has incurred Consolidated Net Loss of Rs. 12.10 Crore. The Consolidated EBIDTA has been improved from Rs. -64.41 Crore to Rs. 26.87 Crore. We are reassessing our strategies in line with the larger macro picture and have made some significant changes to drive our growth focussed and opportunity driven strategies.

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

IMPACT OF COVID-19

The COVID-19 pandemic manifested itself into a global crisis, adversely affecting economies of all nations. 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.

However, the second wave of the pandemic since March, 2021 has proven to be more infectious and severe than the initial wave of last year, and once again the businesses are feeling the impact of the same. While up until now the impact of the second wave on the overall business is not substantial, the situation is continuously evolving and extent to which your Company's operational and financial position can get impacted still remains uncertain.

Your Company is confident that it is now much better equipped with resources to absorb any short-term business disruptions. The Company constantly aims to meet the evolving needs of its customers and delight them through innovative and value-for-money products.

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 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, 2021 and the date of this report, i. e. 04.08.2021

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. 1552.41 Lakh.

At present company is exporting to Egypt, Tunisia, Morocco, Nepal, Bangladesh, Turkey 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, 2021 almost 97.74% 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 Lakh during the financial year 2013-14. No fresh deposits have been invited and nor any deposits have been renewed in the financial year 2020-21. 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. Shankarlal Somani (DIN No.00165238), Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

On the recommendation of the Nomination and remuneration Committee and approved by the Board of Directors in their meeting held on 28th October 2020, Mr. Saurav Santosh Dugar (DIN: 08937448), appointed as an additional Independent Director of the Company w.e.f. 28th October 2020 up to the conclusion of the forthcoming 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. Saurav Santosh Dugar (DIN:08937448) as a Non-Executive, Independent director of the Company.

Board Recommends the appointment of Mr. Saurav Santosh Dugar, 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 Exchange(s).

On the recommendation of the Nomination and remuneration Committee, The Board also recommends the re-appointment of Ms. Zeel Suresh Kumar Modi 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 she meets the criteria of Independence as prescribed both under the Companies Act, 2013 and Listing Regulations with the Stock Exchange(s).

AUDITORS**a) Statutory Auditors**

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

In their Report dated 29th June, 2021, M/s. H. Tosniwal & Co., Chartered Accounts has given a qualified opinion in relation to the Standalone Financial Statements of the Company for the Financial Year ended 31st March 2021. The Board's response in relation to the said opinion is as under:-

SR. No	Audit-Qualification	Board's Response
1.	"The company has not created provision for interest on loan taken from bank/financial institutions and NBFC for the year ending 31.03.2021 and the amount of the same cannot be quantified in absence of Statement of the respective Bank/Financial Institutions and NBFC, hence loss shall be increased to that extent."	After Classifying the bank's loan(s) accounts of the company under NPA category, bank has not charged/fully charged interest for the period from NPA date to till date. As such we are not in a position to quantify the amount of interest to be accounted on outstanding loan amounts of Consortium banks. This is expected to be restructured in the Debt Resolution Plan submitted to the Consortium Bank(S).

b) Cost Auditors

The Company has been maintaining cost accounting records in respect of manufacture of Polyester yarns pursuant to directives of the Central Government. The company has appointed M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 10519) as Cost Auditors, for conducting the audit of cost records for the financial year 2021-22 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 2021-22. 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 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021 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 Auditor of the Company for the financial year 2021-22.

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 and fraud were observed. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the Internal Auditor, the respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an integral part of the Company's ethos and policy and it has been pursuing on a sustained basis. The Company 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 as 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. Concerted efforts have been put in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that the Company consistently develops inspiring, strong and credible leadership.

We continued imparting teambuilding and collaboration training to our workmen to enhance the team cohesiveness. The total employee strength as on 31st March, 2021 was 630.

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

PREVENTION OF SEXUAL HARASSMENT POLICY

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

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

RISK MANAGEMENT

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

The key risks identified by the Company include, cyber security and data protection risk, financial & economic risk, competition risk, operational risk and compliance of all applicable statutes and regulations. The Company has well defined ERM policy & mechanism to mitigate these risks. The Company reviews the risk register periodically, to align with the changes in economic environment, market practices and regulations.

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.

SAFETY, HEALTH & ENVIRONMENT

The Company, in order to ensure health and safety of its employees and other staff, took adequate pre-emptive measures to enhance the hygiene and sanitization protocols across all offices and plants, in line with guidelines in force by local authorities. The health of the employees coming to work space is being continuously monitored for any signs of the health complications and adequate containment measures are in place. Your Company is

committed to maintain its efforts in providing a safe working environment to its employees for as long as the Covid Pandemic is prevalent. At the same time, we are keeping our plants operational except for the period initiation of Lockdown announced by Central government in the year 2020 and thus trying to contribute towards the restoration of the economic activity and maintained earnings to Labours and staffs.

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 Equity Shares under any Employee Stock Option during the year.

FOREIGN EXCHANGE TRANSACTIONS

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year 2020-21, no significant and material order has been passed by any regulator or by any Court which has a material impact on the financial position of the Company.

CONTRACTS AND ARRANGEMENT WITH RELATED PARTY

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

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

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. 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 as Annexure-5, forming part of the Annual Report.

RELATED PARTY TRANSACTIONS POLICY

As per statutory requirement, the company has framed related party transaction policy. As a policy all related party transactions including entered into with Subsidiary Companies/group companies, if any, are placed before the Audit Committee and also before the Board for approval. Omnibus approval was obtained on a quarterly / annual basis for such transactions which are of repetitive nature. There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has also formulated policy on materiality of Related Party Transactions.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CODE OF CONDUCT

As prescribed under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV thereto and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Board of Directors and senior management and employees, the Company has formulated a comprehensive Code of Conduct (the Code). The Code is applicable to Directors and senior management and employees to such extent

as may be applicable to them depending upon their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Integrity, one team and Excellence.

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

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

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

In terms of SEBI (Prohibitions of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading (Insider Code) as approved by the Company's Board. Any Insiders (as defined in Insider Code) including designated employees & persons and their relatives are, inter-alia, prohibited from trading in the shares and securities of the Company or counsel any person during any period when the "unpublished price sensitive information" are available with them. The Insider Code also requires pre-clearance for dealing in the Company's shares and prohibits dealing in Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

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

WHISTLE BLOWER MECHANISM

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

DISCLOSURE RELATED TO BOARD, COMMITTEES AND POLICIES

A) BOARD MEETINGS:

The Board of Directors met 12 times during the financial year ended 31st March, 2021 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 has been re-constituted by the Board on 4th August 2021. The Audit Committee comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Sumeet Shankarlal Somani, Mr. Saurav Santosh Dugar, consisting of 1 Executive Director and 2 Non-Executive and Independent Directors. Mr. Manojkumar Ganeshmal Jain is the Chairman of the Audit Committee.

All recommendations made by the Audit Committee were accepted by the Board during the year 2020-21. 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 (NRC) has been re-constituted by the Board on 4th August 2021. The Nomination and Remuneration Committee comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Vikashkumar K Chandaliya, Mr. Saurav Santosh Dugar, consisting of 3 Non-Executive Directors. Mr. Manojkumar Ganeshmal Jain is the Chairman of the NRC Committee.

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

The Nomination and remuneration Committee 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 Stakeholders Relationship Committee was re-constituted by the Board on 31st July 2020. The Stakeholders Relationship Committee now comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Mr. Sumeet Shankarlal Somani and Mr. Vikashkumar K Chandaliya, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Manojkumar Ganeshmal Jain is the Chairman of the Stakeholders Relationship Committee.

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 was re-constituted by the Board on 31st July 2020. The CSR Committee now comprises of three members viz; Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, Mr. Vikashkumar K Chandaliya, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Sumeet Shankarlal Somani is the Chairman of the CSR Committee.

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

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors
Sd/-

Place : Surat
Date : 4th August, 2021

Shankarlal Somani
Chairman

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 1****Secretarial Audit Report****For the financial year ended March 31, 2021****[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 31.03.2021, 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 31.03.2021 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
 - c. The Securities and Exchange Board of India (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. 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. Matter is under subjudice. Company has filed reply against the said show cause notice on dated 12.03.2020, 30.01.2021 & 05.03.2021.
2. Order dated 30.09.2019 from Whole-Time Member of SEBI Under Sections 11(1), 11(4) and 11B of the SEBI Act to Promoters and Promoters Group to pay an amount equal to Unlawful gains for disgorgement with interest @12% per annum from 12.03.2007 till date of payment. In this regard, Company has filed an application with SAT against the said order, on hearing, an interim order dated 25.10.2019 was passed by SAT to pay Rs. 2 Crore to be payable by the promoters and promoter group. The Promoters and promoter group have paid the amount to SEBI vide letter dated 03.03.2020 to be kept the same in Escrow Account. Matter is subjudice.
3. Company has filed CP 23 OF 2020 U/s 55(3) before NCLT, Ahmedabad in this regard for allotment and re-issue of Preference shares in lieu of unredeemed 6% Non-convertible Redeemable Preference shares which were due for redemption on 12.03.2020. The matter is pending before Hon. NCLT.

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. This report is to be read with our letter dated 4th Day of August, 2021 which is annexed and forms an integral part of this report.

DHIREN R DAVE
COMPANY SECRETARY

FCS : 4889

CP : 2496

UDIN : F004889C000741922

Place : Surat

Date : 4th August, 2021

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.

DHIREN R DAVE
COMPANY SECRETARY
FCS : 4889
CP : 2496
UDIN : F004889C000741922

Place : Surat
Date : 4th August, 2021

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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sr. No.	Name of Director	DIN	Initial Date of appointment
1.	SHANKARLAL SITARAM SOMANI	00165238	11/03/1991
2.	SUMEET SHANKARLAL SOMANI	00318156	01/10/2015
3.	MANOJKUMAR GANESHMAL JAIN	03546851	29/06/2017
4.	ZEEL SURESHKUMAR MODI	08290608	30/11/2018
5.	VIKASHKUMAR KAMALSINGH CHANDALIYA	08751436	06/06/2020
6.	SAURAV SANTOSH DUGAR	08937448	28/10/2020

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

Place : Surat
Date : 4th August, 2021

DHIREN R DAVE
COMPANY SECRETARY
FCS : 4889
CP : 2496
UDIN: F004889C000741944

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, 2021 are given below:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March, 2021: (₹ in lakhs)

Name of the Director / KMP & Designation	Remuneration	% increase in Remuneration in F.Y. 2020-21	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 (Standalone) of Rs. 707.54 Lakhs during the year but EBITDA (Standalone) is Rs. 2690.96 Lakhs.
Mr. Anil Kumar Jain Company Secretary and Compliance Officer	11.58	0.00%	3.36	
Mr. Abhishek Prasad CFO	8.06	0.00%	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.

2. **Percentage increase in the median remuneration of employees in the financial year: NIL**
3. **Number of permanent employees on the rolls of the Company as on 31st March, 2021: 630**
4. **The explanation on the relationship between average increase in remuneration and company performance:**

No increment has been given to employees during the year under review. During the year company has incurred loss (Standalone) of Rs. 707.54 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.

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

Particulars of Remuneration	Key Managerial Personnel		
	Mg. Director	C.F.O.	Company Secretary
Remuneration (Rs. in Lakh)	-	8.06	11.58
Revenue (Standalone) (Rs. in Lakh)	57386.63	57386.63	57386.63
Remuneration (As a % of Revenue)	-	0.014	0.020
Profit (Loss) before Tax (PBT) (Standalone) (Rs. in Lakh)	(1205.85)	(1205.85)	(1205.85)
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)
31.03.2020	1.27	-	-	13.16
31.03.2021	4.95	-	-	51.30
% Change	390%	-	-	390%

The Company made its Initial Public Offer (IPO) in 1993. An amount of Rs. 1000 invested in the IPO towards 100 shares of Rs. 10 each was worth Rs. 495/- (100 shares of Rs. 4.95 each) as on 31st March, 2021, excluding dividend. After considering Rights shares offered and Bonus issue of shares from time to time, 100 shares of Rs. 10 each issued in 1993 have become 588 shares of Rs. 10 each.

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

Average Percentile increase in Remuneration of employees was nil as no increment were given to employees during the year under review due to Covid Pandemic and average increase in remuneration of Managerial Personnel were also nil.

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 2020-21 and 2019-20. 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) Education to Weaker Section of Societies.
- 6) Financial Help to Gau seva Kendra and Chikitsalaya

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.

Composition of CSR Committee

Sr. No	Designation / Nature of Directorship	No. of meetings of CSR Committee held	No. of Meetings of CSR attended
1.	Mr. Sumeet Kumar Somani	2	2
2.	Mr. Manojkumar G Jain	2	2
3.	Mr. Vikashkumar K Chandaliya	2	2

Average net profit of the company (Standalone) for last three financial years

Year	Net profit as per Section 198 of the Companies Act, 2013 (Rs. in Crore)
2017-18	0.48
2018-19	(123.94)
2019-20	(53.07)
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. 3.93 Lakhs
- 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 2020-21:

(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	0.78	0.78	0.78	Shree Gau Seva Samiti
2	Animal Care	Gau Chikitsalaya & Seva Kendra	Shikhar (Rajasthan)	1.50	1.50	1.50	Bhartiya Govans Rakshan Sanwardhan Samiti
3	Health Care	Medical Aid under Covid Pandemic	Surat	0.21	0.21	0.21	Seva Foundation
4	Promotion of Education	Education to Weaker Sections of Society	Surat	1.50	1.44	1.44	Maheshwari Shikshan Sansthan
			Total	3.99	3.93	3.93	

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) Optimising loading of Power & Distribution Transformer to reduce the Load losses.
- 4) Add 250 Kvar capacitor bank in 11KV APFC panel for improving Power factor of system.
- 5) Replaced fume blower having capacity of 5000 CFM instead of 3000 CFM & improved take up room temperature by extracting high temperature fume in FDY plant.
- 6) Insulate fume duct in the take up room to optimize room temperature.
- 7) Instrument air header increased to minimize the pressure drop resulting saving in 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 / threading 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:

	<u>2020-21</u>	<u>2019-20</u>
A. Power and Fuel Consumption:		
1. Electricity		
(a) Purchased		
- Units	64239883	77395310
- Total Amount	508210673	614793706
- Rate/Unit(Rs.)	7.91	7.94
(b) Own generation		
(i) Through diesel generator in Units (KWH)	920	1160
Liters of HSD Consumed	360	370
Unit per Ltr. of Diesel	2.555	3.135
(ii) Through HFO / generator		
Unit	3870270	14092231
Consumed	897032	3119727
Unit per Ltr of FO	4.314	4.517

	<u>2020-21</u>	<u>2019-20</u>
2. Furnace oil		
Quantity (in Ltrs.)	2607540	4294827
Total amount	60808548	119509406
Average rate (Basic)	23.32	27.83
B. Consumption per unit of production (in tons)		
Product: Pet Chips / POY / FDY / Texturised Yarn		
	<u>2020-21</u>	<u>2019-20</u>
Electricity : Purchases and Own Generation (Own Generation Through F.O. based Gen Set)	971.75	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) Intermingling air system introduced to improve quality of yarn.
 - 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) Specialty 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.
 - d) Modification in heating system
- 4. Expenditure on R & D / Product Development**
Capital and recurring expenditure is incurred by the company regularly.

II. Technology absorption, adaptation and innovation

- 1. Efforts made towards technology absorption, adoption and innovation**
 - a) Modification in Heating system .
 - b) Up gradation of AHU Cooling system
 - c) Optimization of raw material utilization, process engineering and reduction of wastage .
 - d) Modification of inverter control system of critical pumps
- 2. Benefits derived as a result of above efforts**
 - a) Improvement in operating performance and reduction in wastage
 - b) Reduction in energy cost & other costs.
 - c) 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, 2021)

[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. 30 Jalan Bahagia, # 02 - 380, Whampoa Vista, Singapore 320030	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, 2020)				No. of Shares held at the end of the year (As on 1st April, 2021)				% 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	11795436	0	11795436	11.38	11795436	0	11795436	11.38	0.00
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				0.00					
1) Bodies Corporate	10663855	0	10663855	10.29	10663855	0	10663855	10.29	0.00
Sub-total (A) (1)	22459291	0	22459291	21.67	22459291	0	22459291	21.67	0.00
(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)	22459291	0	22459291	21.67	22459291	0	22459291	21.67	0.00

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	18664	562	19226	0.02	0	562	562	0.00	-0.02
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									
Sub-total (B)(1)	18664	562	19226	0.02	0	562	562	0.00	-0.02
2. Non-Institutions									
a) Bodies Corporate	5323835	11134	5334969	5.15	8522897	11134	8534031	8.23	3.09
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	30096350	2270135	32366485	31.23	28207273	2268555	30475828	29.40	-1.82
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	33178866	67029	33245895	32.08	35356773	67029	35423802	34.18	2.10
c) Others									
1) Hindu Undivided Family	3329244	0	3329244	3.21	3199641	0	3199641	3.09	-0.13
2) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
3) Clearing Member	3908442	0	3908442	3.77	635105	0	635105	0.61	-3.16
4) Non Resident Indians (NRI)	0	0	0	0.00	43562	0	43562	0.04	0.04
5) Non Residen Indians (Repat)	1449652	0	1449652	1.40	1290691	0	1290691	1.25	-0.15
6) Non Residen Indians (Non Repat)	255508	0	255508	0.25	306199	0	306199	0.30	0.05
7) Directors/Relatives	0	0	0	0.00	0	0	0	0.00	0.00
8) Corporate Bodies NBFC	0	0	0	0.00	0	0	0	0.00	0.00
9) IEPF	1273677	0	1273677	1.23	1273677	0	1273677	1.23	0.00
Sub-total (B)(2)	78815574	2348298	81163872	78.31	78835818	2346718	81182536	78.33	0.02
Total Public Shareholding (B)=(B)(1)+ (B)(2)	78834238	2348860	81183098	78.33	78835818	2347280	81183098	78.33	0.00
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)	101293529	2348860	103642389	100.00	101295109	2347280	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 01/04/2020			Shareholding at the end of the year 31/03/2021			% 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	5500000	5.31	0.00	5500000	5.31	0.00	0.00
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	0.00	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	22459291	21.67	9.16	22459291	21.67	0.00	0.00

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 At the end of the year	5500000	5.31		5500000	5.31
2	Sumeet Shankarlal Somani At the beginning of the year At the end of the year	2456337	2.37		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 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	3189890	3.08		
	Bought during the year	10684	0.01	3200574	3.09
	Sold during the year	3194940	3.08	5634	0.01
	At the end of the year			5634	0.01
2	Jagdish Chander Kataria				
	At the beginning of the year	2861699	2.76		
	Bought during the year	0	0.00	2861699	2.76
	Sold during the year	2861699	2.76	0	0.00
	At the end of the year			0	0.00
3	Chirag Narendra Modh				
	At the beginning of the year	0	0.00		
	Bought during the year	2127400	2.05	2127400	2.05
	Sold during the year	0	0.00	2127400	2.05
	At the end of the year			2127400	2.05
4	Dhansukhbhai Champaklal Jadav				
	At the beginning of the year	0	0.00		
	Bought during the year	2011268	1.94	2011268	1.94
	Sold during the year	0	0.00	2011268	1.94
	At the end of the year			2011268	1.94
5	Pallas Fincap Private Limited				
	At the beginning of the year	0	0.00		
	Bought during the year	1878038	1.81	1878038	1.81
	Sold during the year	0	0.00	1878038	1.81
	At the end of the year			1878038	1.81
6	Shaktiveer Texfab Private Limited				
	At the beginning of the year	1825000	1.76		
	Bought during the year	0	0.00	1825000	1.76
	Sold during the year	0	0.00	1825000	1.76
	At the end of the year			1825000	1.76
7	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

8	Aadhidev Polytex Private Limited				
	At the beginning of the year	915873	0.88		
	Bought during the year	0	0.00	915873	0.88
	Sold during the year	62192	0.06	853681	0.82
	At the end of the year			853681	0.82
9	CNM Finvest Private Limited				
	At the beginning of the year	100000	0.10		
	Bought during the year	638018	0.62	738018	0.71
	Sold during the year	1000	0.00	737018	0.71
	At the end of the year			737018	0.71
10	Madhu Bala				
	At the beginning of the year	192301	0.19		
	Bought during the year	435351	0.42	627652	0.61
	Sold during the year	0	0.00	627652	0.61
	At the end of the year			627652	0.61

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	5500000	5.31		
Bought during the year	0	0.00	5500000	5.31
Sold during the year	0	0.00	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	0	0.00	2456337	2.37
Sold during the year	0	0.00	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 2020-21

- Mr. Manoj Kumar Jain - Director
- Ms. Zeel Sureshkumar Modi - Director
- Mr. Vikashkumar K Chandaliya - Director
- Mr. Saurav Santosh Dugar - 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	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
Change in Indebtedness during the financial year				
• Addition	654.74	-	-	654.74
• Reduction	1720.41	292.25	0.00	2012.66
Net Change	-1065.67	-292.25	0.00	-1357.92
Indebtedness at the end of the financial year				
i) Principal Amount	49400.62	3167.46	2.90	52570.98
ii) Interest due but not paid	724.08	-	-	724.08
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	50124.70	3167.46	2.90	53295.06

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	Nil	Nil
	(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)	Nil	Nil
	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 :

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Atmaram Sarda	Manoj Jain	Zeel Modi	Saurav Dugar *	
1	Non-Executive Directors Fee for attending committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Sitting Fees	0.60	2.40	2.10	1.20	6.30
	Professional fees	7.01	-	-	-	7.01
	Total :	7.61	2.40	2.10	1.20	13.31
2	Total Managerial Remuneration	-	-	-	-	-
3	Ceiling as per the Act @1% of profit calculated u/s. 198 of the Companies Act, 2013	-	-	-	-	-

* Mr. Saurav Dugar has been appointed w.e.f. 28.10.2020.

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	11.58	8.06	19.64
	(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	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 Cr. 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 Crore to be payable by its Promoters and Promoter group entities and they had paid Rs.2.00 Crore 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 organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 4.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 4.5 Flexibility: Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other laws.
- 4.6 Performance-Driven Remuneration: The Company shall establish a culture of performance-driven remuneration through the implementation of the Performance Incentive System.
- 4.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

- 5.1 reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- 5.2 identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- 5.3 recommending to the Board on the selection of individuals nominated for directorship;

- 5.4 making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
- 5.5 assessing the independence of independent directors;
- 5.6 such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules thereunder.
- 5.7 to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 5.8 ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 5.9 to devise a policy on Board diversity;
- 5.10 to develop a succession plan for the Board and to regularly review the plan;

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of minimum three members out of that there will be minimum two 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

Sd/-

Shankarlal Somani

Chairman

Place : Surat

Date : 4th August 2021

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

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

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

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

REVIEW OF THE POLICY

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

On behalf of the Board of Directors

Sd/-

Shankarlal Somani

Chairman

Place : Surat

Date : 4th August 2021

CORPORATE GOVERNANCE REPORT

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

COMPOSITION OF DIRECTORS

Sumeet Industries Ltd is having 6 (Six) Directors on its Board consisting of 2 (Two) Executive and 4 (Four) 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 Sitaram Somani DIN : 00165238	Executive Director	12	Yes	4	-	-
Mr. Sumeet Shankarlal Somani DIN : 00318156	Executive Director	12	Yes	5	2	-
Mr. Manojkumar Ganeshmal Jain DIN : 03546851	Non-Executive & Independent Director	8	Yes	1	-	3
Ms. Zeel Sureshkumar Modi DIN: 08290608	Non-Executive & Independent Director	7	Yes	-	2	-
Mr. Vikashkumar Kamalsingh Chandaliya DIN: 08751436	Non-Executive & Independent Director	7	Yes	-	2	-
Mr. Saurav Santosh Dugar # DIN: 08937448	Non-Executive & Independent Director	4	-	-	-	-
Mr. Atmaram R Sarda ## DIN : 06713264	Non-Executive Director	2	-	-	-	-

- * (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. Saurav Santosh Dugar has been appointed as Non-Executive, Independent Director of the Company w.e.f. 28/10/2020.
- ## Mr. Atmaram R Sarda has resigned from the Board w.e.f. 31/07/2020, due to their other commitments and personal reasons.

As on 31st March, 2021, out of 6 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, administration and industries. Their presence on the Board helps in taking complex business decisions.

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

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of each Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors 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 18th February, 2021. 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;

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 31ST MARCH 2021, IS AS FOLLOWS :

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

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

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

CODE OF CONDUCT

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

NO. OF BOARD MEETINGS HELD AND DATES

During the Financial Year 2020-21, the Board meeting has been held for 12 times.

The Dates of the Board Meetings are:

01.	06.06.2020	05.	18.08.2020	09.	30.12.2020
02.	04.07.2020	06.	27.08.2020	10.	29.01.2021
03.	31.07.2020	07.	19.09.2020	11.	05.03.2021
04.	10.08.2020	08.	28.10.2020	12.	26.03.2021

3. COMMITTEES OF THE BOARD

Establishing Committees is one way of managing the work of the Board, thereby strengthening the Board's governance role. These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities. The Board has constituted a set of Committees with specific terms of reference/scope, to focus effectively on the issues and ensure expedient resolution of diverse matters. These Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the Meetings of all Committees are placed before the Board for discussions/noting. The Board Committees can request special invitees to join the meeting, as appropriate.

As of March 31, 2021, the Board had following four Committees:

I) AUDIT COMMITTEE

The Audit committee 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 3rd July 2020, 28th July 2020, 23rd October 2020, 14th December 2020, 27th January 2021 and 16th March 2021. Composition of Audit Committee and number of meetings held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Manojkumar G Jain	Chairman	Non-Executive	6	6
02.	Mr. Sumeet Shankarlal Somani	Member	Executive	6	6
03.	Ms. Zeel Sureshkumar Modi	Member	Non-Executive	6	6

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

The terms of reference of the Audit Committee are wide enough to cover the role specified for Audit Committee under Section 177 of the Companies Act, 2013. The same are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. The terms of reference of the Committee are as follows:

- I. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation to the Board, appointment, re-appointment, removal of the Statutory Auditors, Internal Auditors and Secretarial Auditors of the Company, fixation of Audit fees and other terms of appointment;
- iii. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- iv. Review with the Statutory Auditors, Internal Auditors and Secretarial Auditors of the Company any audit problems or difficulties and management's response;
- v. Discuss with Statutory Auditors critical accounting practices and policies and to mediate on any disagreement on accounting treatment or process regarding financial reporting between the Statutory Auditors and the management;
- vi. Reviewing with the management, the quarterly/ annual financial statements and Statutory Auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's responsibility Statement in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any Related party transactions;
 - (g) Disclosure of contingent liability;
 - (h) Modified opinion(s) in the draft Audit report;
 - (l) Company's earning press release and investor presentations;

- vii. 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 utilized 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;
- viii. Approval or any subsequent modification of transactions of Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing with the management, independence and performance of Statutory Auditors, Internal Auditors and Secretarial Auditor, effectiveness of Audit process and adequacy of the internal control systems;
- xiii. Reviewing the adequacy of Internal Audit function 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;
- xiv. Ensure that there are no unjustified restrictions or limitations on the tasks of the Internal Auditors and review and concur in the appointment, replacement, or dismissal of the Internal Auditor;
- xv. Review the internal audit reports prepared and submitted by the Internal Auditor to the Management;
- xvi. Discussion with Internal Auditors of any significant findings and follow up thereon;
- xvii. 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;
- xviii. 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;
- xix. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xx. To review the functioning of the whistle blower mechanism;
- xxi. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of non-compliance;
- xxii. Review the findings of any examinations by regulatory agencies and any auditor observations;
- xxiii. Review the process of communicating Company's Code of Ethics (Code of Conduct) to employees and the mechanism for its adherence and functioning of the Whistle Blower policy and its mechanism;
- xxiv. On annual basis, review the financial statements of Company's materially significant subsidiaries;
- xxv. Obtain regular updates from management regarding compliance matters.
- xxvi. To review the following:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - d. Internal audit reports relating to internal control weaknesses; and

- e. Terms of appointment, removal and remuneration of the Internal Auditors.
- f. Statement of deviations:
- g. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations.
- h. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulations.

II) NOMINATION AND REMUNERATION COMMITTEE

A) Composition

The Nomination and Remuneration Committee was re-constituted by the Board on 31st July 2020. The Nomination and Remuneration Committee now comprises of three members viz; Mr. Manojkumar Ganeshmal Jain, Ms. Zeel Sureshkumar Modi and Mr. Vikashkumar K Chandaliya, 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 Nomination and Remuneration Committee meeting were held on 3rd June 2020, 24th October 2020 and 10th March 2021. Composition of Nomination and Remuneration Committee and number of meetings held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Manojkumar G Jain	Chairman	Non-Executive	3	3
02.	Ms. Zeel Sureshkumar Modi	Member	Non-Executive	3	3
03.	Mr. Vikashkumar K Chandaliya *	Member	Non-Executive	3	2
04.	Mr. Atma Ram Sarda *	Member	Non-Executive	3	1

* Mr. Vikashkumar K Chandaliya is inducted as member of the committee in place of Mr. Atma Ram Sarda at the time of reconstitution by the Board on dated 31/07/2020.

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 2020-21

The following are the details of remuneration paid to the Executive Director(s) for the financial year 2020-21.

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 2020-21

The following are the details of remuneration paid to Non-Executive Director for the financial year 2020-21.

Sr. No.	Name of Non-Executive Director	Sitting Fees (In Rupees)	Professional Fees (In Rupees)
01.	Mr. Atma Ram Sarda	60,000.00	7,01,172.00
02.	Mr. Manojkumar G Jain	2,40,000.00	-
03.	Ms. Zeel Sureshkumar Modi	2,10,000.00	-
04.	Mr. Vikashkumar K Chandaliya	2,10,000.00	-
05.	Mr. Saurav Santosh Dugar	1,20,000.00	-

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

F) Terms of reference

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

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

III) STAKEHOLDERS RELATIONSHIP COMMITTEE

A) Composition

The Stakeholders Relationship Committee was re-constituted by the Board on 31st July 2020. The Stakeholders Relationship Committee now comprises of three members viz; Mr. Manojkumar

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

B) Terms of Reference

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

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

- i. Rematerialisation, etc. and other shares related formalities.
- ii. Review and oversee the process of resolving of shareholders/ investors / security holders grievances in the matter of transfer, transmission, issue of duplicate /replacement /split shares etc.
- iii. Oversee compliances in respect of dividend payments and matters related thereto.
- iv. Advise the Board of Directors on matters which can facilitate better investor services and relations.
- v. Review movements in shareholding and ownership structures of the Company.
- vi. Ensure setting up proper controls and oversee the performance of the Registrar and Share Transfer Agent.
- vii. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable,

C) Meetings and Attendance during the year

During the financial year Stakeholders Relationship Committee meeting were held on 9th April 2020, 1st June 2020, 25th August 2020 and 8th January 2021.

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

Sr. No.	Name of the Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Manojkumar G Jain	Chairman	Non-Executive	4	4
02.	Mr. Sumeet Shankarlal Somani	Member	Executive	4	4
03.	Mr. Vikashkumar K Chandaliya *	Member	Non-Executive	4	2
04.	Mr. Atma Ram Sarda *	Chairman	Non-Executive	4	2

* Mr. Manojkumar G Jain has appointed as Chairman of Stakeholders Relationship Committee and Mr. Vikashkumar K Chandaliya is inducted as member of the committee in place of Mr. Atma Ram Sarda at the time of reconstitution by the Board on dated 31/07/2020.

D) Compliant Status

Number of complaints/requests received from the shareholders during the financial year 2020-21 and the number of pending complaints is given below:

Compliant received during the year 2020-21	7
Complaint pending as on 31/03/2021	NIL
Number of pending shares transfer as on 31/03/2021	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 was re-constituted by the Board on 31st July 2020. The Nomination and Remuneration Committee now comprises of three members viz; Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, Mr. Vikashkumar K Chandaliya, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Sumeet Shankarlal Somani is the Chairman of the CSR Committee. 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/programmes/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 6th June 2020 and 5th March 2021. 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. Vikashkumar K Chandaliya *	Member	Non-Executive	1	1
04.	Mr. Atma Ram Sarda *	Member	Non-Executive	1	1

* Mr. Vikashkumar K Chandaliya is inducted as member of the committee in place of Mr. Atma Ram Sarda at the time of reconstitution by the Board on dated 31/07/2020.

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	17/09/2020	Through Video Conference (VC) or Other Audio Visual Means (OAVM)	03:30 P.M.
2	30/09/2019	Agrasen Bhavan, Shyam Kunj Hall, City Light, Surat-395007	10:00 A.M.
3	29/09/2018	Shree Maheshwari Bhavan, First Floor Hall, Near Science Centre, City Light, Surat	10:00 A.M.

II) Special Resolution passed at the last three Annual General Meetings
YEAR 2019-20

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

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, 2021
A) DISTRIBUTION OF SHAREHOLDING (IN SHARES) AS ON 31ST MARCH, 2021

Distribution Range	No. of Shareholders	% of Total	No. of Shares	% of Total
1 To 500	24857	63.2800	4660620	4.4968
501 To 1000	4778	12.1636	3539760	3.4153
1001 To 2000	4234	10.7787	5994728	5.7840
2001 To 3000	1609	4.0961	4004412	3.8636
3001 To 4000	862	2.1944	3035947	2.9292
4001 To 5000	610	1.5529	2856493	2.7561
5001 To 10000	1176	2.9938	8507846	8.2088
10001 To 9999999999	1155	2.9404	71042583	68.5459
TOTAL	39281		103642389	100.0000

B) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2021

Category	No. of Shares Held	% of Shareholding
Promoters & Promoter Group	22459291	21.6700
Corporate Bodies	8534031	8.2341
Clearing Member	635105	0.6128
Non Resident Indians (NRI'S)	1640452	1.5828
HUF	3199641	3.0872
IEPF	1273677	1.2289
Indian Public & Others	65900192	63.5842
TOTAL	103642389	100.0000

V) MARKET PRICE DATA

Month wise High, Low price and volume data for the FY 2020-21 at BSE & NSE are as under:

Month	BSE			NSE		
	High	Low	Total Volume	High	Low	Total Volume
Apr-20	1.71	1.27	401114	1.65	1.20	937725
May-20	1.64	1.33	362128	1.60	1.30	1243354
Jun-20	2.49	1.53	2240774	2.20	1.55	4325634
Jul-20	2.87	1.71	2060134	2.70	1.80	1694950
Aug-20	2.92	1.63	1618053	2.80	1.60	1347373
Sep-20	2.42	1.84	539791	2.50	1.85	1375253
Oct-20	2.55	1.90	515495	2.60	1.90	1504229
Nov-20	2.24	1.89	444583	2.25	1.85	1279441
Dec-20	3.19	1.90	1480301	3.00	1.90	2692771
Jan-21	4.04	3.34	1366113	3.85	3.15	1227572
Feb-21	3.72	2.96	255481	3.80	3.10	426402
Mar-21	4.95	2.56	1725910	4.70	2.85	1173400

VI) ANNUAL GENERAL MEETING (TENTATIVE)

Date : 14/09/2021, Tuesday

Time : 3.30 P.M.

Through : Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

(VII) FINANCIAL CALENDAR (TENTATIVE)

Annual General Meeting	:	September, 2021
Results for quarter ending June 30, 2021	:	on or before 14th August, 2021
Results for quarter ending Sep 30, 2021	:	on or before 14th November, 2021
Results for quarter ending Dec 31, 2021	:	on or before 14th February, 2022
Results for quarter ending March 31, 2022	:	on or before 30th May, 2022

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 i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss [www.bigshareonline.com] which facilitate to serve better.

IX) DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are available for dematerialization on both the Depositories viz 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, 2021 about 97.74% 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 Wednesday, 8th September 2021 to Tuesday, 14th September, 2021 (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).

Script Code / Symbol :

BSE : 514211

NSE : SUMEETINDS

ISIN No. : INE235C01010

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

XV) BUILD UP OF EQUITY SHARE CAPITAL

Date of Allotment	Reason for Allotment	No. of Equity Shares Issued	Face Value (Rs.)	Cumulative Share	Cumulative Paid-up Capital (Rs.)
25.07.1988	Subscription to the MOA	20	10.00	20	200.00
12.12.1991	Further Allotment	1,99,980	10.00	2,00,000	20,00,000.00
13.05.1992	Further Allotment	7,95,000	10.00	9,95,000	99,50,000.00
07.07.1992	Further Allotment	10,55,000	10.00	20,50,000	2,05,00,000.00
20.07.1992	Further Allotment	9,50,000	10.00	30,00,000	3,00,00,000.00
08.08.1992 & 12.08.1992	Further Allotment	26,00,000	10.00	56,00,000	5,60,00,000.00
24.10.1992	Further Allotment	4,00,000	10.00	60,00,000	6,00,00,000.00
12.01.1993	Initial Public Offering	56,00,000	10.00	1,16,00,000	11,60,00,000.00
01.04.2005	Bonus in the ratio of 1:2	57,99,300	10.00	1,73,99,300	17,39,93,000.00
13.04.2007	Preferential Allotment to Bennett Coleman & Co. Ltd.	6,67,000	10.00	1,80,66,300	18,06,63,000.00
13.04.2007	Preferential Allotment to Vishvas Infrastructure Ltd.	2,50,000	10.00	1,83,16,300	18,31,63,000.00
21.01.2008	Bonus in the ratio of 1:10	18,06,630	10.00	2,01,22,930	20,12,29,300.00
17.01.2009	Right Issue 1:1	1,98,72,230	10.00	3,99,95,160	39,99,51,600.00
28.04.2011	Allotment to "QIBs" under QIP Placement	1,82,94,578	10.00	5,82,89,738	58,28,97,380.00
04.12.2013	Reduction of Capital by cancelling shares allotted to Vishvas Infrastructure Ltd as per High Court order.	(2,50,000)	10.00	5,80,39,738	58,03,97,380.00
24.01.2018	Right Issue 3:7	24874173	10.00	8,29,13,911	82,91,39,110.00
07.08.2018	Bonus in the ratio of 1:4	20728478	10.00	10,36,42,389	103,64,23,890.00

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

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

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

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

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

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

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

XVIII) NOMINATION

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

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

Website: 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

Website: www.bigshareonline.com

XXV) MEANS OF COMMUNICATION

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

XXVI) ADDRESS FOR CORRESPONDENCE

Bigshare Services Pvt. Ltd.

Unit: Sumeet Industries Limited

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 hereinabove. Members are requested to provide complete details regarding their queries quoting folio number/DP ID no./Client ID No., number of shares held.

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

Sumeet Industries Limited

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

Phone: 0261-2328902, 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 were placed before the Stakeholders Relationship Committee every quarter and also submitted to the stock exchanges every quarter.

A qualified practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services

(India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

7. CEO AND CFO CERTIFICATIONS

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

8. COMPLIANCE CERTIFICATE OF THE AUDITORS

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

9. COMPLIANCE CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Certificate of Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority 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 its employees. 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. OTHER DISCLOSURES

- I) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the Audit Committee in summary form including transactions for which omnibus approval of the Audit Committee was taken. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the Audit Committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis. Transactions with related parties as per requirements of IND AS – 'Related Party Disclosures' are disclosed in Notes to the Financial Statements.
- II) The Company has established a Vigil mechanism/ whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud etc. and the same has been disclosed on the website of the Company.

III) Web-links :

1. Familiarization programme for Independent Directors : <http://www.sumeetindustries.com/wp-content/uploads/2016/04/Familirisation-of-Independent-Director.pdf>
2. Related party Transaction Policy : <http://www.sumeetindustries.com/wp-content/uploads/2016/04/Policy-on-Materiality-in-Related-Party-Transaction.pdf>
3. Material subsidiary : <http://www.sumeetindustries.com/wp-content/uploads/2016/04/Material-Subsidiaries-Determination-Policy.pdf>

IV) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except mentioned in Annexure : L of MGT - 9 attached in Director' report .

V) DISCLOSURE IN RELATION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE:

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

- a) No. of Complaints filed during the year ended 31.03.2021 : NIL
- b) No. of Complaints disposed of during the financial year : NIL
- c) No. of pending Complaints as on 31.03.2021 : NIL

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

Payment made to H. Toshniwal & CO., Statutory Auditor of the Company

Sr. No.	Particulars	Amount Paid during the year 2020-21
1.	Audit fees	6,50,000.00
2.	Tax Audit Fees	1,00,000.00
	Total :	7,50,000.00

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

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

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

**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, 2021 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: 29/06/2021

Sumeet Shankarlal Somani
Managing Director
(DIN : 00318156)

Abhishek Prasad
Chief Financial officer

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The coronavirus (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.

As per the International Monetary Fund (IMF), the global economy contracted by 3.3% vis-à-vis 2.8% growth registered in 2019. While Advanced Economies (AEs) declined by 4.7%, with the USA and Europe contracting by 3.5% and 6.6% respectively, Emerging Markets and Developing Economies (EMDEs) clocked a relatively less contraction of 2.2%, the improvement largely reflects rebound in the Chinese economy in the second half of CY 2020 post successful containment of virus spread in the country. Looking further ahead, global GDP growth rate for 2022 is projected to be 4.4%, higher than an earlier estimate of 4.2%. (Source: IMF World Economic Outlook, April'21)

INDIAN ECONOMY

The Indian economy is estimated to have contracted by 8.0% in FY 2020-21 as against 4.0% growth recorded in FY 2019-20, marking a recession since 1980. Overall economic slowdown, led by COVID-19 on-stage followed by stringent lockdowns severely impacted economic activity, bringing manufacturing and trading activities to a screeching halt. Prolonged lockdown exacerbated existing vulnerabilities of the country including the weakened financial sector, private investments and consumption demand. The escalating second wave of corona virus infections present a risk to the growth forecast for FY 2021-22 as the re-imposition of virus management measures is expected to curb economic activity and could dampen market and consumer sentiment.

The Government announced a special comprehensive package of Rs. 20 lakh Crore, equivalent to 10% of India's GDP under 'Self-Reliant India' movement to revive the country's languishing economic activity. The package focused on providing benefits in the form of financial aid, provision of food, and ensuring security to enable the country to tackle the economic fallout. Notable measures included:

- Direct cash transfer benefits to over 87 million Indian farmer families
- Special relief package and free food and gas distribution to the marginalized population
- Liquidity measures to banking and financial institutions and micro, small and medium enterprises (MSMEs) to boost credit growth
- Medical covers for health workers
- The target for agricultural credit has been increased to Rs. 16.5 Lakh Crores in order to ensure availability of higher credit to farmers and for sectors like animal husbandry, dairy, and fisheries.

The Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory. The fiscal and monetary stimulus provided by the Government and RBI would assist greatly in the recovery of the economy.

Despite the challenges posed by the COVID-19 in FY 2020-21, the outlook for FY 2021-22 seems promising largely due to relaxations in lockdowns, large scale vaccination drives, normalization of economic activities, thrust on reviving manufacturing and infrastructure sector and the country's increasing prominence in the global supply chain.

OUTLOOK FOR F.Y. 2021-22

India is estimated to expand at a growth rate of 12.5% in the coming fiscal year, as per the International Monetary Fund's projections. The growth rate of the country is greater than some of the most advanced economies. Before the second wave devastated the country, the rate of economic revival was better than earlier estimated. The proliferation of the virus and its mutation pose an imminent threat. As more and more people are getting vaccinated and with the things returning to near normal we hope to witness the same economic revival that was taking place post the initial lockdown. The Indian economy is resilient as was suggested by mobility indicators

during the period. The country is quickly ramping up both its health infrastructure and vaccination drive. There is also an uptick in industrial production as well as demand for energy, construction material and steel and textiles and consumer goods. Confidence in the economy will however depend on the national government's ability to cope with the health crisis, the efficacy of policy measures and the success of the vaccination drive.

Economic Growth Projections :

IMF	: 12.5%
World Bank	: 8.3%
RBI	: 9.5%
OECD	: 9.9%
Fitch	: 9.5%
Moody	: 9.3%
S&P	: 9.5%

Indian Textile Industry**Introduction**

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. 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.

India's fibres production was at 1.319 mn tonne FY18 which increased to 1.442 mn tonne in FY19 and by January FY20 it touched 1.603 mn tonne of which manmade fibre production was 1,187 mn square metre in FY18 increased to 1,426 mn square metre. India's manmade yarn/fabric/ made up contributes 12.8% to total textile exports in India. The major exports markets for man-made filament fibres are USA, Belgium, Nepal, Bangladesh, and Indonesia. (Source IBF Annual Report April 2021)

Market Size

The domestic textiles and apparel market stood at an estimated US\$ 106 bn in 2019-20 and is estimated to have fell by 30% to US\$ 75 bn in 2020-21, due to the pandemic. Long-term, it is expected to normalise and then resume growth at a CAGR of 10% to touch US\$190 bn by 2025-26. Apparel demand in India currently stands at US\$ 78 bn, dominated by the domestic with a share close to 74 per cent of India's total textile and apparel market. Technical textiles, one of the fastest growing sub-segments at CAGR of 12 per cent, is also witnessing a substantial increase in its market size in India.

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\$ 3.68 billion from April 2000 to December 2020.

Government Initiatives

Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.

To support the industry, the Government of India launched several measures like Emergency Credit Line Guarantee Scheme (ECLGS), which provided INR 3 lakh crore (\$ 39.7 bn) collateral-free loans for businesses, including Micro, Small and Medium Enterprises (MSMEs), barring global tenders for government procurement up to INR 200 crore (\$ 26.4 Mn), infusing more liquidity into banking and nonbanking institutions, deferment of EPF/ESI payments, amending the definition of MSMEs by increasing the investment limit and including annual sales turnover as an additional criterion. The Government extended the ECLGS through ECLGS 2.0 for the 26 stressed sectors, including Textiles, as identified by the Kamath Committee.

The Reserve Bank of India has also announced several stimulus measures to ease down the financial stress on the companies in the sector.

Other Initiatives taken by Government for MMF/Technical Textiles are :

- In April 2021, Union Minister, Mrs. Smriti Irani has assured strong support from the Textile Ministry to reduce industry’s dependence on imported machine tools by partnering with engineering organisations for machinery production. She also stated that the PLI scheme for the textile industry is almost ready. The scheme aims to develop Man Made Fiber (MMF) apparel and technical textiles industry by providing incentive from 3-15% on stipulated incremental turnover for five years.
- Defence Research and Development Organisation (DRDO) is helping the Indian textile industry to produce yarns and eliminate dependence on import of Chinese and other foreign clothing for military uniforms. Indian defence sector has expressed support towards the Indian technical textile sector.
- Government launched production linked incentive scheme to provide incentives for manufacture and export of specific textile products made of man-made fibre.
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), estimated to create employment for 35 lakh people and enable investment worth Rs. 95,000 crore (US\$ 14.17 billion) by 2022.

Road Ahead

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

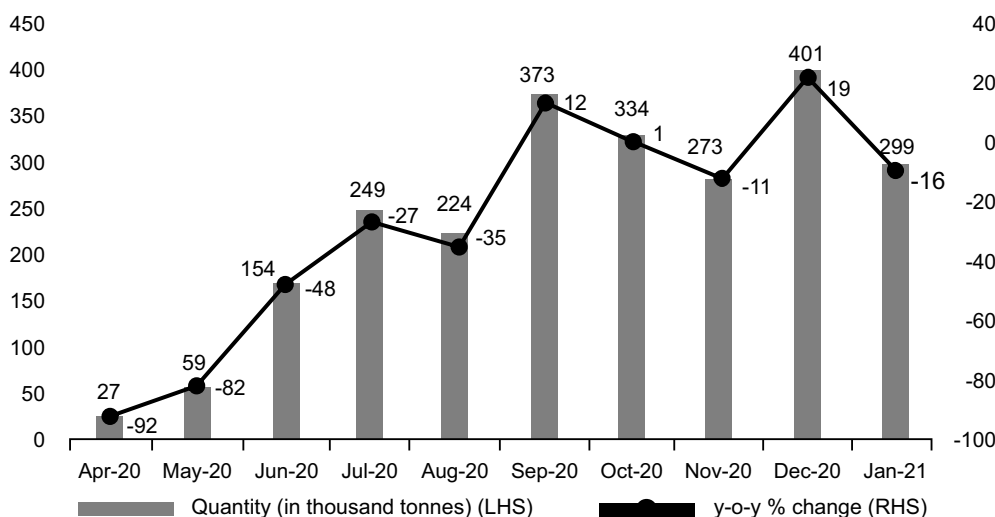
References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau’ Indian Brand Equity Foundation.

MAN-MADE FILAMENTS & FIBRES (MMF)/ SYNTHETIC FIBRES

Production

On a cumulative basis, MMF output declined by 27.6% y-o-y to 2.4 million tonnes (2,393 thousand tonnes) during the period April 2020 – January 2021. The fall in output was mainly due to average decrease of 56.7% in production during the first 5 months of FY21 because of Covid-19 disruptions. In the following months, the MMF output however increased y-o-y for 3 out of 5 months during September 2020 – January 2021 in the range of 1%-19%, which in turn, restricted the overall fall in output during the first 10 months of FY21. The growth in production was mainly backed by recovery in demand for MMF. Also, many people stayed indoors for most of the time due to pandemic on account of work from home norm, virtual education culture among others which supported the consumption of athleisure wear made from man-made fibres or synthetic fibres.

Chart 1 : Trend in MMF production (April 2020 - January 2021)



(Source : Department of Chemicals & Petrochemicals)

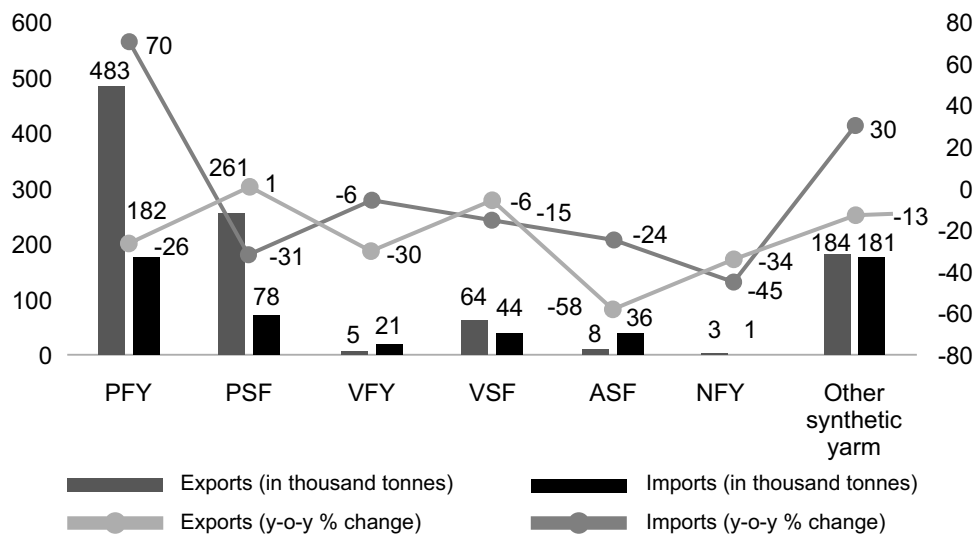
MMF TRADE :

India remained net exporter of MMF during the period April 2020 – February 2021. However it is to be noted that even while MMF exports declined by 17.5% to 1,007 thousand tonnes (1 million tonnes), imports of MMF increased by 12.5% to 542 thousand tonnes (0.54 million tonnes) in the 11 month period of FY21.

The fall in MMF outbound shipments was spread across all the varieties as it decreased in the range of 6%-58% (refer Chart 2 below) except for PSF variety where exports grew by a marginal 0.5% during April 2020 – February 2021. The shipments were affected mainly due to Covid-19 disturbances. The overall exports are estimated to have accounted for about 30% of the total MMF production with total polyester accounting for significant amount of exports PFY (48%), PSF (25.9%) followed by other synthetic yarn with a contribution of 18.2% in overall exports.

On imports front, all the MMF varieties posted a decline in the range of 6%-45% except for PFY and other synthetic yarn where the inbound shipments increased by 69.9% and 29.6%, respectively. Yarn from China is believed to have come at a cheaper price of the total MMF imported by India, polyester combined accounted for the largest share: PFY (33.5%) and PSF (14.3%). Following this, other synthetic yarn held a share of 33.4% in overall MMF imports during April 2020 – February 2021.

Chart 2 : Trend in MMF exports and imports (April 2020 - February 2021)

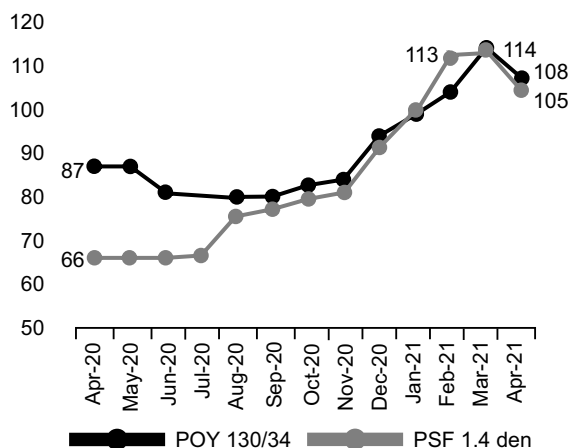


(Source : CMIE)

TREND IN POLYESTER AND FEEDSTOCK PRICES

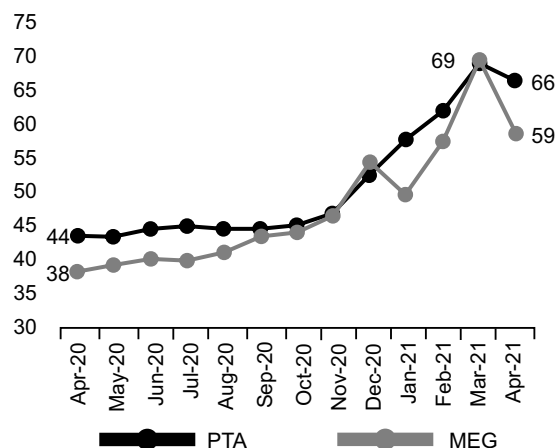
The price of both the polyester varieties POY 130/34 and PSF 1.4 den witnessed improvement on m-o-m basis for 6 straight months during the period October 2020 – March 2021. The price of POY130/34 and PSF 1.4 den varieties increased by a strong 38%-42% from Rs.80 – Rs.83 per kg in October 2020 to Rs.113 – Rs.114 per kg in March 2021. This was on account of pick-up in demand backed by unlocking of domestic and international markets. Also, an increase in feedstock (PTA and MEG) prices led to the growth in polyester prices as the input prices also rose on sequential basis during the 6 months period in a row. The PTA and MEG prices increased by 52%-58% from Rs.44-45 per kg in October 2020 to Rs.69 per kg for both the inputs in March 2021 except for January 2021 where MEG prices decreased by 9% on m-o-m basis.

Chart 3 : Trend in polyester price (Rs./kg)



(Source : Textile Excellence)

Chart 4 : Trend in PTA & MEG price (Rs./kg)



(Source : CMIE)

After witnessing improvement during the 6 months period October 2020 – March 2021, prices of both the polyester varieties however saw a sequential fall of 5%-8% in the month of April 2021 and decreased further by 4%-8% to average at Rs.99 per kg - Rs.100 per kg up to 12 May 2021. This was due to imposition of lockdowns including partial, complete and weekend lockdowns, night curfew and other restrictions across various states due to second wave of Covid-19 which affected the movement of people and, in turn, consumption of polyester (textile) in the domestic market. Similarly, the input prices witnessed decline in the month of April 2021 where the price of PTA decreased by 3.4% to Rs.66 per kg and that of MEG fell by a higher 15.7% to Rs.59 per kg on m-o-m basis.

BUSINESS OVERVIEW

The year 2020-21 witnessed unparalleled crisis due to Covid -19 virus and the resultant pandemic emerged as the biggest threat to mankind & economic growth of the country.. 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 issue of migrant labourers was 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 restore to normalcy at the end of third quarter.

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 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. 573.87 Crore in the year 2020-21 as against Rs. 706.94 Crore during the previous year. Decrease in sales was effected due to Covid-19 Pandemic resulted nationwide lockdowns and factories were shut, demand had collapsed thought the nation. Sale was picked up from third quarter of the year. During the year under review the company has produced 70091.011 (P.Y 84658.754) Tons of Pet Chips / Polyester and Texturized Yarn and dispatched 72947.937 (P.Y. 84911.11) Tons of Pet Chips / Polyester and Texturized yarns.

Other Income : Other income consisting receipt of Dividend, Discounts and Interest on Fixed Deposits & others. Other income for the year 2020-21 is amounting of Rs. 290.35 Lacs against Rs. 381.54 Lacs in the previous year.

Consumption of Raw material : Consumption of raw material was decreased from Rs. 63915.05 Lacs to Rs. 51034.97 Lacs due to Covid-19 Pandemic resulted nationwide lockdowns and factories were shut and demand had collapsed near about to 3 months of the year under review.

Employee Cost : Employees cost were decreased from Rs. 2209.98 Lacs to Rs. 1877.60 Lacs being plant were remained shut more than a month being shortage of labours due to pandemic lockdown.

Interest Cost : Interest costs were decreased from Rs. 4138.58 Lacs to Rs. 316.85 Lacs being some of banks under Consortium have not charged/fully 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 of Covid Pandemic 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. Frequently changing fashions, rising populations, and increasing purchasing power continue to remain driving force for textile and apparel sector.

Imports from China reducing : Firstly, Global trade war between the US and China and then Corona had impacted textile imports from China to a great extent. Going forward, any shift in sourcing away from China, could provide a relative advantage to other low-cost nations like Vietnam, Bangladesh and India. The innovation in technology, soothing government regulations and highly rising E-commerce provides immense opportunities to textile manufacturers to increase their export income and garner higher share of market in global demand for textile and apparel sector.

Demand for imports are on rise : The US and the EU have been importing more finished textile products (such as home furnishings and carpets) as well as highly specialized technical textiles, rather than conventional yarns and fabrics for apparel production purposes.

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 based product portfolio, we now can address a broader client base.

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

d) 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) 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.

Demand contraction as witnessed during Covid pandemic remains the major risk to overall demand growth along with raw material supply chain disruption due to weather condition.

Further, the clarity on the structure of export incentive in India will remain a key development to watch out for in the sector, as it will have a bearing on the competitiveness of the country's apparel exports. While the Cabinet Committee on Economic Affairs (CCEA) had approved the Remission of Duties or Taxes on Export Products (RODTEP) scheme in March 2020, which will replace the existing Rebate of State and Central Taxes and Levies (ROSCTL) scheme, uncertainty on timing of implementation as well as structure/ rate of export incentives under the new scheme remains, as the details are yet to be announced. A reduction in the overall incentives available to the exporters under the new scheme could hurt the competitiveness of Indian exporters.

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

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

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 2020-21.

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 counselling of employees, contractors, sub-contractors and transporters to ensure effects of environment, health and safety.
- Training and motivating employees to understand their EHS responsibilities and to participate actively in EHS program.
- Imparting fire fighting training to personnel and mock drills to ensure safety preparedness.
- Toilets and drinking water facility, Sanitizers facility provided and they are being regularly inspected for cleanness.
- Proactive measures to increase usage of recycled water.
- To abide by all statutory compliance as per Factories Act, 1948.

HUMAN RESOURCES

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

a) RECRUITMENT POLICY

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

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

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

b) PERFORMANCE APPRAISAL SYSTEM

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

c) PERSONNEL TRAINING

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

d) LABOUR RELATIONS

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

STATUTORY COMPLIANCE

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

CORPORATE SOCIAL SERVICE

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

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

CAUTIONARY STATEMENT

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

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

**Anil Kumar Jain
Company Secretary
Surat**

4th day of August 2021

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

5. Management's Responsibility for the Standalone Financial Statements

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

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

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

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

6. Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of the misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

7. Report on Other Legal and Regulatory Requirements

- 1) As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of written representations received from the directors as on **31st March, 2021** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2021** 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 the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration were provided to its directors during the current year.
- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No. 1. III-(O) Contingent liabilities to the standalone financial statements.
 2. Based on the assessment made by the company, there are no material foreseeable losses on its long-term contracts that may require any provisioning.
- i) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- j) 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.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M. NO. : 055043
FIRM REG. NO. : 111032W
UDIN : 21055043AAAAKF3959

PLACE : SURAT
DATE : 29.06.2021

Annexure- A to our Main Audit Report: F.Y. 2020-21

1. Company has shown Claim Receivable of Rs. 3982.79 lakh as Other Current Assets as on 31.03.2021, 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 account as the bank statements have not been provided to us.

Sr. No.	Name of Bank	Balance as on dt. 31.03.2021
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
FIRM REG. NO. : 111032W
UDIN : 21055043AAAAKF3959

PLACE : SURAT
DATE : 29.06.2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT OF
SUMEET INDUSTRIES LTD,

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

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 granted unsecured loans to two other Parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a) In our opinion the terms and conditions of the grant of loans are not, prima facie, prejudicial to the interest of the company.
 - b) As per information and explanation given to us, the terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand.
 - c) As the repayment is on demand, hence paragraph 3(iii) (c) of the order is not applicable to the company.
- 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 granted, guarantees provided and investment made. The Company has not provided any security in connection with a loan to any other body corporate or person and accordingly, compliance under Sections 185 and 186 of the Act in respect of providing securities is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit as at 31.03.2021 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 amount payable in respect of provident fund, goods and service tax, sales tax, service tax, duty of custom, duty of excise were in arrears as at 31/03/2021 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	6,38,64,300/-	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	8,58,192/-	CIT Appeal, Surat-4
Income Tax Act	Income Tax Demand	A.Y. 2016-17	23,53,150/-	CIT Appeal, Surat-4
Income Tax Act	Income Tax Demand	A.Y. 2017-18	1,23,41,407/-	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 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/-	NPA declared by bank
Canara Bank Term Loan [Texturising]	65,44,678/-	NPA declared by bank
IDBI Corporate Loan	15,27,77,770/-	NPA declared by bank
Tourism Finance Corporation Ltd.	7,62,00,000/-	Loan recalled by bank
Oldenburgische Landsbank AG	58,20,64,885/- [67,60,414 EURO]	Loan recalled by bank
ECB Term Loan BOB (London)	28,87,68,433/- [39,28,571 USD]	Loan recalled by bank
Bank of Baroda C/C A/c	1,91,17,86,211/-	NPA declared by bank
Bank of Baroda C/C A/c (e-Dena)	14,32,09,398/-	NPA declared by bank
Central Bank of India C/C A/c	5,62,39,712/-	NPA declared by bank
IDBI Bank C/C A/c	1,17,29,73,416/-	NPA declared by bank
State Bank Of India C/C A/c	25,64,56,390/-	NPA declared by bank
Union Bank Of India C/C A/c	1,49,78,956/-	NPA declared by bank
Canara Bank - Inland L/C A/c	17,41,66,174/-	NPA declared 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. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- 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. According to the information and explanations given to us and based on our examination of the records of the Company, no Managerial remuneration has been paid during the current year in accordance with the provisions of Section 197 of the Act read with schedule V to the Companies Act.
- xii. In our opinion, the company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. 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 Standalone Financial Statement at Note No. 1. III- (I) as required by the applicable Ind AS 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. According to the information and explanations given to us, 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.
- xv. According to the information and explanations given to us, 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. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER
M. NO. : 055043
FIRM REG. NO. : 111032W
UDIN : 21055043AAAAKF3959

PLACE : SURAT
DATE : 29.06.2021

BALANCE SHEET AS AT 31ST MARCH, 2021

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

Particulars	Note No.	31st March, 2021	31st March, 2020
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	24,179.35	27,593.10
(b) Capital Work in Progress		-	-
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Assets		-	-
(f) Intangible Assets under Development		-	-
(g) Financial Assets			
(i) Investments	3	2,213.99	2,650.09
(ii) Trade Receivables	4	1,921.81	1,945.81
(iii) Loans	5	1,692.03	1,513.30
(iv) Other Financial Assets		-	-
(h) Deferred Tax Assets		-	-
(i) Other non current assets	6	939.08	723.21
(2) Current Assets			
(a) Inventories	7	16,337.55	17,011.21
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	4	8,921.85	7,127.86
(iii) Cash and Cash Equivalents	8	83.36	51.46
(iv) loans		-	-
(v) Other Financial Assets		-	-
(c) Others Current Assets	6	8,861.08	9,696.00
TOTAL ASSETS		65,150.10	68,312.03
II EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	9	10,364.24	10,364.24
Other Equity	10	-8,207.32	-7,545.65
Total Equity		2,156.92	2,818.59
(2) Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	3,194.37	3,964.73
(ii) Trade Payable	12	-	-
(iii) Other Financial Liabilities	13	-	50.00
(b) Provisions		-	-
(c) Deferred Tax liabilities (Net)	14	4,337.42	4,835.73
(d) Other non current liabilities	15	229.26	229.93
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	37,228.03	38,261.57
(ii) Trade Payable	12	4,370.75	5,096.36
(iii) Other Financial Liabilities	13	12,872.64	12,426.68
(b) Other Current Liabilities	15	760.72	628.44
(c) Provisions	16	-	-
Total Liabilities		62,993.19	65,493.44
TOTAL EQUITY AND LIABILITIES		65,150.10	68,312.03
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
FIRM REG. NO. : 111032W

PLACE : SURAT
DATE : 29.06.2021

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 : 29.06.2021

PROFIT & LOSS STATEMENT FOR YEAR ENDED ON 31ST MARCH, 2021

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

Particulars	Note No.	31st March, 2021	31st March, 2020
I Revenue from Operations	17	57,386.63	70,694.04
II Other Incomes	18	290.35	381.54
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)		57,676.98	71,075.58
IV Expenses :			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	19	51,034.97	63,915.05
Purchases of Stock-in-Trade		98.07	2.21
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	435.16	550.65
<u>Administrative & Selling Expenses</u>			
Employee Benefit Expenses	21	1,877.60	2,209.98
Finance Costs	22	316.86	4,138.58
Depreciation and Amortization Expense	23	3,579.77	4,022.91
Other Expenses	24	1,540.22	1,543.00
Total Expenses		58,882.64	76,382.38
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		(1,205.66)	(5,306.80)
VI Exceptional Items		0.19	(0.10)
VII Profit before Extraordinary Items and Tax (V - VI)		(1,205.86)	(5,306.70)
VIII Extra Ordinary Items			-
IX Profit before Tax (VII-VIII)		(1,205.86)	(5,306.70)
X Tax Expense:			
(1) Current tax		-	-
(2) Income Tax of Earlier Year		-	-
(3) Deferred Tax		(498.31)	(655.75)
(4) MAT credit		-	-
		(498.31)	(655.75)
XI Profit/ (Loss) for the period from Continuing Operations		(707.54)	(4,650.95)
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)		(707.54)	(4,650.95)
XVI Other Comprehensive Income :			
(A) Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit obligations		43.99	(11.03)
Add/Less : Income tax relating to above item		-	-
Total		43.99	(11.03)

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

Particulars	Note No.	31st March, 2021	31st March, 2020
(b) Fair value of equity instruments through other comprehensive income		1.87	(2.18)
Add/Less : Income tax relating to above item		-	-
Total		1.87	(2.18)
(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>45.86</u>	<u>(13.21)</u>
Total Comprehensive Income for the period (XV + XVI)		<u>(661.68)</u>	<u>(4664.16)</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
FIRM REG. NO. : 111032W

PLACE : SURAT
DATE : 29.06.2021

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 : 29.06.2021

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2021

(Rs. In Lakhs)

Particulars	F.Y. 2020-21		F.Y. 2019-20	
	Amount	Amount	Amount	Amount
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Extraordinary Items	(1,159.99)			(5,319.92)
Adjustment For:				
Add:				
Depreciation	3,579.77		4,022.91	
Fair Value on investment	-		1.85	
Foreg in Exchange	56.44		(187.04)	
Loss on sale of Asset	0.19		-	
Interest on Income Tax	-		688.17	
Loss on sale of Investment	271.65		582.02	
Interest Paid	310.65		3,779.78	
Other Adjustment to reconcile profit	-		(626.31)	
	4,218.69		8,261.39	
Less:				
Fair Value on investment	1.87		-	
Interest Income	167.78		298.60	
Profit on sale of Asset	-		0.10	
Dividend Income	0.02		0.64	
	169.67		299.33	
		4049.02		7,962.06
Operating Profit before Working Capital Changes				
Adjustment for:				
Trade Receivables	(1,769.99)		1,018.64	
Other asset	619.05		972.03	
Inventories	673.66		(46.71)	
Trade Payables	(725.61)		(2,383.73)	
Other Financial Liability	395.96		7,992.09	
Other Liabilities	131.61		35.92	
Provision	-		(1,278.02)	
		(675.34)		6,310.22
Tax Paid		-		-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		2,213.68		8,952.37
(B) CASH FLOW FROM INVESTING ACTIVITIES				
<u>Fixed Assets & Work in Progress</u>				
Sale of Fixed Assets	0.40		0.79	
Purchase of Fixed Assets	(30.09)		(26.02)	
Increase/(Decrease) in Fixed Asset due to Exch. Difference	(136.53)		(616.00)	
Increase in Capital Work in progress	-		-	
<u>Investments</u>				
Purchase of Investments	(0.11)		(0.60)	
Sale of Investments	110.00		315.81	
Dividend received	0.02		0.64	
Interest Income	167.78		298.60	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		111.48		(26.79)

Particulars	F.Y. 2020-21		F.Y. 2019-20	
	Amount	Amount	Amount	Amount
(Rs. In Lakhs)				
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Equity Share Capital raised	-		-	
Security premium received	-		-	
Increase / Decrease in Borrowings	(1,803.89)		(6,174.92)	
Increase / Decrease in Loans & Advances	(178.74)		(37.42)	
Interest Paid	(310.65)		(3,779.78)	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		<u>(2,293.26)</u>		<u>(9,992.12)</u>
Net Increase in Cash & Cash equivalents		<u>31.90</u>		<u>(1,066.54)</u>
(D) Opening Cash and Cash equivalents		51.46		1,118.00
(E) Closing Cash and Cash equivalents		<u>83.36</u>		51.46
		<u>31.90</u>		<u>(1,066.54)</u>

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

CA. HARISHANKAR TOSNIWAL
 PARTNER
M. NO. : 055043
FIRM REG. NO. : 111032W

PLACE : SURAT
DATE : 29.06.2021

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 : 29.06.2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**Note 1: Company Overview and Notes to the Standalone financial statements****I) COMPANY OVERVIEW:**

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

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

II) 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, 2015 as amended from time to time, the provisions of the Companies Act, 2013 ("the Companies Act") as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI").

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

(ii) Historical cost convention

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

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

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

III) SIGNIFICANT ACCOUNTING POLICIES

(A) Inventories: [Ind AS 2]

Measurement of Inventory

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

Cost of Inventories

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

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

Recognition and Measurement

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

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

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

Depreciation methods, estimated useful lives and residual values

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

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

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

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

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

Disposal

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

(D) Income Taxes (Ind AS 12)

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

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

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

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

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

Tax expense/(credit) recognized in the Standalone Statement of Profit and Loss for the year ended 31.03.2021:

Sr.No.	Description	Amount (In ₹)	Amount (In ₹)
1	Difference in closing Balance of Depreciations		
	Depreciation as Per Companies Act	35,79,76,661	
	Depreciation as per Income Tax Act	16,63,18,782	
		19,16,57,879	
	Deferred Tax Assets/(Liability)		4,98,31,049
			4,98,31,049

Sr.No.	Particulars	Amount (In ₹)
1	Opening Balance of DTA / (DTL)	(48,35,72,453)
2	Deferred Tax Assets / (Liabilities) of the period	4,98,31,049
3	Closing Balance of DTA / (DTL)	(43,37,41,404)

(E) Revenue recognition: [Ind AS 18]

- 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; the entity retains neither continuing managerial involvement nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.
- Export sales are accounted when the goods have left the premises or when the goods are received by the customers and incoterms are fulfilled at the exchange rate prevailing on the date of invoice. These are net of commission and do not include freight wherever applicable as per the terms of the sales contract.
- Dividend income is recognized when the right to receive the payment is established.
- Interest income is recognized using the effective interest method and accounted on accrual basis.

(F) Employee Benefits: [Ind AS 19]

Short-term employee benefits

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

Post-employment obligations

The Company operates the following post employment schemes:

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

(a) Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is

provided for based on actuarial valuation using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

(b) Defined contribution plans

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

Other Employee Benefits

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

Defined Benefit Plan - Gratuity

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

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

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Standalone Statement of Profit and loss under employee benefit expense:

	Year ended	
	March 31, 2021	March 31, 2020
Current service cost	39,94,771.00	33,91,320.00
Net interest on net defined benefit liability/(asset)	15,70,785.00	14,35,024.00
Net gratuity cost/(benefit)	55,65,496.00	48,26,344.00

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of Other Comprehensive Income:

Re-measurements of the net defined benefit liability / (asset)	Year ended	
	March 31, 2021	March 31, 2020
Actuarial (gains) / losses - Net of taxes	(43,99,206.00)	11,03,227.00
	(43,99,206.00)	11,03,227.00

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

	Year ended	
	March 31, 2021	March 31, 2020
Discount rate	6.82%	6.84%
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, 2021	March 31, 2020
Present value of Defined Benefit Obligation at the beginning of the period	2,29,64,690.00	1,84,68,782.00
Current service cost	39,94,771.00	33,91,320.00
Past service cost	-	-
Interest cost	15,70,785.00	14,35,024.00
Liability transferred In/Acquisitions	-	-
(Liability transferred Out/Divestments)	-	-
(Gains)/Losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefits paid directly by the employer)	-12,63,875.00	-14,33,663.00
(Benefits paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial loss/(gain) arising from financial assumptions	60,069.00	25,02,088.00
Actuarial loss/(gain) arising from demographic assumptions	-	-
Actuarial loss/(gain) arising from experience assumptions	-44,59,275.00	-13,98,861.00
Present value of Defined Benefit Obligation at the end of the period	2,28,67,105.00	2,29,64,690.00

Amount Recognized in the Balance Sheet:

	As At	
	March 31, 2021	March 31, 2020
(Present Value of Benefit Obligation at the end of the Period)	-2,28,67,105.00	-2,29,64,690.00
Fair Value of Plan Assets at the end of the Period		
Funded Status (Surplus/ (Deficit))	-2,28,67,105.00	-2,29,64,690.00
Net (Liability)/Asset Recognized in the Balance Sheet	-2,28,67,105.00	-2,29,64,690.00

Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years from the Date of Reporting	As At	
	March 31, 2021 (Amt in ₹)	March 31, 2020 (Amt in ₹)
1st Following Year	6,42,140.00	6,30,555.00
2nd Following Year	9,79,161.00	6,14,481.00
3rd Following Year	10,08,400.00	11,59,750.00
4th Following Year	7,65,343.00	10,71,677.00
5th Following Year	15,65,809.00	12,02,881.00
Sum of Years 6 To 10	63,07,721.00	67,49,170.00
Sum of Years 11 and above	5,86,05,059.00	5,66,35,117.00

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, 2021 (Amt in ₹)	March 31, 2020 (Amt in ₹)
Projected Benefit Obligation on Current Assumptions	2,28,67,105.00	2,29,64,690.00
Delta Effect of +1% Change in Rate of Discounting	-27,35,041.00	-26,73,404.00
Delta Effect of -1% Change in Rate of Discounting	33,30,682.00	32,38,705.00
Delta Effect of +1% Change in Rate of Salary Increase	32,57,257.00	31,68,149.00
Delta Effect of -1% Change in Rate of Salary Increase	-27,30,869.00	-26,69,769.00
Delta Effect of +1% Change in Rate of Employee Turnover	-4,18,511.00	-3,92,312.00
Delta Effect of -1% Change in Rate of Employee Turnover	4,75,693.00	4,44,692.00

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.

(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, presented as deferred income and then recognised in Standalone 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 Standalone 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) Foreign Currency: [Ind AS 21]

Functional and presentation currency

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

Foreign currency transactions

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

(I) Related parties [Ind AS 24]

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

Enterprises where control exists:

Sumeet Global PTE Ltd. – 100% Owned subsidiary

Key Management Personnel (KMP):

- a) Executive Director
- Shankarlal Somani
 - Sumit Somani
- b) Non-Executive Director
- Zeel Suresh Kumar Modi
 - Manoj Kumar Jain
 - Vikashkumar Kamalsingh Chandaliya
 - Saurav Santosh Dugar
- c) **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	60,000/-	46,250/-	-
			Legal & Professional Fees	7,01,172/-		
2	Somani Overseas Pvt. Ltd.	Director's Son is Director	Sales for Chips	40488750/-	-	-
			Stores and spares	76,85,392/-	85,57,439/-	-
			Financial Transactions	43,95,159/-		
3	Betex India Ltd.	Director's Brother is Director	Loan Repayment Received	4,50,000/-	-	36,07,018/-
			Interest Received	3,21,808/-		
4	Sumit Global PTE Ltd.	Fully Owned Subsidiary Company	MEG Purchase	-	7,47,28,921/-	-
			PTA Purchase	-	57,84,820/-	-
			Sales for Texturising (Polyester)	-	-	4,32,62,955/-
5	Shankarlal Somani	Chairman	Loan Repaid	9,08,000/-	1,51,32,129/-	-
6	Sumicot Ltd.	Relative of KMP (Director)	Interest Received	1,32,66,539/-	-	14,98,46,306/-
			Loan Repayment Received	99,95,539/-		
7	Zeel Sureshkumar Modi	Non-Executive Director	Director Sitting Fees	210000/-	55,500/-	-
8	Ganga Devi Somani	Chairman's Wife	Loan Taken	-	16,13,220/-	-
9	Manisha Somani	Director Wife (Sumeet Somani)	Loan Taken	2,00,000/-	-	-
			Loan repaid	4,06,610/-	-	-
10	Manoj Kumar Jain	Non-executive Director	Director Sitting Fees	2,40,000/-	83,250/-	-
11	Vikashkumar Kamalsingh Chandaliya	Non-executive Director	Director Sitting Fees	2,10,000/-	83,250/-	-
12	Saurav Santosh Dugar	Non-executive Director	Director Sitting Fees	1,20,000/-	83,250/-	-

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

(J) 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:**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 FVTOCI or FVTPL.

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

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

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

Debt instruments

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

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

De-recognition

A financial asset shall be derecognized only when:

- (a) the contractual rights to the cash flows from the financial asset expire, or
- (b) it transfers the financial asset and the transfer qualifies for derecognition.

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

- (a) the carrying amount (measured at date of derecognition); and
- (b) the consideration received

shall be recognized in Statement of Profit and Loss.

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

Financial liabilities:

Initial recognition and measurement

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

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

Subsequent measurement

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

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

De-recognition

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

Offsetting of financial instruments:

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

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

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

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

Sr. No.	Particulars	Current Period	Previous Year
(i)	Net profit/(loss) as per Profit & Loss A/c*	-7,07,53,975	-46,50,94,780
(ii)	Net Profit/(loss) adjusted from reserves		
(iii)	Net Profit Attributable to ordinary Shareholders[(i)+(ii)]	-7,07,53,975	-46,50,94,780
(iv)	Weighted average number of shares for Basic Earnings per share	10,364,2389	10,364,2389
(v)	Weighted average number of shares for Diluted Earnings per share	10,364,2389	10,364,2389
(vi)	Nominal value per share	10	10
(vii)	Basic earnings per share (₹)	-	-
(viii)	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.

(L) Segment reporting: [Ind AS 108]

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

Operating segment

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

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

(₹ In Lakhs)

Sr. No.	Particulars	31-03-2021	31-03-2020
(i)	India	55834.22	69971.28
(ii)	Rest of the world	1552.41	722.76

Significant Clients

Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2021 and March 31, 2020. (₹ In Lakhs)

Sr. No.	Particulars	31-03-2021	31-03-2020
(i)	Sharda Enterprise	-	12318.00
(ii)	Ginni Tradelinks Pvt. Ltd.	9915.09	10972.45
(iii)	Eagle Fibers Limited	8756.57	13349.08
(iv)	Pallas Fincap Privat Limited	10660.70	8613.17
(v)	Aadhudev Polytex Private Limited.	12150.23	-

(M) Fair value measurement [Ind AS 113]

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

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

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

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

(N) Cash and cash equivalents:

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

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

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

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

Contingent Liabilities:

- a) The Company has given corporate guarantee to State Bank of India for term loan given to Sumicot Ltd (Formally known as Sumeet Poly Power Limited) and the present outstanding is Rs. 9.35 Crores.
- b) The Company has given corporate guarantee to Bank of Baroda, Singapore for term loan given to Sumeet Global PTE Limited and the present outstanding is Rs. 57.41 Crores (\$78,10,016.82)
- c) A show cause notice had been issued on the company by SEBI on 28.08.2018 under Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudication Officer) Rule 1995 and the reply to the same was filed and the adjudicating proceedings are not closed till date. However, the amount of the obligation is not practicable to be measured hence any estimate of its financial effect is not disclosed in the financial statements as per Ind AS 37.
- d) Income Tax Assessment for A.Y. 2012-13, 2014-15, 2015-16, 2016-17 and 2017-18 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	As at 31st March, 2021	As at 31st March, 2020
(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	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	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	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	36.40	36.40
(v)	Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2017-18 pending in CIT Appeal	123.41	-

- e) The Company has filed appeal with CIT Appeals for the above mentioned Income Tax demands for A.Y. 2012-13, 2014-15, 2015-16, 2016-17 and 2017-18 which are still pending in the appeals.
- f) 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.

NOTE # 2
Property, plant and equipment
F.Y. 2020-21
Schedules to and forming part of Accounts

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As At 01.04.2020	Addition	Deletion	As At 31.03.2021	As At 01.04.2020	For the Year	Adjustment	As At 31.03.2021	As At 31.03.2020
1	Land	50,23,285	-	-	50,23,285	-	-	-	50,23,285	50,23,285
2	Building	28,02,36,996	-	-	28,02,36,996	18,06,87,282	89,19,818	-	9,06,29,896	9,95,49,714
3	Road Development	1,20,52,771	-	-	1,20,52,771	58,47,074	16,06,655	-	45,99,042	62,05,697
4	Plant & Machinery	5,43,11,50,018	9,50,000	-	5,43,21,00,018	2,84,52,60,977	33,89,02,174	-	2,24,79,36,867	2,58,58,89,040
5	Plant & Machinery (Foreign Exchange)	5,58,83,443	1,36,52,586	-	6,95,36,029	-	75,56,752	-	6,19,79,277	5,58,83,443
6	Furniture, Fixture & Equipments	2,39,35,920	11,93,500	-	2,51,29,420	1,90,55,053	6,85,467	-	53,88,900	48,80,867
7	Vehicle	3,22,44,652	8,65,273	4,35,000	3,26,74,925	3,03,66,661	3,05,795	3,75,684	23,78,153	18,77,991
	TOTAL	5,84,05,27,085	1,66,61,359	4,35,000	5,85,67,53,444	3,08,12,17,047	35,79,76,661	3,75,684	2,41,79,35,420	2,75,93,10,037
	Grand Total	5,84,05,27,085	1,66,61,359	4,35,000	5,85,67,53,444	3,08,12,17,047	35,79,76,661	3,75,684	2,41,79,35,420	2,75,93,10,037

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2021**

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NOTE # 3		
Investments		
Financial instruments at FVTPL		
Equity instruments [Note 3.1]	3.61	383.33
Mutual Funds [Note 3.2]	5.24	5.19
	<u>8.85</u>	<u>388.52</u>
Investment in Subsidiaries (Note 3.3)	2,205.14	2,261.58
Total	<u><u>2,213.99</u></u>	<u><u>2,650.09</u></u>
Non-current	2,213.99	2,650.09
Current	-	-
Aggregate amount of quoted investments (FMV)		
Non-current	8.25	6.27
Current	-	-
Aggregate amount of unquoted investments (FMV)		
Non-current	2,205.74	2,643.82
Current	-	-

3.1 Details of investments in equity instruments:

Quoted:

Stampede Capital Ltd.	0.99	0.41
Tata Steel Ltd.	1.82	0.54
Tata Steel Ltd. (Partly Paid)	-	0.01
M/s. Questfin Ltd.	0.04	0.04
Zylog Systems Ltd.	0.17	0.09
	<u>3.01</u>	<u>1.09</u>

Unquoted:

Sumicot Ltd.	-	381.65
Inherent Computers Pvt Ltd	0.60	0.60
	<u>0.60</u>	<u>382.25</u>
Total	<u><u>3.61</u></u>	<u><u>383.33</u></u>

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

3.2 Investment in Mutual funds - Quoted

India First Life Insurance Co Ltd. MF	5.00	5.00
Baroda Treasury Advantage Fund	0.24	0.19
	<u>5.24</u>	<u>5.19</u>
Total	<u><u>5.24</u></u>	<u><u>5.19</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)	2,205.14	2,261.58
Investment in Sumeet Global Pte. Ltd. has been taken at carrying amount.		

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NOTE # 4		
Trade Receivables		
Unsecured		
Related Parties		
Considered Good	432.63	407.03
Doubtful	-	-
Others		
Considered Good	10,411.03	8,666.64
Doubtful	-	-
Less : Allowance for expected credit loss	-	-
Total	10,843.66	9,073.66

Non - current	1,921.81	1,945.81
Current	8,921.85	7,127.86

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	1,534.53	1,513.30
Current	-	-

Loans to Others

Non - Current	157.50	-
Current	-	-
Total	1,692.03	1,513.30

NOTE # 6
Other Assets
Non - Current

Capital Advances

Advances other than capital advances

Security deposits	939.08	723.21
Total	939.08	723.21

Current

Prepaid Expenses	13.22	13.71
Advance to Suppliers	827.50	984.64
Balance with Revenue Authorities	4,012.92	4,410.22
Advance to Staff	12.65	13.93
Claim Receivable	3,982.79	4,259.99
Income Tax Seized Cash	12.00	13.50
Total	8,861.08	9,696.00

NOTE # 7
Inventories

Raw Materials	920.46	698.68
Work-in-progress	5,351.95	4,902.51
Finished goods	5,493.01	6,377.60
Stores, Spares and Consumables	4,572.14	5,032.41
Total	16,337.56	17,011.21

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Mode of Valuation of Inventories		
Particulars	Mode of Valuation	
Raw material & W.I.P. :	Valued at cost.	
Finished Goods :	Valued at cost or NRV whichever is lower.	
NOTE # 8		
Cash and cash equivalents		
Balances with Banks		
Current accounts	81.98	48.96
Demand deposits	1.23	1.23
(Fixed deposits/Margin Money/Security against borrowings)		
Cash on hand	0.15	1.27
Total	83.36	51.46

NOTE # 9
Share Capital

Authorised Capital	14,500.00	14,500.00
145,000,000 Equity shares of Rs. 10/- each.		
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, 2021		As at March 31, 2020	
	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	10,36,42,389	10,364.24
Add : Issued during the year	-	-	-	-
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.

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, 2021	%	As at March 31, 2020	%
Shankarlal Somani	55,00,000	5.31	55,00,000	5.31
Somani Overseas Private Limited	1,02,88,855	9.93	1,02,88,855	9.93

(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	2,07,28,478	-	-
Aggregate number of shares bought back	-	-	-	-	-

NOTE # 10

Statement of changes in Equity for the year ended March 31, 2021

(Rs. In Lakhs)

A. Equity Share Capital

Particulars	Amount
As at April 1, 2019	10,364.24
Changes in Equity share capital	-
As at March 31, 2020	10,364.24
Changes in Equity share capital	-
As at March 31, 2021	10,364.24

B. Other Equity

(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	
Balance as at April 01, 2020	25.00	6,741.20	573.49	(14,966.74)	(53.42)	134.82	-7,545.65
Prior period adjustments	-	-	-	-	-	-	-
Provision for taxation	-	-	-	-	-	-	-
Restated balance at the beginning	25.00	6,741.20	573.49	(14,966.74)	(53.42)	134.82	-7,545.65
Other comprehensive income for the year	-	-	-	-	43.99	1.87	45.86
Transfer to general reserve	-	-	-	-	-	-	-
Transfer from Other Comprehensive Income (Equity Instruments)	-	-	-	-	-	-	-
Transfer from Provision for Taxation (OCI)	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	(707.54)	-	-	(707.54)
Balance as at March 31, 2021	25.00	6,741.20	573.49	(15,674.28)	(9.43)	136.69	(8,207.32)

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
NOTE # 11		
Borrowings		
Non - current Borrowings		
<u>Secured</u>		
Term loans from banks	-	1.10
Term loans from others	24.02	501.02
<u>Unsecured</u>		
Loans and Deposits	170.35	462.61
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3,000.00
Total	3,194.37	3,964.73
Current Borrowings:		
Cash Credit facilities	35,486.19	36,728.51
Inland LCs and Current a/c	1,741.84	1,533.06
Total	37,228.03	38,261.57

Nature of security

1. Hypothecation 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 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. Sumeetkumar Shankarlal Somani

Mr.Rajkumar Sitaram Somani

Smt. Gangadevi Somani

Corporate Guarantee of M/s. Sitaram Prints Pvt Ltd.

" Term Loan: Rs. 34.40 Crores &
US\$ 39.29 Lakhs "

Mr. Shankarlal Sitaram Somani has personally gauranteed amount of Euros 6760414.11 for loan taken from Oldenburgische Landesbank AG.

Terms of repayment of term loans & other loans

(Refer Notes to accounts)

**Terms of repayment of term loans & other loans
F.Y. 2020-201**

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, 2021		Balance as on 31st March, 2020		Prevailing Interest Rate % Per Annum
					Shown in long Term Borrow	Shown in Short Term Borrow	Shown in long Term Borrow	Shown in Short Term Borrow	
ECB Loan 2 (BOB London)	Rs. 50 Crores (10M US\$)	7	Quarterly	-	-	28,87,68,433	-	29,61,58,861	5.36%
Oldenburgische Landsbank AG	10441142 Euro	8.5	Half-Yearly	-	-	58,20,64,885	-	57,34,91,871	2.20%
Term Loan (BOB FDY Winder Loan)	Rs. 29.45 Crores	4	Quarterly	-	-	10,85,00,000	-	10,85,00,000	11.70%
Term Loan (Canara Bank Text)	Rs. 4.12 Crores	6	Monthly	-	-	65,44,678	-	75,46,303	13.65%
IDBI Loan (Corporate)	Rs. 25 Crores	4.5	Monthly	-	-	15,27,77,770	-	15,27,77,770	11.90%
Canara Bank (Carpet Yarn)	Rs. 3.85 Crores	6.5	Monthly	-	-	-	-	17,85,324	13.90%
TFCI Ltd.	Rs.12 Crores	4	Monthly	31/03/2023	-	7,62,00,000	4,77,00,000	3,00,00,000	13.00%
Total						1,21,48,55,766	4,77,00,000	1,17,02,60,129	

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NOTE # 12		
Trade Payables		
Creditors for Goods	2,596.31	3,252.04
Creditors for Expenses	1,774.44	1,844.32
Total	4,370.75	5,096.36
Non Current	-	-
Current	4,370.75	5,096.36
NOTE # 13		
Other Financial Liabilities		
<u>Non - Current</u>		
Agency deposits	-	50.00
<u>Current</u>		
Current maturities of long term debt	12,148.56	11,702.60
Interest accrued but not paid	724.08	724.08
Total	12,872.64	12,426.68
NOTE # 14		
Deferred Tax Liabilities		
Opening Balance	4,835.73	5,491.48
Provision for the period	(498.31)	(655.75)
Closing Balance	4,337.42	4,835.73
NOTE # 15		
Other liabilities		
<u>Non-current</u>		
Security Deposit from Staff	0.59	0.28
Provision for employee benefits - Gratuity Payable	228.67	229.65
	229.26	229.93
<u>Current</u>		
Advance from Customers	78.94	109.54
Provision for Expenses	646.42	484.86
Statutory Dues Payable	30.24	34.04
Other Payable to Employees	5.12	-
	760.72	628.44
Total	989.98	858.37
NOTE # 16		
Provisions		
<u>Current</u>		
Provision for Taxation	-	-
Provision for taxation - OCI	-	-
Total	-	-

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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The previous period figures have been regrouped / reclassified, wherever necessary to confirm to the current period presentation.

NOTE # 17**Revenue From Operations**Sale of Products

Domestic sales	55,834.22	69,971.28
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Export

Export sales	-	-
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Export against Bond	208.64	722.76
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Deemed Export sales	1,343.77	-
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	57,386.63	70,694.04
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Other Operating Revenues

Export Incentives	-	-
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Total	57,386.63	70,694.04
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NOTE # 18**Other Incomes**

Dividend received	0.02	0.64
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Discount received	-	0.06
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Int. on FDR'S	0.02	33.53
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Others - Interest	167.77	167.78
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Exchange Diff Income	-	179.54
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Creditors/Debtors Balance Written Off	4.58	-
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Bad Debts Recovered	117.97	-
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Total	290.35	381.54
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NOTE # 19**Cost of Materials Consumed****Purchases of Raw Materials and Stores**

Opening stock	698.68	529.59
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Add: Purchase (net)	40,811.55	52,976.11
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	41,510.24	53,505.70
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Less: Closing Stock	920.46	698.68
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	40,589.78	52,807.01
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Direct/Production expenses

Security Expenses	2.79	3.09
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Power & Fuel	7,085.74	8,296.89
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Freight & Octroi	502.13	609.92
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Stores & Spares	839.18	512.26
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Factory Expense	5.29	9.95
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Repair & Maintenance: Factory Building	2.00	0.02
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Repair & Maintenance: Plant & Machinery	42.94	31.54
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Packing Expenses	1,965.12	1,644.36
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	10,445.19	11,108.04
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Total	51,034.97	63,915.05
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(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NOTE # 20		
Change in inventories		
Opening Stock	11,280.12	11,830.76
Less: Closing Stock	10,844.95	11,280.12
Total	435.16	550.65
NOTE # 21		
Employment Benefit Expenses		
Salary	1,623.71	1,834.99
Gratuity	55.65	48.26
Bonus	89.32	107.44
P.F.	27.61	35.79
Leave Encashment	12.25	13.62
ESIC	0.05	0.07
Manpower Supply Service	69.02	169.80
Total	1,877.60	2,209.98
NOTE # 22		
Financial Cost		
Interest paid to Banks	265.24	2,955.75
Interest paid to others	45.41	824.03
Bank Charges & Guarantee commission	4.94	356.37
Overseas Bank Charges	1.26	2.43
Total	316.85	4,138.58
NOTE # 23		
Depreciation and Amortization Expense		
Depreciation	3,579.77	4,022.91
Total	3,579.77	4,022.91

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
NOTE # 24		
Other Expenses		
Advertisement & Publicity	0.86	1.78
Auditors Remuneration	16.75	8.25
Bad Debts	-	4.01
Brokerage & Overseas Agency Commission	127.22	117.33
Carraige outward	485.77	536.06
Computer and printer expenses	6.62	3.73
Demat Charges	0.02	0.01
Director Sitting Fees	8.40	9.30
Donation & CSR Activity	3.75	9.76
Electricity Expenses	3.54	4.69
EPCG Composition Fees	-	8.48
Insurance Expenses	32.07	38.67
Legal & Professional	249.90	116.49
Loss on sale of Investments	271.65	582.02
Membership & Subscriptions	2.60	0.21
Office & General Expenses	31.05	32.37
Postage & Telegram & Telephone	4.21	5.76
Printing & Stationery Expenses	7.74	11.73
Rent, Rates & Taxes	12.65	9.93
Repairs Office Building	1.95	1.86
Repairs Other	0.28	0.49
Sales Promotion Expenses	-	10.00
Travelling & Conveyance	5.20	8.43
Vehicle Expense	20.80	21.61
Book & Perodical Expenses	-	0.03
Advance Paid Written Off	3.51	-
Claims & Discounts	213.91	-
Exchange Difference	29.75	-
Total	1,540.22	1,543.00

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

CA. HARISHANKAR TOSNIWAL
 PARTNER
 M. NO. : 055043
 FIRM REG. NO. : 111032W

PLACE : SURAT
 DATE : 29.06.2021

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 : 29.06.2021

Notes Accompanying the Financial Statements

25. The following term loans are called up by banks so now these are payable on demand basis. We are shown under the head Current Liabilities as Other Financial Liabilities.

- BOB Term Loan
- Canara Bank Term Loan [Texturising]
- Canara Bank Term Loan [Carpet]
- IDBI Corporate Loan
- Tourism Finance Corporation of India Limited
- Oldenburgische Landesbank (Erstwhile Bremer Kredit Bank)
- ECB London Term Loan (BOB)

26. An amount of Rs.2,73,20,273 as principal and Rs.1,70,55,898/- interest was due to Cholamandalam Investment & Finance Co. Ltd. as on 01.04.2020. The company has entered into an agreement with Cholamandalam Investment & Finance Co. Ltd. for one-time settlement on 05.08.2020 and the amount was finalized at Rs.3,10,84,248/-. Out of the same the company paid Rs.40,00,000/- till 31.12.2020. Thereafter the company entered into an agreement with Aadhidev Polytex Private Limited (Debtor) to settle the amount of Cholamandalam Investment & Finance Co. Ltd. Hence the balance amount of Rs.2,67,64,449/- will be payable by Aadhidev Polytex Private Limited as per the agreement.

27. A sum of Rs.1,61,052/- has been paid against the demand raised by GST Department during the current year against which an appeal has been filed before the Appellate Authority. The same amount has been shown under Other current Assets for the GST Penalty paid against appeal filed.

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
(c)	Internal Audit	8,85,000	4,80,000

29. Managerial Remuneration:

Sr. No.	Particulars	Current Period	Previous Year
(i)	Salary	-	-
(ii)	Perquisite	-	-

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
FIRM REG. NO. : 111032W

PLACE : SURAT
DATE : 29.06.2021

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 : 29.06.2021

INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS
SUMEET INDUSTRIES LIMITED**

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

We have audited the accompanying consolidated financial statements of **SUMEET INDUSTRIES LIMITED**. ("The Company") which comprises the Balance Sheet as on **31st March 2021**, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph 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, 2021**, and its loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

"The company has not created provision for interest on loan taken from bank/ financial institutions and NBFC for the year ending 31.03.2021 and the amount of the same cannot be quantified in absence of Statement of the respective Bank/ financial institutions and NBFC, hence loss shall be increased to that extent."

3. Key Audit Matters

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

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

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

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

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

5. Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

6. Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of the misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

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 is NIL as at 31st March, 2021, Total Revenues is Nil and Net Loss of Rs 4.10 Lakh for the year ended 31st March 2021.

The subsidiary company has been elected under section 205(C)(3) of the Companies Act to have Financial Statements exempted from the audit requirements. Hence, the Practitioner's Compilation Report has been provided by the management to us for the consolidation, which clearly mentions that:

"We performed this compilation engagement in accordance with Singapore Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Singapore Financial Reporting Standard (SFRS). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us to compile these financial statements. Accordingly, we don't express an audit opinion or a review conclusion on whether these financial statements as prepared in accordance with SFRS."

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

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 Ind AS specified under section 133 of the Act.
- e) On the basis of written representations received from the directors as on **31st March, 2021** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2021** 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)(l) 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 to Consolidated Financial Statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration were provided to its directors during the current year.
- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No. 1. III-(O) Contingent liabilities to the standalone financial statements.
 2. Based on the assessment made by the company, there are no material foreseeable losses on its long-term contracts that may require any provisioning.
- i) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- j) 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.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

CA. HARISHANKAR TOSNIWAL
PARTNER

M. NO. : 055043

FIRM REG. NO. : 111032W

UDIN : 21055043AAAAKG2249

PLACE : SURAT

DATE : 29.06.2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

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

Particulars	Note No.	31st March, 2021	31st March, 2020
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	24,179.35	27,593.10
(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	8.85	388.52
(ii) Trade Receivables	4	1,921.81	1,945.81
(iii) Loans	5	1,692.03	1,513.30
(iv) Other Financial Assets		-	-
(h) Deferred Tax Assets		-	-
(i) Other non current assets	6	939.08	723.21
(2) Current Assets			
(a) Inventories	7	16,337.56	17,011.21
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	4	8,489.22	15,594.90
(iii) Cash and Cash Equivalents	8	83.36	51.46
(iv) loans		-	-
(v) Other Financial Assets		-	-
(b) Others Current Assets	6	8,861.08	9,696.00
TOTAL ASSETS		62,512.34	74,517.50
II EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	9	10,364.24	10,364.24
Other Equity	10	-15,801.45	-15,738.36
Total Equity		-5,437.22	-5,374.12
(2) Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	3,194.37	3,964.73
(ii) Trade Payable	12	-	-
(iii) Other Financial Liabilities	13	-	50.00
(b) Provisions		-	-
(c) Deferred Tax liabilities (Net)	14	4,337.42	4,835.73
(d) Other non current liabilities	15	229.26	229.93
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	42,968.76	44,149.22
(ii) Trade Payable	12	3,574.41	13,564.91
(iii) Other Financial Liabilities	13	12,872.64	12,426.68
(b) Other Current Liabilities	15	760.72	628.44
(c) Provisions	16	11.97	41.97
Total Liabilities		67,949.55	79,891.62
TOTAL EQUITY AND LIABILITIES		62,512.34	74,517.50
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
FIRM REG. NO. : 111032W

PLACE : SURAT
DATE : 29.06.2021

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 : 29.06.2021

CONSOLIDATED PROFIT & LOSS STATEMENT FOR YEAR ENDED ON 31ST MARCH, 2021

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

Particulars	Note No.	31st March, 2021	31st March, 2020
I. Revenue from Operations	17	57,386.64	70,694.04
II. Other Incomes	18	290.35	381.54
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>57,676.99</u>	<u>71,075.58</u>
IV Expenses:			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	19	51,034.97	63,915.05
Purchases of Stock-in-Trade		98.07	2.21
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	435.16	550.65
<u>Administrative & Selling Expenses</u>			
Employee Benefit Expenses	21	1,877.60	2,209.98
Finance Costs	22	316.86	4,138.58
Depreciation and Amortization Expense	23	3,579.77	4,022.91
Other Expenses	24	1,544.31	10,839.28
Total Expenses		<u>58,886.74</u>	<u>85,678.66</u>
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		<u>(1,209.75)</u>	<u>(14,603.08)</u>
VI Exceptional Items		0.19	(0.10)
VII Profit before Extraordinary Items and Tax (V - VI)		<u>(1,209.94)</u>	<u>(14,602.98)</u>
VIII Extra Ordinary Items		-	-
IX Profit before Tax (VII-VIII)		<u>(1,209.94)</u>	<u>(14,602.98)</u>
X Tax Expense:			
(1) Current tax		-	-
(2) Income Tax of Earlier Year		-	-
(3) Deferred Tax		(498.31)	(655.75)
(4) MAT credit		-	-
		<u>(498.31)</u>	<u>(655.75)</u>
XI Profit/ (Loss) for the period from Continuing Operations		<u>(711.63)</u>	<u>(13,947.23)</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>(711.63)</u>	<u>(13,947.23)</u>
XVI Other Comprehensive Income:			
(A) Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit obligations		43.99	(11.03)
Add/Less : Income tax relating to above item		-	-
Total		43.99	(11.03)

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

Particulars	Note No.	31st March, 2021	31st March, 2020
(b) Fair value of equity instruments through other comprehensive income		1.87	(2.18)
Add/Less : Income tax relating to above item		-	-
Total		1.87	(2.18)
(B) Items that will be reclassified to profit or loss			
(i) Exchange Difference in translating the Financial Statement of a Foreign Operation		574.64	95.18
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	(29.70)
Total		574.64	65.48
Other Comprehensive Income Net of taxes		620.50	52.27
Total Comprehensive Income for the period (XV + XVI)		(91.13)	(13894.96)
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
 FIRM REG. NO. : 111032W

PLACE : SURAT
 DATE : 29.06.2021

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 : 29.06.2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2021

(Rs. In Lakhs)

Particulars	F.Y. 2020-21		F.Y. 2019-20	
	Amount	Amount	Amount	Amount
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Extraordinary Items	(1,164.09)		(14,616.20)	
Adjustment For:				
Add:				
Depreciation	3,579.77		4,022.91	
Fair Value on investment	-		1.85	
Exchange diff. from Internal Transaction	574.64		65.48	
Interest on Income Tax	-		688.17	
Loss on sale of Asset	0.19		-	
Loss on sale of Investment	271.65		582.02	
Interest Paid	310.65		3,779.78	
Other Adjustment to reconcile profit	28.04		(626.31)	
	4,764.93		8,513.91	
Less:				
Fair Value on investment	1.87		-	
Interest Income	167.78		298.60	
Profit on sale of Asset	-		0.10	
Dividend Income	0.02		0.64	
	169.67		299.33	
		4,595.26		8,214.57
Operating Profit before Working Capital Changes				
Trade Receivables	7,129.68		212.80	
Other asset	619.06		972.03	
Inventories	673.65		(46.71)	
Trade Payables	(9,990.50)		6,948.53	
Other Financial Liability	395.96		7,992.09	
Other Liabilities	131.61		35.92	
Provision	(30.01)		(1,247.30)	
		(1,070.55)		14,867.36
Tax Paid		-		-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		2,360.60		8,465.74
(B) CASH FLOW FROM INVESTING ACTIVITIES				
<u>Fixed Assets & Work in Progress</u>				
Sale of Fixed Assets	0.40		0.79	
Purchase of Fixed Assets	(30.09)		(26.02)	
Increase/(Decrease) in Fixed Asset due to Exch. Difference	(136.52)		(616.00)	
Increase in Capital Work in progress	-		-	
<u>Investments</u>				
Purchase of Investments	(0.11)		(0.60)	
Sale of Investments	110.00		315.81	
Dividend received	0.02		0.64	
Interest Income	167.78		298.60	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		111.49		(26.78)

Particulars	F.Y. 2020-21		(Rs. In Lakhs) F.Y. 2019-20	
	Amount	Amount	Amount	Amount
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Equity Share Capital raised	-		-	
Security premium received	-		-	
Increase / Decrease in Borrowings	(1,950.82)		(5,688.29)	
Increase / Decrease in Loans & Advances	(178.73)		(37.42)	
Interest Paid	(310.65)		(3,779.78)	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		<u>(2,440.19)</u>		<u>(9,505.49)</u>
Net Increase in Cash & Cash equivalents		<u>31.90</u>		<u>(1,066.54)</u>
(D) Opening Cash and Cash equivalents		51.46		1,118.00
(E) Closing Cash and Cash equivalents		83.36		51.46
		<u>31.90</u>		<u>(1,066.54)</u>

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

CA. HARISHANKAR TOSNIWAL
 PARTNER
 M. NO. : 055043
 FIRM REG. NO. : 111032W

PLACE : SURAT
 DATE : 29.06.2021

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 : 29.06.2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**Note 1: Company Overview and Notes to the Consolidated financial statements****I) COMPANY OVERVIEW:**

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

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

II) 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, 2015 as amended from time to time, the provisions of the Companies Act, 2013 ("the Companies Act") as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI").

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

(ii) Historical cost convention

These financial statements have been prepared on a historical cost convention 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 preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the

Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

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

III) SIGNIFICANT ACCOUNTING POLICIES

(A) Inventories: [Ind AS 2]

Measurement of Inventory

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

Cost of Inventories

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

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

Recognition and Measurement

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

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

Advance paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advance under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in progress'. The Company identifies and determines cost of each component/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.

Depreciation methods, estimated useful lives and residual values

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

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

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

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

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

Disposal

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

(D) Income Taxes (Ind AS 12)

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

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

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

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

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

Tax expense/(credit) recognized in the Consolidated Statement of Profit and Loss for the year ended 31.03.2021:

Sr .No.	Description	Amount (In ₹)	Amount (In ₹)
1	Difference in closing Balance of Depreciations		
	Depreciation as Per Companies Act	35,79,76,661	
	Depreciation as per Income Tax Act	16,63,18,782	
		19,16,57,879	
	Deferred Tax Assets/(Liability)		4,98,31,049
			4,98,31,049

Sr .No.	Particulars	Amount (In ₹)
1	Opening Balance of DTA / (DTL)	(48,35,72,453)
2	Deferred Tax Assets / (Liabilities) of the period	4,98,31,049
3	Closing Balance of DTA / (DTL)	(43,37,41,404)

(E) Revenue recognition: [Ind AS 18]

- 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; the entity retains neither continuing managerial involvement nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.
- Export sales are accounted when the goods have left the premises or when the goods are received by the customers and incoterms are fulfilled at the exchange rate prevailing on the date of invoice. These are net of commission and do not include freight wherever applicable as per the terms of the sales contract.
- Dividend income is recognized when the right to receive the payment is established.
- Interest income is recognized using the effective interest method and accounted on accrual basis.

(F) Employee Benefits: [Ind AS 19]

Short-term employee benefits

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

Post-employment obligations

The Company operates the following post employment schemes:

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

(a) Defined Benefit Plans

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

(b) Defined contribution plans

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

Other Employee Benefits

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

Defined Benefit Plan - Gratuity

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

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

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Consolidated Statement of Profit and loss under employee benefit expense:

	Year ended	
	March 31, 2021	March 31, 2020
Current service cost	39,94,771.00	33,91,320.00
Net interest on net defined benefit liability/(asset)	15,70,785.00	14,35,024.00
Net gratuity cost/(benefit)	55,65,496.00	48,26,344.00

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of Other Comprehensive Income:

Re-measurements of the net defined benefit liability / (asset)	Year ended	
	March 31, 2021	March 31, 2020
Actuarial (gains) / losses - Net of taxes	(43,99,206.00)	11,03,227.00
	(43,99,206.00)	11,03,227.00

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

	Year ended	
	March 31, 2021	March 31, 2020
Discount rate	6.82%	6.84%
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, 2021	March 31, 2020
Present value of Defined Benefit Obligation at the beginning of the period	2,29,64,690.00	1,84,68,782.00
Current service cost	39,94,771.00	33,91,320.00
Past service cost	-	-
Interest cost	15,70,785.00	14,35,024.00
Liability transferred In/Acquisitions	-	-
(Liability transferred Out/Divestments)	-	-
(Gains)/Losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefits paid directly by the employer)	-12,63,875.00	-14,33,663.00
(Benefits paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial loss/(gain) arising from financial assumptions	60,069.00	25,02,088.00
Actuarial loss/(gain) arising from demographic assumptions	-	-
Actuarial loss/(gain) arising from experience assumptions	-44,59,275.00	-13,98,861.00
Present value of Defined Benefit Obligation at the end of the period	2,28,67,105.00	2,29,64,690.00

Amount Recognized in the Balance Sheet:

	As At	
	March 31, 2021	March 31, 2020
(Present Value of Benefit Obligation at the end of the Period)	-2,28,67,105.00	-2,29,64,690.00
Fair Value of Plan Assets at the end of the Period		
Funded Status (Surplus/ (Deficit))	-2,28,67,105.00	-2,29,64,690.00
Net (Liability)/Asset Recognized in the Balance Sheet	-2,28,67,105.00	-2,29,64,690.00

Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years from the Date of Reporting	As At	
	March 31, 2021 (Amt in ₹)	March 31, 2020 (Amt in ₹)
1st Following Year	6,42,140.00	6,30,555.00
2nd Following Year	9,79,161.00	6,14,481.00
3rd Following Year	10,08,400.00	11,59,750.00
4th Following Year	7,65,343.00	10,71,677.00
5th Following Year	15,65,809.00	12,02,881.00
Sum of Years 6 To 10	63,07,721.00	67,49,170.00
Sum of Years 11 and above	5,86,05,059.00	5,66,35,117.00

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, 2021 (Amt in ₹)	March 31, 2020 (Amt in ₹)
Projected Benefit Obligation on Current Assumptions	2,28,67,105.00	2,29,64,690.00
Delta Effect of +1% Change in Rate of Discounting	-27,35,041.00	-26,73,404.00
Delta Effect of -1% Change in Rate of Discounting	33,30,682.00	32,38,705.00
Delta Effect of +1% Change in Rate of Salary Increase	32,57,257.00	31,68,149.00
Delta Effect of -1% Change in Rate of Salary Increase	-27,30,869.00	-26,69,769.00
Delta Effect of +1% Change in Rate of Employee Turnover	-4,18,511.00	-3,92,312.00
Delta Effect of -1% Change in Rate of Employee Turnover	4,75,693.00	4,44,692.00

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.

(G) Government Grants: [Ind AS 20]

Government grants are initially recognized 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, presented as deferred income and then recognized in Consolidated 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 recognized in Consolidated Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.
- Interest Subsidy Received, being a compensation to Interest on Loan, is recognized on receipt basis.

(H) Foreign Currency: [Ind AS 21]

Functional and presentation currency

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

Foreign currency transactions

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

(I) Related parties [Ind AS 24]

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

Key Management Personnel (KMP):

- a) Executive Director
- Shankarlal Somani
 - Sumeet Somani
- b) Non-Executive Director
- Zeel Suresh Kumar Modi
 - Manoj Kumar Jain
 - Vikashkumar Kamalsingh Chandaliya
 - Saurav Santosh Dugar

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	60,000/-	46,250/-	-
			Legal & Professional Fees	7,01,172/-		
2	Somani Overseas Pvt. Ltd.	Director's Son is Director	Sales for Chips	40488750/-	-	-
			Stores and spares	76,85,392/-	85,57,439/-	-
			Financial Transactions	43,95,159/-		
3	Betex India Ltd.	Director's Brother is Director	Loan Repayment Received	4,50,000/-	-	36,07,018/-
			Interest Received	3,21,808/-		
4	Shankarlal Somani	Chairman	Loan Repaid	9,08,000/-	1,51,32,129/-	-
5	Sumicot Ltd.	Relative of KMP (Director)	Interest Received	1,32,66,539/-	-	14,98,46,306/-
			Loan Repayment Received	99,95,539/-		
6	Zeel Sureshkumar Modi	Non-Executive Director	Director Sitting Fees	210000/-	55,500/-	-
7	Ganga Devi Somani	Chairman's Wife	Loan Taken	-	16,13,220/-	-
8	Manisha Somani	Director Wife (Sumeet Somani)	Loan Taken	2,00,000/-	-	-
			Loan repaid	4,06,610/-		
9	Manoj Kumar Jain	Non-executive Director	Director Sitting Fees	2,40,000/-	83,250/-	-
10	Vikashkumar Kamalsingh Chandaliya	Non-executive Director	Director Sitting Fees	2,10,000/-	83,250/-	
11	Saurav Santosh Dugar	Non-executive Director	Director Sitting Fees	1,20,000/-	83,250/-	

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

(J) 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:**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 FVTOCI or FVTPL.

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

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

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

Debt instruments

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

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

De-recognition

A financial asset shall be derecognized only when:

- (a) the contractual rights to the cash flows from the financial asset expire, or
- (b) it transfers the financial asset and the transfer qualifies for derecognition.

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

- (a) the carrying amount (measured at date of derecognition); and
- (b) the consideration received

shall be recognized in Statement of Profit and Loss.

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

Financial liabilities:**Initial recognition and measurement**

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

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

Subsequent measurement

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

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

De-recognition

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

Offsetting of financial instruments

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

(K) Earnings Per Share [Ind AS 33]

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

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

Sr. No.	Particulars	Current Period	Previous Year
(i)	Net profit/(loss) as per Profit & Loss A/c*	-7,11,62,874/-	-1,39,47,22,790/-
(ii)	Net Profit/(loss) adjusted from reserves		
(iii)	Net Profit Attributable to ordinary Shareholders[(i)+(ii)]	-7,11,62,874/-	-1,39,47,22,790/-
(iv)	Weighted average number of shares for Basic Earnings per share	10,364,2389	10,364,2389
(v)	Weighted average number of shares for Diluted Earnings per share	10,364,2389	10,364,2389
(vi)	Nominal value per share	10	10
(vii)	Basic earnings per share (₹)	-	-
(viii)	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.

(L) Segment reporting [Ind AS 108]

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

Operating segment

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

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows: (₹ In Lakhs)

Sr. No.	Particulars	31-03-2021	31-03-2020
(i)	India	55834.22	69971.28
(ii)	Rest of the world	1552.41	722.76

Significant Clients

Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2021 and March 31, 2020.

(₹ In Lakhs)

Sr. No.	Particulars	31-03-2021	31-03-2020
(i)	Sharda Enterprise	-	12318.00
(ii)	Ginni Tradelinks Pvt. Ltd.	9915.09	10972.45
(iii)	Eagle Fibers Limited	8756.57	13349.08
(iv)	Pallas Fincap Privat Limited	10660.70	8613.17
(v)	Aadhidev Polytex Private Limited.	12150.23	-

(M) 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 hyper inflationary economy shall be translated into a different presentation currency using the following procedures:

- I. Assets and liabilities for each balance sheet presented [i.e. including comparatives] shall be translated at the closing rate at the date of that balance sheet;
- II. Income and expenses for each statement of profit and loss presented [i.e. including comparatives] shall be translated at exchange rates at the dates of the transactions; and
- III. All resulting exchange differences shall be recognised in other comprehensive income.

(N) Fair value measurement [Ind AS 113]

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

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

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

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

(O) Cash and cash equivalents:

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

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

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

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

Contingent Liabilities:

- a) The Company has given corporate guarantee to State Bank of India for term loan given to Sumicot Ltd (Formally known as Sumeet Poly Power Limited) and the present outstanding is Rs. 9.35 Crores.

- b) The Company has given corporate guarantee to Bank of Baroda, Singapore for term loan given to Sumeet Global PTE Limited and the present outstanding is Rs. 57.41 Crores (\$78,10,016.82)
- c) A show cause notice had been issued on the company by SEBI on 28.08.2018 under Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudication Officer) Rule 1995 and the reply to the same was filed and the adjudicating proceedings are not closed till date. However, the amount of the obligation is not practicable to be measured hence any estimate of its financial effect is not disclosed in the financial statements as per Ind AS 37.
- d) Income Tax Assessment for A.Y. 2012-13, 2014-15, 2015-16, 2016-17 and 2017-18 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	As at 31st March, 2021	As at 31st March, 2020
(l)	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	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	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	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	36.40	36.40
	(v) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2017-18 pending in CIT Appeal	123.41	-

- e) The Company has filed appeal with CIT Appeals for the above mentioned Income Tax demands for A.Y. 2012-13, 2014-15, 2015-16, 2016-17 and 2017-18 which are still pending in the appeals.
- f) 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.

NOTE # 2
Property, plant and equipment
F.Y. 2020-21
Schedule to and forming part of Accounts

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As At 01.04.2020	Addition	Deletion	As At 31.03.2021	As At 01.04.2020	For the Year	Adjustment	As At 31.03.2021	As At 31.03.2020
1	Land	50,23,285	-	-	50,23,285	-	-	-	50,23,285	50,23,285
2	Building	28,02,36,996	-	-	28,02,36,996	18,06,87,282	89,19,818	-	9,06,29,896	9,95,49,714
3	Road Development	1,20,52,771	-	-	1,20,52,771	58,47,074	16,06,655	-	45,99,042	62,05,697
4	Plant & Machinery	5,43,11,50,018	9,50,000	-	5,43,21,00,018	2,84,52,60,977	33,89,02,174	-	2,24,79,36,867	2,58,58,89,040
5	Plant & Machinery (Foreign Exchange)	5,58,83,443	1,36,52,586	-	6,95,36,029	-	75,56,752	-	6,19,79,277	5,58,83,443
6	Furniture, Fixture & Equipments	2,39,35,920	11,93,500	-	2,51,29,420	1,90,55,053	6,85,467	-	53,88,900	48,80,867
7	Vehicle	3,22,44,652	8,65,273	4,35,000	3,26,74,925	3,03,66,661	3,05,795	3,75,684	23,78,153	18,77,991
	TOTAL	5,84,05,27,085	1,66,61,359	4,35,000	5,85,67,53,444	3,08,12,17,047	35,79,76,661	3,75,684	2,41,79,35,420	2,75,93,10,037
	Grand Total	5,84,05,27,085	1,66,61,359	4,35,000	5,85,67,53,444	3,08,12,17,047	35,79,76,661	3,75,684	2,41,79,35,420	2,75,93,10,037

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2021**

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NOTE # 3		
Investments		
Financial instruments at FVTPL		
Equity instruments [Note 3.1]	3.61	383.33
Mutual Funds [Note 3.2]	5.24	5.19
	8.85	388.52
Investment in Subsidiaries (Note 3.3)	-	-
Total	8.85	388.52
Non-current	8.85	388.52
Current	-	-
Aggregate amount of quoted investments (FMV)		
Non-current	8.25	6.28
Current	-	-
Aggregate amount of unquoted investments (FMV)		
Non-current	0.60	382.25
Current	-	-
3.1 Details of investments in equity instruments:		
Quoted:		
Stampede Capital Ltd.	0.99	0.41
Tata Steel Ltd.	1.82	0.54
Tata Steel Ltd.	-	0.01
M/s. Questfin Ltd.	0.04	0.04
Zylog Systems Ltd.	0.17	0.09
	3.01	1.09
Unquoted:		
Sumicot Ltd.	-	381.65
Inherent Computers Pvt Ltd	0.60	0.60
	0.60	382.25
Total	3.61	383.33

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	-	-
India First Life Insurance Co Ltd. MF	5.00	5.00
Union KBC Capital Protection Oriental Fund	-	-
Baroda Treasury Advantage Fund	0.24	0.19
Total	5.24	5.19

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, 2021	As at 31st March, 2020
NOTE # 4		
Trade Receivables		
<u>Unsecured</u>		
Considered Good	10,411.03	17,540.70
Doubtful	-	-
Less : Allowance for expected credit loss	-	-
Total	10,411.03	17,540.70
Non - current	1,921.81	1,945.81
Current	8,489.22	15,594.90
Trade receivables are classified as current on the basis of normal operating cycle of twelve months.		
NOTE # 5		
Loans		
<u>Loans to Related Parties</u>		
Non - Current	1,534.53	1,513.30
Loans to Others		
Non - Current	157.50	-
Current	-	-
Current	-	-
Total	1,692.03	1,513.30
NOTE # 6		
Other Assets		
<u>Non - Current</u>		
Capital Advances		
Advances other than capital advances		
Security deposits	939.08	723.21
Advance to Suppliers	-	-
Total	939.08	723.21
<u>Current</u>		
Prepaid Expenses	13.22	13.71
Advance to Suppliers	827.50	984.64
Balance with Excise, Customs, Income Tax and other authorities	4,012.92	4,410.22
Advance to Staff	12.65	13.93
Claim Receivable	3,982.79	4,259.99
Preliminary Expenses	-	-
Income Tax Seized Cash	12.00	13.50
Total	8,861.08	9,696.00
NOTE # 7		
Inventories		
Raw Materials	920.46	698.68
Work-in-progress	5,351.95	4,902.51
Finished goods	5,493.01	6,377.60
Stores and spares	4,572.14	5,032.41
Total	16,337.55	17,011.21

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Mode of Valuation of Inventories		
Particulars	Mode of Valuation	
Raw material & W.I.P. :	Valued at cost.	
Finished Goods :	Valued at cost or market value whichever is lower.	
NOTE # 8		
Cash and cash equivalents		
Balances with Banks		
Current accounts	81.98	48.96
Demand deposits	1.23	1.23
(Fixed deposits/Margin Money/Security against borrowings)		
Cash on hand	0.15	1.27
Total	83.36	51.46

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	10,364.24	10,364.24
[103642389 Equity Shares Earlier]	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, 2021		As at March 31, 2020	
	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	10,36,42,389	10,364.24
Add : Issued during the year	-	-	-	-
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, 2021	%	As at March 31, 2020	%
Shankarlal Somani	55,00,000	5.31	55,00,000	5.31
Somani Overseas Private Limited	1,02,88,855	9.93	1,02,88,855	9.93

(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	2,07,28,478	-	-
Aggregate number of shares bought back	-	-	-	-	-

NOTE # 10
Statement of changes in Equity for the year ended March 31, 2021
A. Equity Share Capital

(Rs. In Lakhs)

Particulars	
As at April 1, 2019	10,364.24
Changes in Equity share capital	-
As at March 31, 2020	10,364.24
Changes in Equity share capital	-
As at March 31, 2021	10,364.24

B. Other Equity (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 translating the Financial Statement of a Foreign Operation		
Balance as at April 01, 2020	25.00	6,741.20	573.49	(23,358.69)	(53.42)	199.69	134.37	(15,738.36)	-
Prior period adjustments	-	-	-	-	-	-	-	-	-
Provision for taxation	-	-	-	-	-	-	-	-	-
Restated balance at the beginning	25.00	6,741.20	573.49	(23,358.69)	(53.42)	199.69	134.37	(15,738.36)	
Other comprehensive income for the year	-	-	-	-	43.99	1.87	574.64	620.50	
Others	-	-	-	(1.66)	-	-	-	(1.66)	
Transfer to general reserve	-	-	-	-	-	-	-	-	
Transfer from Other Comprehensive Income (Equity Instruments)	-	-	-	-	-	-	-	-	
Transfer from Provision for Taxation (OCI)	-	-	29.70	-	-	-	-	29.70	
Transfer to retained earnings	-	-	-	(711.63)	-	-	-	(711.63)	
Balance as at March 31, 2021	25.00	6,741.20	603.19	(24,071.98)	(9.43)	201.56	709.01	(15,801.46)	

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, 2021	As at 31st March, 2020
NOTE # 11		
Borrowings		
Non - current Borrowings:		
<u>Secured</u>		
Term loans from banks	-	1.10
Term loans from others	24.02	501.02
<u>Unsecured</u>		
Loans and Deposits	170.35	462.61
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3,000.00
Total	3,194.37	3,964.73
Current Borrowings:		
Cash Credit facilities	35,486.19	36,728.51
Inland LCs and Current a/c	1,741.84	1,533.06
Bank Overdraft	5,740.73	5,887.65
Total	42,968.76	44,149.22

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 Bungalow 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. Sumeetkumar Shankarlal Somani

Mr. Rajkumar Sitaram Somani

Smt. Gangadevi Somani

Corporate Guarantee of M/s. Sitaram Prints Pvt Ltd.

 " Term Loan: Rs. 34.40 Crores &
US\$ 39.29 Lacs "

Mr. Shankarlal Sitaram Somani has personally guaranteed amount of Euros 6760414.11 for loan taken from Oldendurgische Landesbank AG.

Terms of repayment of term loans & other loans

(Refer Notes to accounts)

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NOTE # 12		
Trade Payables		
Creditors for Goods	1,799.97	11,720.60
Creditors for Expenses	1,774.44	1,844.32
Total	3,574.41	13,564.92
Non Current	-	-
Current	3,574.41	13,564.91
NOTE # 13		
Other Financial Liabilities		
<u>Non - Current</u>		
Agency deposits	-	50.00
<u>Current</u>		
Current maturities of long term debt	12,148.56	11,702.60
Interest accrued but not paid	724.08	724.08
Total	12,872.64	12,426.68
NOTE # 14		
Deferred Tax Liabilities		
Opening Balance	4,835.73	5,491.48
Provision for the period	(498.31)	(655.75)
Closing Balance	4,337.42	4,835.73
NOTE # 15		
Other liabilities		
<u>Non-current</u>		
Retention Money	-	-
Security Deposit from Staff	0.59	0.28
Provision for employee benefits - Gratuity Payable	228.67	229.65
Total	229.26	229.93
<u>Current</u>		
Advance from Customers	78.94	109.54
Provision for Expenses	646.42	484.86
Statutory Dues Payable	30.24	34.04
Other Payable to Employees	5.12	-
Total	760.72	628.44
Total	989.98	858.37
NOTE # 16		
Provisions		
<u>Current</u>		
Provision for Taxation	11.97	12.27
Provision for taxation - OCI	-	29.70
Total	11.97	41.97

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NOTE # 17		
Revenue From Operations		
<u>Sale of Products</u>		
Domestic sales	55,834.23	69,971.28
<u>Export</u>	-	-
Export sales	-	-
Export against Bond	208.64	722.76
Deemed Export sales	1,343.77	-
	57,386.64	70,694.04
Other Operating Revenues		
Export Incentives	-	-
Total	57,386.64	70,694.04
NOTE # 18		
Other Incomes		
Dividend received	0.02	0.64
Discount received	-	0.06
Int. on FDR'S	0.02	33.53
Others - Interest	167.77	167.78
Exchange Diff Income	-	179.54
Creditors/Debtors Balance Written Off	4.58	-
Bad Debts Recovered	117.97	-
Total	290.35	381.54
NOTE # 19		
Cost of Materials Consumed		
Purchases of Raw Materials and Stores		
Opening stock	698.68	529.59
Add: Purchase (net)	40,811.55	52,976.11
	41,510.24	53,505.70
Less: Closing Stock	920.46	698.68
	40,589.78	52,807.01
Direct/Production expenses		
Labour & Security	2.79	3.09
Power & Fuel	7,085.74	8,296.89
Freight & Octroi	502.13	609.92
Stores & Spares	839.18	512.26
Factory Expense	5.29	9.95
Repair & Maintenance: Factory Building	2.00	0.02
Repair & Maintenance: Plant & Machinery	42.94	31.54
Packing Expenses	1,965.12	1,644.36
	10,445.19	11,108.03
Total	51,034.97	63,915.05
NOTE # 20		
Change in inventories		
Opening Stock	11,280.12	11,830.76
Less: Closing Stock	10,844.95	11,280.12
Total	435.16	550.65

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NOTE # 21		
Employment Benefit Expenses		
Salary	1,623.71	1,834.99
Gratuity	55.65	48.26
Bonus	89.32	107.44
P.F.	27.61	35.79
Leave Encashment	12.25	13.62
Directors Remuneration	-	-
ESIC	0.05	0.07
Manpower Supply Service	69.02	169.80
Total	1,877.60	2,209.98
NOTE # 22		
Financial Cost		
Interest paid to Banks	265.24	2,955.75
Interest paid to others	45.41	824.03
Bank Charges & Guarantee commission	4.95	356.37
Overseas Bank Charges	1.26	2.43
Total	316.86	4,138.58
NOTE # 23		
Depreciation and Amortization Expense		
Depreciation	3,579.77	4,022.91
Preliminary Expenses written off	-	-
Total	3,579.77	4,022.91

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
NOTE # 24		
Other Expenses		
Advertisement & Publicity	0.86	1.78
Auditors Remuneration	16.75	8.25
Bad Debts	-	4.01
Brokerage & Overseas Agency Commission	127.22	117.33
Carraige outward	485.77	536.06
Computer and printer expenses	6.62	3.73
Demat Charges	0.02	0.01
Director Sitting Fees	8.40	9.30
Donation & CSR Activity	3.75	9.76
Electricity Expenses	3.54	4.69
EPCG Composition Fees	-	8.48
Insurance Expenses	32.07	38.67
Legal & Professional	249.90	116.49
Loss on sale of Fixed Assets	-	-
Loss on sale of Investments	271.65	582.02
Membership & Subscriptions	2.60	0.21
Office & General Expenses	31.05	32.37
Postage & Telegram & Telephone	4.21	5.76
Printing & Stationery Expenses	7.74	11.73
Rent, Rates & Taxes	12.65	9.93
Repairs Office Building	1.95	1.86
Repairs Other	0.28	0.49
Sales Promotion Expenses	-	10.00
Travelling & Conveyance	5.20	8.43
Vehicle Expense	20.80	21.61
Book & Perodical Expenses	-	0.03
Advance Paid Written Off	3.51	-
Claims & Discounts	213.91	-
Exchange Difference	29.75	-
Provision for Bad & Doubtful Debts	-	9,291.13
Admin exp	4.10	5.15
Total	1,544.31	10,839.28

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

CA. HARISHANKAR TOSNIWAL
 PARTNER
M. NO. : 055043
FIRM REG. NO. : 111032W

PLACE : SURAT
DATE : 29.06.2021

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 : 29.06.2021

Notes Accompanying the Financial Statements

25. The following term loans as per Standalone Financial Statements are called up by banks so now these are payable on demand basis. We are shown 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
- Tourism Finance Corporation of India Limited
- Oldenburgische Landesbank (Erstwhile Bremer Kredit Bank)
- ECB London Term Loan (BOB)

26. An amount of Rs.2,73,20,273 as principal and Rs.1,70,55,898/- interest was due to Cholamandalam Investment & Finance Co. Ltd. as on 01.04.2020. The company has entered into an agreement with Cholamandalam Investment & Finance Co. Ltd. for one-time settlement on 05.08.2020 and the amount was finalized at Rs.3,10,84,248/-. Out of the same the company paid Rs.40,00,000/- till 31.12.2020. Thereafter the company entered into an agreement with Aadhidev Polytex Private Limited (Debtor) to settle the amount of Cholamandalam Investment & Finance Co. Ltd. Hence the balance amount of Rs.2,67,64,449/- will be payable by Aadhidev Polytex Private Limited as per the agreement.

27. A sum of Rs.1,61,052/- has been paid against the demand raised by GST Department during the current year against which an appeal has been filed before the Appellate Authority. The same amount has been shown under Other current Assets for the GST Penalty paid against appeal filed.

28. Due to exchange rate fluctuations, a sum of Rs.1,66,000/- has been adjusted against the Retained Earnings of the current year and shown as Others under the head Other Equity.

29. As per provisions of Singapore Financial Reporting Standard, Sumeet Global PTE LTD. (Wholly Owned Subsidiary) has settled of its debtors and creditors belonging to Holding company in their Financial Statement, whereas the same is reflecting outstanding in the name of subsidiary company in the Standalone Financial Statement of the Holding company and also in the Consolidated Financial Statement of the company prepared as per the provisions of the Companies Act, 2013.

30. Payment to Auditors:

(In Rs.)

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
	(iii) Audit Fees (Foreign Subsidiary Co.)	4,17,375	3,95,633
(b)	Cost Audit	40,000	40,000
(c)	Internal Audit	8,85,000	4,80,000

31. Managerial Remuneration:

Sr. No.	Particulars	Current Period	Previous Year
(i)	Salary	-	-
(ii)	Perquisite	-	-

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
FIRM REG. NO. : 111032W

PLACE : SURAT
DATE : 29.06.2021

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 : 29.06.2021

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FIVE YEARS OPERATING & FINANCIAL DATA (STANDALONE)

OPERATING DATA

(₹ in Lakhs)

PARTICULARS	2020-21	2019-20	2018-19	2017-18	2016-17
Sales & Income from operation	57386.63	70694.04	83231.95	107081.71	130180.80
Other Income	290.35	381.54	303.38	952.60	729.50
Increase (Decrease) in Inventories	-435.16	-550.65	-175.00	311.83	429.85
Total	57241.82	70524.93	83360.33	108346.14	131340.15
Purchase of Finished Goods	98.07	2.21	1449.82	21089.63	43087.46
Raw Material Consumed	40589.78	52807.01	62309.54	59262.86	51339.48
Staff Cost	1877.60	2209.98	2144.09	2236.87	1667.55
Manufacturing Expenses	10445.19	11108.04	11866.60	12102.01	10922.92
Administrative & Selling & Dist. Exp.	1540.22	1543.00	1305.78	4174.97	11969.06
Interest & Depreciation	3896.62	8161.49	10857.54	10177.36	6868.80
Total	58447.48	75831.73	89933.37	109043.70	125855.27
Profit/(Loss) before Taxation	-1205.66	-5306.80	-6573.04	-697.56	5484.88
Exceptional Items	-0.19	0.10	-5821.90	-	-
Taxation	498.31	655.75	739.94	-372.70	1812.14
Profit & Loss after Taxation	-707.54	-4650.95	-11655.00	-324.86	3672.74
Other Comprehensive Income	45.86	-13.21	-11.86	138.68	63.53
Total Comprehensive Income for the Period	-661.68	-4664.16	-11666.86	-186.18	3736.27
Earning per Share (EPS)	-	-	-	-	6.44

FINANCIAL DATA

Share Capital *	13364.24	13364.24	13364.24	11291.39	8803.97
Share Application Money	0.00	0.00	0.00	0.00	0.00
Reserve & Surplus	-8207.32	-7545.65	-2943.35	25657.81	22361.60
Deferred Tax Liability	4337.42	4835.73	5491.48	6231.42	7403.30
Loan Funds **	37422.40	39226.30	45401.22	35589.96	38945.89
Capital & Funds Employed	46916.74	49880.62	61313.59	78770.58	77514.76
Fixed Assets #	24179.35	27593.10	30974.58	36026.37	40200.88
Investments	2213.99	2650.09	3362.26	3247.86	3042.53
Current Assets	38756.77	38068.84	41041.92	55804.60	49460.29
Current Liabilities & Provisions	18233.37	18431.41	14065.17	16308.25	15188.93
Net Current Assets	20523.40	19637.43	26976.75	39496.35	34271.36
Capital & Funds Applied	46916.74	49880.62	61313.59	78770.58	77514.76

* 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:

SUMEET INDUSTRIES LIMITED

504, Trividh Chamber, 5th Floor, Opp. Fire Station,
Ring Road, Surat - 395 002, Gujarat, India.

Phone : (+91 - 261) 2328902

Fax : (+91 - 261) 2334189

Email : corporate@sumeetindustries.com

Website : www.sumeetindustries.com