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

Date : 10/09/2019

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

Symbol - SUMEETINDS

SUB. : SUBMISSION OF ANNUAL REPORT FY 2018-19

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith annual report of the company for the financial year 2018-19.

You are requested to kindly take the same on record.

Thanking You.

For Sumeet Industries Limited

Anil Kumar Jain
Company Secretary

SUMEET INDUSTRIES LTD. SURAT

FACTORY : BLOCK NO. 292, VILLAGE : KARANJ, TALUKA : MANDVI, DIST SURAT - 394 110.
PH.: 98251 38110 E-mail : plant@sumeetindustries.com

Sumeet

INDUSTRIES LIMITED







31ST ANNUAL REPORT 2018-19





Sumeet INDUSTRIES LTD.



Chairman's Message....

We are leveraging our inherent strengths to pursue our vision and live by our values, and power our business to outperform consistently. We are buoyant about future prospects of our business and fervently are looking for opportunities for strengthening and growing our business.

In the year under review company has faced acute financial constraints due to liquidity shortage and falling the status in NPA category with banks. In spite of that, the production of the company remained satisfactory throughout the year but financial was under stress. In the current year the company is gradually coming out from financial setbacks and submitted its Debt Restructuring Plan to the Bankers and expected to be finalized by them shortly. In the first quarter of the Current year, the company has recoded Turnover of Rs. 19348.45 Lacs with maintaining EBITDA of Rs. 1298.62 Lacs and expecting improving in realisations due to cost optimisation will result much better EBITDA margins in coming quarters. Further we firmly believe that the fresh capital infusion after restructuring of Loans by Banks will enable us to turn the tide in our financial business constraints.

The year 2018-19 started with a promising note with expectation of strengthening of global growth. However, the economic and political scenario during the year changed gradually, with escalation of trade tensions between China and USA, economic disruption in Europe and financial tightening in China and developed countries. The global growth rate is now estimated by the IMF at 3.6% in 2018.

The NBFC sector faced severe liquidity crunch, after the default of IL & FS. The MSME Sector also faced cash flow problems because of economic stress. RBI and banks, realizing the genuine need of these sectors, had to adopt an accommodative stance to alleviate their problem.

India continues to be one of the world's fastest growing major economies, with a 7% growth rate in FY 2018-19.The economy was powered by moderate inflation, gradual upswing in private investment cycle and stronger income and consumption trends, which are expected to improve further, going forward. The Government of India has undertaken multiple initiatives (budgetary and non-budgetary support) for improving rural infrastructure and livelihoods spending.

We believe polyester will be the 'fibre of future', which encouraged us to foray into this business with confidence. Global fibre consumption has increased from 29 million tons in 1980 to 97 million tons in 2018 and the growing market has brought with a remarkable change in the consumption patterns. The industry has been witnessing a gradual shift from cotton to synthetic fibres over the past few decades. Polyester fibre consumption, especially, has been steadily gaining momentum with highest CAGR of 6% from 1980 to 2018 amongst other fibre categories.

We are confident of improving our financial as well as operational performance in the coming years, bolstered by these developments. We are focussed on maximising the value of our assets by ensuring optimal operational efficiency and highest levels of plant availability and also focused on building in systems and re- engineering manufacturing processes that will improve realisations tracking rising input cost. The improved operating environment has been reflected in the Company's performance for June Quarter and expect to be continue in future.

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

SHANKARLAL SOMANI
CHAIRMAN

THIRTY FIRST ANNUAL REPORT

BOARD OF DIRECTORS

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

COMAPANY SECRETARY

Mr. Anil Kumar Jain

CHIEF FINANCIAL OFFICER (CFO)

Mr. Abhishek Prasad

STATUTORY AUDITORS

H. TOSNIWAL & CO.

Chartered Accountants, Surat

INTERNAL AUDITOR

RRA & CO.

Chartered Accountants, Surat

SECRETARIAL AUDITORS

Mr. Dhren R. Dave

Practicing Company Secretary, Surat

BANKERS

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

REGISTERD OFFICE

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

FACTORY

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

REGISTRAR & SHARE TRANSFER AGENT

M/S. BIGSHARE SERVICES PVT.LTD.

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

31st ANNUAL GENERAL MEETING

Date	:	30/09/2019, Monday
Time	:	10:00 A.M.
Venue	:	Agrasen Bhavan, Shyam Kunj Hall, City Light, Surat-395007

INSTRUCTION TO THE MEMBERS

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

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NOTE

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

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.
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 31st Annual General Meeting of SUMEET INDUSTRIES LIMITED will be held at Agrasen Bhavan, Shyam Kunj Hall, City Light, Surat-395007, on Monday, 30th Day of September, 2019 at 10:00 A.M. to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt

i) the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 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, 2019 together with the report of the Auditors thereon.

2. To appoint a Director in place of Mr. Shankarlal Somani (DIN No. 00165238), who retires by rotation and being eligible, offer himself for re-appointment.

3. APPOINTMENT OF AUDITORS

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

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**"Act"**) and the Rules framed there under, as amended from time to time, the Company do hereby approve the appointment of M/s. H Tosniwal & Co., Chartered Accounts (Firm Registration no. 111032W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (**"AGM"**) till the conclusion of the 32nd AGM of the Company to be held in the year 2020 to examine and audit the accounts of the Company for the Financial Year 2019-20 at such remuneration plus tax, out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors and the Auditors."

SPECIAL BUSINESS:

4. APPOINTMENT OF MS. ZEEL SURESHKUMAR MODI (DIN: 08290608) AS AN INDEPENDENT DIRECTOR

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

"RESOLVED THAT Ms. Zeel Sureshkumar Modi (DIN: 08290608) who was appointed as an Additional Director of the company by the Board of Directors w.e.f. 30th day of November, 2018 under section 161 of the Companies Act , 2013 (the Act) and who holds office up to the date of the ensuing Annual General meeting, but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of the Director of the company, be and is hereby appointed as a Director of the company."

"RESOLVED FURTHER THAT pursuant to the provision of the Section 149, 152 and other applicable provisions, if any, of the Act and rules made thereunder read with Schedule IV of the Act as amended from time to time, Ms. Zeel Sureshkumar Modi (DIN: 08290608) , who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 3 (Three) consecutive years and whose office shall not be liable to retire by rotation."

5. APPOINTMENT OF MR. ATMA RAM SARDA (DIN : 06713264) AS A NON-EXECUTIVE DIRECTOR

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions if any, read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being force) and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors, Mr. Atma Ram Sarda (DIN:06713264), a Non-Executive Director of the Company

whose term of office expires at this Annual General Meeting and in respect of whom the company has received a notice in writing from a member along with deposit of the requisite amount under Section 160 of the Act, proposing his candidature for the office of director be and is hereby appointed as Non-Executive Director of the Company to hold office for a term up to 3 (Three)consecutive years and whose office shall be liable to retire by rotation."

6. 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, 2020, be and is hereby ratified."

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

Registered Office:

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

By order of the Board Directors

Sd/-
Shankarlal Somani
Chairman

Place :Surat
Date : 05.08.2019

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER.**
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 2 days in advance of the Annual General Meeting.
6. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz M/s. Bigshare Services Pvt. Ltd. Those holding shares in dematerialized form may intimate any change in their addresses or bank details/mandates to their Depository Participants (DP) immediately.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2019 to Monday, 30th September, 2019 (both days inclusive).
8. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
9. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2019 is uploaded on the Company's website www.sumeetindustries.com and may be accessed by the members.
10. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode.
11. **Company's environment friendly agenda and to participate in MCA's Green Initiative, members are requested to register/update their e-mail address with their Depository Participants. Members who are holding shares in physical form are requested to send their E-mail address at investor@bigshareonline.com for updation.**
12. Non-Resident Indian members are requested to inform the company's Registrar and Transfer Agents (M/s. Bigshare Services Pvt. Ltd.), immediately of :
    a) Change in their Residential status on return to India for permanent settlement.
    b) Particulars of their Bank Account maintained in India with complete name of the Bank, branch address, account type and account number with MICR code, if not furnished earlier.
13. Voting through electronic means : In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means, as an alternative to vote physically at the AGM, and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL). It may be noted that this e-voting facility is optional.
14. The members who would have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Pursuant to provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 31st Annual General Meeting to be held on Monday, 30th September, 2019, at 10:00 A.M. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Monday, 30th September, 2019.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 27/09/2019 at 9:00 A.M. IST and ends on 29/09/2019 at 05:00 P.M. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20/09/2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

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

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

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

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

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

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

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

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

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

(xviii) Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

(xix) Note for Non-Individual Shareholders and Custodians

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

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

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.

(B) The voting period begins on 27/09/2019 at 9:00 A.M. IST and ends on 29/09/2019 at 05:00 P.M. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20/09/2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

15. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 20/09/2019.

16. Mr. Dhiren R. Dave, Practicing Company Secretary (Membership no. FCS 4889) has been appointed as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

17. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

18. The results declared along with the Scrutinizers' Report shall be placed on the Company's website www.sumeetindustries.com within three days of the passing of the resolutions at the 31st Annual General Meeting of the Company to be held on Monday, 30th September, 2019 and communicated to the BSE Ltd and National Stock Exchange of India Ltd within the prescribed period.

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

Name of Director	Mr. Shankarlal Sitaram Somani	Mr. Atmaram Sarda	Ms. Zeel S. Modi
Date of Birth	20/01/1954	01/07/1963	03/06/1994
Date of Appointment	01/08/1988	30/09/2013	30/11/2018
Expertise in specific functional areas	Management	Practicing Chartered Accountant	Enviro and Project Engineering
Qualifications	B.Com	B.Com, ACA	B.Tech in Environmental Engineering
Shareholding in the Company as on 5th August, 2019	55,00,000	Nil	Nil
List of other listed companies in which Directorship held	None	None	None
List of other entities in which the person also hold membership of committee of the Board	None	None	None
Relationships between Directors inter-se	Father of Mr. Sumeet Somani, Whole time Director of the Company	Nil	Nil

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

ITEM NO. : 04

The Board of Directors of the company had appointed Ms. Zeel Sureshkumar Modi (DIN: 08290608) as an Additional Independent Director with effect from 30th November, 2018 in accordance with the provisions of Article of the Association of the company read with Section 161 of the Act. Ms. Zeel Sureshkumar Modi holds office only up to the date of forthcoming Annual General Meeting. A notice has been received from a member, along with requisite deposit of money, as required under Section 160 of the Companies Act, proposing Ms. Zeel Sureshkumar Modi as a candidate for the office of Director of the company.

Ms. Zeel Sureshkumar Modi is a Graduate Engineer from the field of Environment Engineering. She has more than 3 Years of experience in the field of Environment and Project Engineering. Presently she is a Senior executive in a software company working on projects.

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 30th November, 2018 appointed her as an Independent Director of the company, not liable to retire by rotation with effect from 30.11.2018 to 29.11.2021 subject to approval of members. Copy of the draft letter for appointment of Ms. Zeel Suresh Kumar Modi 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 Ms. Zeel Modi 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 Ms. Zeel Modi being an appointee is concerned or interested in the resolution mentioned at item no.4 of the convening Notice.

ITEM NO. : 05

Mr. Atmaram Sarda (DIN: 06713264) has been re-appointed as a Non- Executive Director of the Company. Mr. Atmaram Sarda holds office as a Non-Executive Director up to the date of this Annual General Meeting. The Company has received a notice in writing along with deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Non-Executive Director of the Company. In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under 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 Schedule IV of the Companies Act, 2013 and in compliance with SEBI (LODR) Regulation, 2015 as amended from time to time, Mr. Atmaram Sarda is proposed to be appointed as an Non- Executive Director of the company with effect from 01/10/2019 to 30/09/2022 subject to approval of the shareholders.

Mr. Atmaram Sarda is a Practicing Chartered Accountant and he has around 18 years of experience in the field of Finance and Accounts.

In the opinion of the Board, Mr. Atmaram Sarda fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as a Non – Executive Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Atmaram Sarda as a Non- Executive Director. The Copy of the draft letter for appointment of Mr. Atmaram Sarda as a Non- Executive 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 appointment of Mr. Atmaram Sarda a Non-Executive, for the approval by the shareholders of the Company.

Except Mr. Atmaram Sarda, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out in item No. 5.

ITEM NO. : 06

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, 2020.

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

Accordingly, approval of the members is sought for the resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2020.

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. 6 of the Notice.

Registered Office:

504, Trividh Chambers

Opp. Fire Station,

Ring Road, Surat - 395 002

By order of the Board Directors

Sd/-

Shankarlal Somani
Chairman

Place :Surat
Date : 05.08.2019

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 31st Annual Report and Audited Statement of Accounts for the year ended 31st March, 2019.

The Company has registered consolidated revenue of Rs. 866.84 Crores with EBIDTA of Rs. 43.18 Crores. We, remained resolute and relentless in our quest for strengthening our cost-competiveness.

FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	**Standalone**		**Consolidated**	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Sales & Income form operation	**83328.05**	107081.71	**86684.05**	122883.11
Other Income	**303.38**	952.60	**372.66**	953.65
Profit before Financial cost, Depreciation and Exceptional items & Tax (EBITDA)	**4284.50**	9479.79	**4318.45**	9787.81
Interest	**6191.22**	4917.79	**6261.14**	5147.08
Depreciation	**4666.32**	5259.57	**4666.32**	5259.57
Profit/(Loss) before Exceptional and Extraordinary items	**-6573.04**	-697.57	**-6609.01**	-618.84
Exceptional & Extraordinary items	**-5821.90**	-	**-5821.9**	-
Profit/(Loss) before Tax	**-12394.94**	-697.57	**-12430.91**	-618.84
Provision for Taxation				
Current tax	**-**	-785.20	**-**	-795.82
Mat Credit	**-**	-	**-**	-
Deferred Tax	**-739.94**	1171.89	**-739.94**	1171.89
Profit after Tax	**-11655.00**	-310.87	**-11690.97**	-242.77
Taxation for previous year	**-**	-13.98	**-**	-19.19
profit available for appropriation	**-**	-	**-**	-
Dividend on Equity & Pref. Shares	**-**	-	**-**	-
Transfer to General Reserve	**-11655.00**	-324.86	**-11690.97**	261.96

OPERATIONS

Despite challenging business environment the company has posted mixed performance for the year under review. The company has produced 81889.565 Tons of Pet Chips / Polyester and Texturized Yarn and dispatched 82869.204 Tons of Pet Chips / Polyester and Texturized yarns.

Income from operation (Consolidated) of the company has decreased from Rs. 1228.83 Crores to Rs. 866.84 Crores and EBIDTA has been decreased from Rs. 97.88 Crores to Rs. 43.18 Crores in comparison to last year. The Company has incurred Consolidated Net Loss of Rs. 116.90 Crores. We are reassessing our strategies in line with the larger macro picture and have made some significant changes to drive our gowth focussed and opportunity driven strategies.

The Company is enhancing its capacity on producing specialty and value added yarns and focusing on expanding market reach both in domestically and internationally, cost optimization and elevating people potential. We are hopeful that we will be able to grow more value added products in future with better profit margins.

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

DIVIDEND

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

RESTRUCTURING OF DEBT

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

In the current year, the company has 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.

BONUS ISSSUE

During the year under review the company has made Bonus Issue of 20,7,28,478 nos. of Equity shares with a face value of Rs. 10/- each in the ratio of 1:4 . An amount of Rs. 20,72,84,780 has been capitalized for the same out of Security Premium Reserve Account.

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, 2019 and the date of this report, i. e., 5th August, 2019.

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. 110.77 Crores.

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

DEPOSITORY SYSTEM

As members are aware, the company's shares are compulsorily tradable in the electronic form. As on March 31, 2019 almost 97.69% of the Company's total paid-up capital representing 10,36,42,389 shares were in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the Depositories.

FIXED DEPOSITS

The Company has invited deposits from public in accordance with the Section 73 and 74 of the Companies Act, 2013 (corresponding Section 58 A of the Companies Act, 1956) to the tune of Rs. 396.14 Lacs during the financial year 2013-14. No fresh deposits have been invited and nor any deposits have been renewed in the financial year 2018-19. Total outstanding deposits after repaying on maturity as on 31.03.2019 has been remained Rs. 2,90,000/-. 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 30.11.2018, Ms. Zeel Sureshkumar Modi (DIN: 08290608) appointed as an additional Independent Director of the company w.e.f. 30.11.2018 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 Ms. Zeel Sureshkumar Modi (DIN: 08290608) as an Independent director of the company.

As per provision of the Companies Act, 2013 an Independent Director may be appointed for a term up to five years and shall not be liable to retire by rotation. Board Recommends the appointment of Ms. Zeel Sureshkumar Modi as an Independent Director of the company for a term up to 3 (Three) 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 Exchanges.

Mr. Atma Ram Sarda (DIN : 06713264) , Non- Executive Director of the company whose term of office of directorship is being expired at this Annual General Meeting and in respect of whom the company has received a notice in writing from a member along with deposit of the requisite amount under Section 160 of the Act, proposing his name as a director.

Board on the recommendation of Nomination and Remuneration Committee Recommends the appointment of Mr. Atma Ram Sarda , Non Executive director of the company for a term up to 3 (Three Years).

Resignation

Mr. Abhishek Desai (Din No. 07790468) and Mr. Dipesh Dasadia (Din No. 01048684) Independent Director of the company has resigned from the Board due to their occupancy in other work. Mrs. Ganga Devi Somani (Din No.06913790), Non- Independent Director of the company has resigned from the Board due to their health reason. The directors would like to place on record their sincere appreciation for the above directors for their guidance and unstinting commitment to the company during their tenure on the Board. The Board acknowledges that the company has immensely benefited from his profound knowledge and experience.

AUDITORS

a) Statutory Auditors

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the Extra Ordinary General Meeting of the Company held on 2nd April, 2019 has appointed M/s. H Tosniwal & Co., Chartered Accounts (Firm Registration no. 111032W), as Statutory Auditors of the Company to hold the office until the conclusion of the next Annual General Meeting of the Company. M/s. H Tosniwal & Co., Chartered Accounts (Firm Registration no. 111032W), has been appointed as Statutory Auditors of the Company to fill the causal vacancy caused due to resignation of M/s. Pamita Doshi & Co., Chartered Accounts (Firm Registration no. 141976W). Members are requested to re-appoint them at the Annual General Meeting.

b) Cost Auditors

The Company has been maintaining cost accounting records in respect of manufacture of polyester yarns pursuant to directives of the Central Government. The company has been appointed M/s. V.M. PATEL & ASSOCIATES, (Firm Registration No. 10519) as Cost Auditors, for conducting the audit of cost records for the financial year 2019-20 and approval of the members is being sought for ratification of their appointment and remuneration.

c) Internal Auditors

The Board has appointed M/s. RRA & Co., Chartered Accountants (ICAI Registration Number 112115W) as Internal Auditors of your company for the financial year 2019-20. 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 2018-19. The Secretarial Audit Report for the financial year ended 31st March , 2019 is annexed herewith and forms part of the Annual Report as **Annexure-1**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re-appointed Dhiren R. Dave, Practising Company Secretaries, as Secretarial Auditors of the Company for the financial year 2019-20.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CONSOLIDATED FINANCIAL STATEMENTS

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

PERSONNEL AND RELATD DISCLOSURES

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

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

INTERNAL CONTROL SYSTEM

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

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

PREVENTION OF SEXUAL HARASSMENT POLICY

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

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

RISK MANAGEMENT

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

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

INSURANCE

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

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

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

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

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year 2018-19 till the date of this report. Further there were no change in the nature of business of the Company.

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

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

EMPLOYEE STOCK OPTION

The company has not issued any Employee Stock Option.

FOREIGN EXCHANGE TRANSACTIONS

In order to hedge the company's exposure to foreign exchange and interest rate, the company enters into forward contracts. The volatility witnessed in the global markets has reiterated the need for robust forex

management systems and prudent investment practices. All forex exposures are hedged upon the occurrence of an exposure. In case of liabilities in respect of foreign currency loans obtained for acquisition of fixed assets, the variation in the liabilities arising out of exchange rates at the year end have been capitalized during the year as per Companies (Accounting Standard) Amendment Rules, 2009.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

RESEARCH & DEVELOPMENT

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

CONTRACTS AND ARRANGEMENT WITH RELATED PARTY

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

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

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

CORPORATE GOVERNANCE

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

CODE OF CONDUCT

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

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

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

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

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

WHISTLE BLOWER MECHANISM

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

DISCLOSURE RELATED TO BAORD, COMMITTEES AND POLICIES

A) BOARD MEETINGS :

The Board of Directors met 12 times during the financial year ended 31st March, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report forming part of the Annual report.

B) COMMITTEE MEETINGS :

AUDIT COMMITTEE

The Audit Committee of the Board has been reconstituted on 30/11/2018. The Audit Committee of the Board comprises of Mr. Dinesh Sharan Khare, Chairman, Mr. Sumeet Kumar Somani, Member, and Mr. Manoj Kumar Jain, Member.

All recommendations made by the Audit Committee were accepted by the Board during the year 2018-19. The brief details of the Audit Committee are given in Corporate Governance Report forming part of the Annual report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board has been reconstituted on 30/11/2018. The Nomination and Remuneration Committee of the Board comprises of Mr. Dinesh Sharan Khare, Chairman, Mr. Atma Ram Sarda, Member, and Mr. Manoj Kumar Jain, Member.

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 Committee review and ensures redressal of investor grievances. The Stakeholders Relationship Committee of the Board has been reconstituted on 30/11/2018. The Stakeholders Relationship Committee of the Board comprises of Mr. Dinesh Sharan Khare, Chairman, Mr. Sumeet Kumar Somani, Member, and Mr. Manoj Kumar Jain, Member.

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has laid down the Company's policy on Corporate Social Responsibility (CSR) and the CSR activities of the company are carried out as per the instructions of the Committee. The CSR Committee of the Board has been reconstituted on 30/11/2018.

The CSR committee of the Board comprises of Mr. Sumeet Kumar Somani, Chairman, Mr. Manoj Kumar Jain, Member and Mr. Atmaram Sarda, Member.

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

BOARD EVALUATION

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

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

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

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

FAMILIAZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

KEY MANAGERIAL PERSON

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

1) Mr. Sumeet Kumar Somani, Managing Director

2) Mr. Anil Kumar Jain, Company Secretary and Compliance Officer

3) Mr. Abhishek Prasad, Chief Financial Officer

SECRETARIAL STANDARDS

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

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

Sd/-
Shankarlal Somani
Chairman

Place : Surat
Date : 5th August, 2019

ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE-1

Secretarial Audit Report

For the financial year ended March 31, 2019

[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
Surat

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 31.03.2019, 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 herein after:

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 31.03.2019 according to the provisions of:

   (i) The Companies Act, 2013 (**the Act**) and the Rules made there under;

   (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

   (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings; - There are no events occurred during the year which attracts provisions of these regulations, hence not applicable.

   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act')** to the extent applicable to the Company :-

      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

      b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India

      c. (Prohibition of Insider Trading) Regulations, 2015 notified with effect from May 15, 2015;

      d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.

      e. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.

      f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.

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

(vi) Factories Act, 1948

(vii) Industrial Disputes Act, 1947

(viii) The Payment of Wages Act, 1936

(ix) The Minimum Wages Act, 1948

(x) Employees State Insurance Act, 1948

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

(xii) The Payment of Bonus Act, 1965

(xiii) The Payment of Gratuity Act, 1972

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

(xv) The Maternity Benefit Act, 1961

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

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

(xviii) The Employees Compensation Act, 1923

(xix) The Apprentices Act, 1961

(xx) Equal Remuneration Act, 1976

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

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

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

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

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

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

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

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

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

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

1. *Company has not spent required amount for the CSR activities to the extent of Rs. 29,12,000/-.*
2. I further report that :

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

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

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

   a. *Company's directors have received show cause notice from SEBI for making undue gains from buy/ sell of company's stock in past years. Investigation/Litigation is still on the subject matter of SEBI order dated May 21, 2014.*

Place : SURAT
Date : 05.08.2019

DHIREN R DAVE
COMPANY SECRETARY
FCS : 4889
CP : 2496

To,

The Members

Sumeet Industries Limited

Surat

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

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

Place : SURAT
Date : 05.08.2019

DHIREN R DAVE
COMPANY SECRETARY
FCS : 4889
CP : 2496

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-2

FORM AOC-1

The information required under Section 197(12) 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, 2019 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, 2019 : -

(Rs. In Lacs)

Name of the Director / KMP & Designation	Remu-neration	% increase in Remuneration in F.Y. 2018-19	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
Mr. Sumeet Kumar Somani Managing Director	-	-	-	The company has incurred Loss of Rs. 116.91 Crore during the year but EBITDA (Consolidated) is Rs. 4318.45 Lacs
Mr. Anil Kumar Jain Company Secretary	10.83	2.17%	3.22	
Mr. Abhishek Prasad CFO	8.77	1%	2.61	

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 : 6.75%**

3. **Number of permanent employees on the rolls of the Company as on 31st March, 2019 : 627**

4. **The explanation on the relationship between average increase in remuneration and company performance:**

   On an average, employees received an increase in remuneration of 6.50% to 7.50%. During the year company has incurred loss of Rs. 11690.96 Lakh.

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

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

Particulars of Remuneration	Key Managerial Personnel		
	Mg. Director	C.F.O.	Company Secretary
Remuneration (Rs. in Lacs)	-	8.77	10.83
Revenue (Rs. in Lacs)	86684.05	86684.05	86684.05
Remuneration (As a % of Revenue)	-	0.010	0.012
Profit (Loss) before Tax (PBT) (Rs. in Lacs)	(11690.96)	(11690.96)	(11690.96)
Remuneration (As a % of PBT)	-	-	-

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

Date	Closing Market Price per Share (Rs.)	Earnings Per Share (Rs.)	Price Earnings Ratio	Market Capitalization (Rs. in Crores)
31.03.2018	15.55	-	-	128.93
31.03.2019	4.08	-	-	42.29
% Change	-73.76	-	-	-67.20

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. 408/- (100 shares of Rs. 4.08 each) as on 31st March, 2019, excluding dividend. After considering Rights shares offered and, Bonus issue of shares from time to time, 100 shares of Rs.10 each issued in 1993 have become 410 shares of Rs.10 each.

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

Average Percentile increase in Remuneration of employees other than Managerial Personnel was 7.25% and average increase in remuneration of Managerial Personnel was around 10%.

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

Key result areas of the managerial personnel are broadly to achieve Company's growth and performance target, achieving the same against various adverse externalities globally, devising sustained strategy to combat global forces like competition, exchange rate etc, which, in turn, enhance shareholders' value. There are no variable component of remuneration to the Directors during the financial year 2018-19 and 2017-18. 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 (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 near by villages.

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

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

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

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

Year	Net profit as per Section 198 of the Companies Act , 2013 (Rs. in Crores)
2015-16	28.38
2016-17	54.84
2017-18	0.48
Average net profits of last three years	27.90

Prescribed CSR expenditure (2% of the Average net profit of three financial years) : Rs. 55.80 Lakh

Details of CSR spent during the financial year : -

Total amount spent for the financial year : Rs. 26.68 Lakhs

Amount unspent , if any : Rs. 29.12 Lakhs

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

DETAILS OF CSR EXPENESES FOR THE FINANCIAL YEAR 2018-19

(Rs. in lakh)

Sl No.	CSR Project of activities identified	Sector in which the project is covered	Projects or Programs undertaken (Place)	Amount outlay (budget)	Amount spent on the projects/ programs	Cumulative expenditure up to the reporting period	Amount Spent : Director or through
1	Animal Care	Gau Seva	Surat	1.00	0.72	0.72	Shree Gau Seva Samiti
2	Animal Care	Bird Help Centre	Surat	0.25	0.25	0.25	Prayas Team Environment Charitable Trust
3	Animal Care	Gau Chikitsalaya	Jarkhor , Bharatpur (Rajasthan)	3.50	3.50	3.50	Shree Braj Kamad Surbhi Van & Sodh Sansthan
4	Health Care	Medical Aid	Surat	15.00	11.00	11.00	Surat Manav Seva Sangh
5	Natural Disasters	Flood Relief at Kerala	Kerala	1.00	1.00	1.00	Adazan Kerala Association
6	Health Care	Medical Aid	Surat	5.00	4.20	4.20	Premvati Naraindas Arora Charitable Trust
7	Promoting Social Welfare	Social Welfare Projects	Surat	7.00	6.01	6.01	Jevan Bharti Mandal
			Total	**32.75**	**26.68**	**26.68**	

The short fall of Rs. 29.12 Lacs in the amount spent on CSR activities during the year ended on 31st March, 2019 is intended to be utilised in future upon identification of suitable projects with in your company's CSR policy.

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

Conservation of Energy :

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

a) Energy Conservation measures taken by the Company

1) Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
2) Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment's continuously.
3) Automated load management system to improve power factor with reduced contract demand
4) Replaced old conventional lights with LED lights resulting saving in energy.
5) Installed VFD in AHU to reduce energy consumption.
6) Utilizing steam from heat recovery to reduce electricity energy in spin pack cleaning system.
7) Installed advance technology moisture trap to reduce air losses from Compressor and Receiver Tank.
8) Utilization of R.O. rejection water and ETP treated water for cleaning system of plant and domestic use.
9) Modification of humidification plant and installation of fogging system to avoid use of chiller thereby reducing energy consumption.

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

a) Reduction in consumption of electricity and fuel oils with consequent reduction in cost of production.
b) Reduction in process waste / threading waste
c) Reduction in wastage of energy

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

FORM A

A. Power and Fuel Consumption:

		2018-19	2017-18
1.	**Electricity**		
	(a) Purchased		
	- Units	**85685247**	66685366
	- Total Amount	**674060332**	500872636
	- Rate/Unit(Rs.)	**7.87**	7.51
	(b) Own generation		
	(i) Through diesel generator in Units (KWH)	**-**	3680
	Liters of HSD Consumed	**-**	1200
	Unit per Ltr. of Diesel	**-**	3.06
	(ii) Through HFO/generator		
	Unit	**38448**	20176012

		2018-19	2017-18
	Consumed	**9280**	4614608
	Unit per Ltr of FO	**4.14**	4.37
2.	**Furnace oil**		
	Quantity (in Ltrs.)	**591451**	7418529
	Total amount	**17735226**	170007873
	Average rate	**29.99**	22.91

B. Consumption per unit of production (in tons)

Product: Polyester/Polypropylene Multi filament Yarn

	Standards (if any)	**2018-19**	2017-18
Electricity			
Purchases and Own Generation	**-**	**1046.82**	928.71
(Own Generation Through F.O. based Gen Set)			

FORM B

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

I. Research and Development (R & D)

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

a) Optimization in process parameter to increase productivity.

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.

e) Changeover of spin finish for cost saving and better performance at customer end.

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

a) Reduction in wastage and energy consumption.

b) Reduction in cost of power.

c) Strengthening value added product portfolio and improved contribution margin.

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) New PLC system to be installed for auto start up of air compressors in case on contingency.

d) Up gradation in CP DCS technology.

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

Replacing local developed spares from costlier imported spares in various imported equipments. Adopting modern tools & techniques in maintenance to reduce down time of machineries.

2. Benefits derived as a result of above efforts

a) Improvement in operating performance and reduction in wastage

b) Reduction in cost of production

c) Reduction in energy cost

3. Information regarding technology imported during the last five years

Technology Imported	Year of Import	Status
Nil		

ANNEXURE - 5

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2019)

[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.	**SHAREHOLDING 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

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

ANNEXURE – B

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SUMEET GLOBAL PTE. LTD. 101, Cecil Street, #12 Tong Eng Building, Singapore 069533	201229343C	Subsidiary	100%	Sec. 2(87) (ii)

ANNEXURE – C

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

i) Category-wise Share Holding

IV. SHAREHOLDING 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, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	9516836	0	9516836	11.48	11057834	0	11057834	10.67	-0.81
b) Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other									
e1) Bodies Corporate	18792540	0	18792540	22.67	10663855	0	10663855	10.29	-12.38
Sub-total (A) (1)	**28309376**	**0**	**28309376**	**34.14**	**21721689**	**0**	**21721689**	**20.96**	**-13.18**
(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)	**28309376**	**0**	**28309376**	**34.14**	**21721689**	**0**	**21721689**	**20.96**	**-13.18**
B. Public Shareholding									
1. Institutions									
a) Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00

b) Financial Institutions / Banks	195084	450	195534	0.24	20905	562	21467	0.02	-0.22
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) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
j) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	**195084**	**450**	**195534**	**0.24**	**20905**	**562**	**21467**	**0.02**	**-0.22**
2. Non-Institutions									
a) Bodies Corporate	8130112	14880	8144992	9.82	9148794	11134	9159928	8.84	-0.99
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	23397819	2951825	26349644	31.78	32158189	2309647	34467836	33.26	1.48
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	13980172	34050	14014222	16.90	34011746	74529	34086275	32.89	15.99
c) Others									
c1) Trusts	130000	0	130000	0.16	162500	0	162500	0.16	0.00
c2) Clearing Member	4403240	0	4403240	5.31	518906	0	518906	0.50	-4.81
c3) Non Resident Indians (NRI)	1043330	0	1043330	1.26	194314	0	194314	0.19	-1.07
c4) Non Residen Indians (Repat)	153591	0	153591	0.19	1556085	0	1556085	1.50	1.32
c5) Non Residen Indians (Non Repat)	169282	0	169282	0.20	256276	0	256276	0.25	0.04
c6) Directors/ Relatives	0	0	0	0.00	199936	0	199936	0.19	0.19
c7) Corporate Bodies NBFC	700	0	700	0.00	875	0	875	0.00	0.00
c8) IEPF	0	0	0	0.00	1296302	0	1296302	1.25	1.25
Sub-total (B)(2)	**51408246**	**3000755**	**54409001**	**65.62**	**79503923**	**2395310**	**81899233**	**79.02**	**13.40**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**51603330**	**3001205**	**54604535**	**65.86**	**79524828**	**2395872**	**81920700**	**79.04**	**13.18**
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)	**79912706**	**3001205**	**82913911**	**100.00**	**101246517**	**2395872**	**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 01/04/2018			Shareholding at the end of the year 31/03/2019			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Shankarlal Sitaram Somani	3809919	4.60	0.00	4762398	4.60	0.00	0.00
2	Sumeet Shankarlal Somani	1965070	2.37	0.00	2456337	2.37	0.00	0.00
3	Gangadevi Shankarlal Somani	1200000	1.45	0.00	1500000	1.45	0.00	0.00
4	Manisha Sumeet Somani	500000	0.60	0.00	625000	0.60	0.00	0.00
5	Neelam Sushil Somani	590013	0.71	0.00	737516	0.71	0.00	0.00
6	Sumandevi Somani	550000	0.66	0.00	299291	0.29	0.00	-0.37
7	Rajkumar Sitaram Somani	360000	0.43	0.00	0	0.00	0.00	-0.43
8	Rakesh Rajkumar Somani	0	0.00	0.00	0	0.00	0.00	0.00
9	Ritesh Rajkumar Somani	0	0.00	0.00	0	0.00	0.00	0.00
10	Sushil Shankarlal Somani	541834	0.65	0.00	677292	0.65	0.00	0.00
11	Somani Overseas Private Limited	10436928	12.59	4.31	10288855	9.93	9.16	-2.66
12	Sitaram Prints Private Limited	2786441	3.36	0.00	125000	0.12	0.00	-3.24
13	Siddhipriya Poly Fab Pvt Ltd. (Formerly know as Sumeet Menthol Pvt Ltd.)	3390000	4.09	0.00	250000	0.24	0.00	-3.85
14	National Poly Yarn Pvt Ltd	1595171	1.92	0.00	0	0.00	0.00	-1.92
15	Betex India Limited	584000	0.70	0.00	0	0.00	0.00	-0.70
16	Ambaji Syntex Pvt Ltd	0	0.00	0.00	0	0.00	0.00	0.00
	TOTAL	**28309376**	**34.14**	**4.31**	**21721689**	**20.96**	**9.16**	**-13.18**

ANNEXURE – E

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

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Reason	No. of shares	% of total shares of the company
1	Shankarlal Sitaram Somani					
	At the beginning of the year	3809919	4.60			
	21.08.2018	952479	0.92	Bonus	4762398	4.60
	At the end of the year				4762398	4.60
2	Sumeet Shankarlal Somani					
	At the beginning of the year	1965070	2.37			
	21.08.2018	491267	0.47	Bonus	2456337	2.37
	At the end of the year				2456337	2.37

3	Sushil Shankarlal Somani					
	At the beginning of the year	541834	0.65			
	21.08.2018	135458	0.13	Bonus	677292	0.65
	At the end of the year				677292	0.65
4	Neelam Sushil Somani					
	At the beginning of the year	590013	0.71			
	21.08.2018	147503	0.14	Bonus	737516	0.71
	At the end of the year				737516	0.71
5	Gangadevi Shankarlal Somani					
	At the beginning of the year	1200000	1.45			
	21.08.2018	300000	0.29	Bonus	1500000	1.45
	At the end of the year				1500000	1.45
6	Manisha Sumeet Somani					
	At the beginning of the year	500000	0.60			
	21.08.2018	125000	0.12	Bonus	625000	0.60
	At the end of the year				625000	0.60
7	Sumandevi Somani					
	At the beginning of the year	550000	0.66			
	09.04.2018	310567	0.37	Sold	239433	0.29
	21.08.2018	59858	0.06	Bonus	299291	0.29
	At the end of the year				299291	0.29
8	Sitaram Prints Private Limited					
	At the beginning of the year	2786441	3.36			
	12.04.2018	250000	0.30	Sold	2536441	3.06
	16.04.2018	186441	0.22	Sold	2350000	2.83
	26.04.2018	250000	0.30	Sold	2100000	2.53
	30.04.2018	200000	0.24	Sold	1900000	2.29
	03.05.2018	250000	0.30	Sold	1650000	1.99
	07.05.2018	400000	0.48	Sold	1250000	1.51
	10.05.2018	100000	0.12	Sold	1150000	1.39
	16.05.2018	250000	0.30	Sold	900000	1.09
	07.06.2018	400000	0.48	Sold	500000	0.60
	08.06.2018	400000	0.48	Sold	100000	0.12
	21.08.2018	25000	0.02	Bonus	125000	0.12
	At the end of the year				125000	0.12
9	Somani Overseas Private Limited					
	At the beginning of the year	10436928	12.59			
	09.04.2018	410000	0.49	Sold	10026928	12.09
	12.04.2018	300000	0.36	Sold	9726928	11.73
	16.04.2018	226928	0.27	Sold	9500000	11.46
	26.04.2018	250000	0.30	Sold	9250000	11.16
	30.04.2018	257000	0.31	Sold	8993000	10.85
	03.05.2018	250000	0.30	Sold	8743000	10.54
	07.05.2018	400000	0.48	Sold	8343000	10.06
	10.05.2018	410000	0.49	Sold	7933000	9.57
	16.05.2018	350000	0.42	Sold	7583000	9.15
	06.06.2018	350000	0.42	Sold	7233000	8.72

	07.06.2018	400000	0.48	Sold	6833000	8.24
	08.06.2018	400000	0.48	Sold	6433000	7.76
	19.07.2018	525000	0.63	Bought	6958000	8.39
	17.08.2018	29000	0.03	Bought	6987000	6.74
	21.08.2018	1739500	1.68	Bonus	8726500	8.42
	29.08.2018	142532	0.14	Bought	8869032	8.56
	14.09.2018	60000	0.06	Bought	8929032	8.62
	17.09.2018	99793	0.10	Bought	9028825	8.71
	18.09.2018	100000	0.10	Bought	9128825	8.81
	27.09.2018	125000	0.12	Bought	9253825	8.93
	08.10.2018	125000	0.12	Bought	9378825	9.05
	15.10.2018	200000	0.19	Bought	9578825	9.24
	25.10.2018	10030	0.01	Bought	9588855	9.25
	27.11.2018	700000	0.68	Bought	10288855	9.93
	At the end of the year				10288855	9.93
10	Siddhipriya Poly Fab Pvt. Ltd. (Formerly know as Sumeet Menthol Pvt Ltd)					
	At the beginning of the year	3390000	4.09			
	12.04.2018	250000	0.30	Sold	3140000	3.79
	16.04.2018	240000	0.29	Sold	2900000	3.50
	26.04.2018	250000	0.30	Sold	2650000	3.20
	30.04.2018	200000	0.24	Sold	2450000	2.95
	03.05.2018	250000	0.30	Sold	2200000	2.65
	07.05.2018	400000	0.48	Sold	1800000	2.17
	10.05.2018	350000	0.42	Sold	1450000	1.75
	16.05.2018	300000	0.36	Sold	1150000	1.39
	06.06.2018	150000	0.18	Sold	1000000	1.21
	07.06.2018	400000	0.48	Sold	600000	0.72
	08.06.2018	400000	0.48	Sold	200000	0.24
	21.08.2018	50000	0.05	Bonus	250000	0.24
	At the end of the year				250000	0.24
11	National Poly Yarn Pvt Ltd					
	At the beginning of the year	1595171	1.92			
	12.04.2018	200000	0.24	Sold	1395171	1.68
	16.04.2018	155171	0.19	Sold	1240000	1.50
	26.04.2018	250000	0.30	Sold	990000	1.19
	30.04.2018	200000	0.24	Sold	790000	0.95
	03.05.2018	250000	0.30	Sold	540000	0.65
	07.05.2018	300000	0.36	Sold	240000	0.29
	10.05.2018	240000	0.29	Sold	0	0.00
	At the end of the year				0	0.00
12	Betex India Limited					
	At the beginning of the year	584000	0.70			
	28.03.2018	410000	0.49	Sold	174000	0.21
	09.04.2018	174000	0.21	Sold	0	0.00
	At the end of the year				0	0.00

13	Rajkumar Sitaram Somani					
	At the beginning of the year	360000	0.43			
	28.03.2018	360000	0.43	Sold	0	0.00
	At the end of the year				0	0.00
14	Ambaji Syntex Pvt Ltd					
	At the beginning of the year	0	0.00			
	At the end of the year				0	0.00
15	Rakesh Rajkumar Somani					
	At the beginning of the year	0	0.00			
	At the end of the year				0	0.00
16	Ritesh Rajkumar Somani					
	At the beginning of the year	0	0.00			
	At the end of the year				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):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jagdish Chander Kataria				
	At the beginning of the year	7300	0.01		
	Bought during the year	2727303	2.63	2734603	2.64
	Sold during the year	128369	0.12	2606234	2.51
	At the end of the year			2606234	2.51
2	Bhumika Consultancy Private Limited				
	At the beginning of the year	4700	0.01		
	Bought during the year	10291936	9.93	10296636	9.93
	Sold during the year	8014126	7.73	2282510	2.20
	At the end of the year			2282510	2.20
3	P V Rajendra Kumar Reddy				
	At the beginning of the year	243000	0.29		
	Bought during the year	932500	0.90	1175500	1.13
	Sold during the year	141750	0.14	1033750	1.00
	At the end of the year			1033750	1.00
4	Arihant Capital Markets Limited				
	At the beginning of the year	979631	1.18		
	Bought during the year	511175	0.49	1490806	1.44
	Sold during the year	1488146	1.44	2660	0.00
	At the end of the year			2660	0.00
5	Pallas Fincap Private Limited				
	At the beginning of the year	0	0.00		
	Bought during the year	897867	0.87	897867	0.87
	Sold during the year	0	0.00	897867	0.87
	At the end of the year			897867	0.87

6	R K Stockholding Private Ltd				
	At the beginning of the year	1489443	1.80		
	Bought during the year	593963	0.57	2083406	2.01
	Sold during the year	2081801	2.01	1605	0.00
	At the end of the year			1605	0.00
7	Chirag Narendra Modh				
	At the beginning of the year	0	0.00		
	Bought during the year	845039	0.82	845039	0.82
	Sold during the year	13000	0.01	832039	0.80
	At the end of the year			832039	0.80
8	Pragya Securities Pvt.Ltd.				
	At the beginning of the year	824587	0.99		
	Bought during the year	850039	0.82	1674626	1.62
	Sold during the year	1669301	1.61	5325	0.01
	At the end of the year			5325	0.01
9	Motilal Oswal Financial Services Ltd				
	At the beginning of the year	1016183	1.23		
	Bought during the year	2167470	2.09	3183653	3.07
	Sold during the year	2384892	2.30	798761	0.77
	At the end of the year			798761	0.77
10	Karvy Stock Broking Limited				
	At the beginning of the year	450862	0.54		
	Bought during the year	937797	0.90	1388659	1.34
	Sold during the year	783441	0.76	605218	0.58
	At the end of the year			605218	0.58

ANNEXURE – G

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

(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Directors/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Shankarlal Sitaram Somani - Chairman				
At the beginning of the year	3809919	4.60		
Bought during the year/Bonus	952479	0.92	4762398	4.60
Sold during the year	0	0.00	4762398	4.60
At the end of the year			4762398	4.60
Sumeet Shankarlal Somani - MD				
At the beginning of the year	1965070	2.37		
Bought during the year/Bonus	491267	0.47	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 2018-19	
• Mr. Dinesh Sharan Khare - Director	• Ms.Zeel Sureshkumar Modi - Director
• Mr. Atma Ram Sarda - Director	• Mr. Abhishek Prasad - KMP
• Mr. Manoj Kumar Jain - Director	• Mr. Anil Kumar Jain - KMP

ANNEXURE – H

V. INDEBTEDNESS

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

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	38547.43	3804.94	4.48	42356.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	199.45	-	-	199.45
Total (i+ii+iii)	38746.88	3804.94	4.48	42556.30
Change in Indebtedness during the financial year				
· Addition	12114.82	-	-	12114.82
· Reduction	-1638.92	-194.81	-1.58	-1835.33
Net Change	10475.90	-194.81	-1.58	10279.52
Indebtedness at the end of the financial year				
i) Principal Amount	49222.78	3610.13	2.90	52835.81
ii) Interest due but not paid	-754.39	-	-	-754.39
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	48468.39	3610.13	2.90	52081.43

ANNEXURE – I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lacs)

Sl. no.	Particulars of Remuneration	Name of Managing Director/ Manager/ WTD	
		Shankarlal Somani Somani	Sumeet Kumar Somani
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.00	-
	(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)	18.00	-
	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 MANAGERIALSONNEL

B. Remuneration to other directors :

(Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Atmaram Sarda	Dinesh Sharan Khare	Manoj Jain	Zeel Modi**	Dipesh* Dasadia	Abhishek Desai*	Gangadevi Somani*	
1	Non-Executive Directors								
	Fee for attending Board committee meetings	-	6.64	-	-	-	-	-	6.64
	Commission	-	-	-	-	-	-	-	-
	Sitting Fees	3.60	3.60	1.80	0.30	0.90	0.90	2.40	13.50
	Professional fees	7.10	-	-	-	-	-		7.10
	Total :	**10.70**	**10.24**	**1.80**	**0.30**	**0.90**	**0.90**	**2.40**	**27.24**
2	Total Managerial Remuneration	-	-	-	-	-	-	-	-
3	Ceiling as per the Act @1% of profit calculated u/s. 198 of the Companies Act, 2013	-	-	-	-		-	-	-

* Mr. Dipesh Dasadia has resigned as Independent Director of the company w.e.f. November 19, 2018.

* Mr. Abhishek Desai has resigned as Independent Director of the company w.e.f. November 03 , 2018.

* Mrs. Gangadevi Somani has resigned as Non-Executive Director of the company w.e.f. November 30, 2018.

** Ms. Zeel Modi has been appointed as an Independent Director of the company w.e.f. November 30, 2018.

ANNEXURE – K

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. In Lacs)

Sl. no	Particulars of Remuneration	Key Managerial Personnel		Total
		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	10.83	8.77	19.60
	(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	10.83	8.77	19.60

ANNEXURE – L

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

A. Company

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compunding fees imposed	authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
Penalty	-	The SEBI has 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 issued show cause notice under Section 11(4)(d) read with Section 11 B of the SEBI Act , 1992 for disgorgement of unlawful gain by its Director on dated 05.04.2018	Shankarlal Somani Rs. 41,61,420/-	SEBI	Matter is under sub-judice
Compounding	-	-	-	-	-

C. OTHER OFFICERS IN DEFAULT

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

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-6 (i)

Nomination & Remuneration and Evaluation Policy (Framed under 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 under the Listing Agreement.

1. PREAMBLE

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

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

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

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

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

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

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

2. OBJECTIVES

2.1 The objectives of the Policy are as follows:

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

2.1.2To 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 consisting of minimum four members out of that there will be minimum three non-executive directors and majority of them being independent.

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

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

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

CHAIRMAN

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

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

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

COMMITTEE MEMBERS' INTERESTS

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

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

VOTING

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

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

The Committee shall :-

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

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

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

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

6. PROCEDURE FOR SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

6.1 Board membership criteria:

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

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

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

7. 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 : 5th August 2019

ANNEXURE – 6 (ii)

BOARD DIVERSITY POLICY

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

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

PURPOSE

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

SCOPE OF APPLICATION

The Policy applies to the Board.

POLICY STATEMENT

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

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

These diversities will be considered in determining the optimum composition of the Board and when and wherever possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

OPTIMUM COMPOSITION

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

(b) At least half of the Board should comprise of independent directors (where the chairman of the Board is executive or promoter) or at least one-third of the Board consisting of independent directors (where the chairman of the Board is non-executive). In any case, the Company should strive to ensure that the number of independent directors do not fall below 3(three) so as to enable the board to function smoothly and effectively.

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

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

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

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

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

REVIEW OF THE POLICY

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

On behalf of the Board of Directors

Sd/-
Shankarlal Somani
Chairman

Place : Surat
Date : 5th August 2019

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 Directors on its Board consisting of 2 Executive and 4 Non- Executive. None of the directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees, across all the Companies in which they are directors.

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

Name of Directors & DIN No.	Category of the Director	Attendance of Board Meeting	Attendance of Last AGM	No. of other Directorships/ Committee Memberships/ Chairmanships*		
				O.D.	C.M.	C.C.
Mr. Shankarlal Somani DIN : 00165238	Executive Director	12	Yes	4	-	-
Mr. Sumeet Kumar Somani DIN : 00318156	Executive Director	12	Yes	9	2	-
Mr. Dinesh Sharan Khare DIN : 00383743	Non-Executive & Independent Director	12	Yes	-	-	3
Mr. Atmaram R Sarda DIN : 06713264	Non-Executive Director	12	Yes	-	1	-
Mr. Manojkumar Jain DIN : 03546851	Non-Executive & Independent Director	6	Yes	1	3	-

Ms. Zeel S Modi $ DIN: 08290608	Non-Executive & Independent Director	1	No	-	-	-
Mrs. Gangadevi Somani # DIN : 06913790	Non-Executive Director	8	Yes	-	-	-
Mr. Dipesh Dasadia # DIN : 01048684	Non-Executive & Independent Director	3	No	-	-	-
Mr. Abhishek B. Desai # DIN : 07790468	Non-Executive & Independent Director	3	Yes	-	-	-

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

Mr. Abhishek B. Desai, Mr. Dipesh Dasadia, Mrs. Gangadevi Somani has resigned from the Board w.e.f. 03/11/2018, 19/11/2018 and 30/11/2018 respectively, due to their other commitments and personal reasons.

$ Ms. Zeel S. Modi has been appointed as Non- Executive Independent Director of the company w.e.f. 30/11/2018.

As on 31st March, 2019, out of 6 Directors, 2 Directors are related Directors viz : Mr. Shankarlal Somani, Mr. Sumeet Shankarlal Somani are related to each other.

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

INFORMATION GIVEN TO THE BOARD

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

INDEPENDENT DIRECTORS

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

TRAINING OF INDEPENDENT DIRECTORS

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

PERFORMANCE EVALUATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

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

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

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

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors are required to meet at least once in every financial year without the presence of Executive Directors or management personnel. Independent Directors meeting conducted on dated 11th February, 2019 . Independent Directors discussed on matters pertaining to the Company's affairs and proposed various suggestions for improving the performance of the Company.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

Purpose

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

Overview of the Familiarisation process

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

CODE OF CONDUCT

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

NO. OF BOARD MEETINGS HELD AND DATES

During the Financial Year 2018-19, the Board meeting has been held for 12 times.

The Dates of the Board Meetings are :

01.	03.04.2018	05.	07.08.2018	10.	30.11.2018
02.	01.05.2018	06.	13.08.2018	11.	13.02.2019
03.	22.06.2018	07.	11.09.2018	11.	18.02.2019
04.	30.06.2018	08.	15.11.2018	12.	26.02.2019

3. COMMITTEES OF THE BOARD

I) AUDIT COMMITTEE

The Audit Committee was re-constituted by the Board on 30/11/2018. The Audit committee now comprises of three members viz; Mr. Dinesh Sharan Khare, Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, consisting of 1 Executive Director and 2 Non-Executive and Independent Directors. Mr. Dinesh Sharan Khare is the Chairman of the Audit Committee. The constitution of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Committee members have requisite experience in the fields of Finance & Accounts and Banking & Management. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the Audit Committee.

During the financial year Audit Committee meetings were held on 2nd April 2018, 20th June 2018, 10th August 2018, 13th November 2018, 10th December 2018, 22nd January 2019, 14th February 2019 and 8th March 2019. Composition of Audit Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Dinesh Sharan Khare	Chairman	Non-Executive	8	8
02.	Mr. Sumeet Shankarlal Somani	Member	Executive	8	8
03.	Mr. Manojkumar G Jain*	Member	Non-Executive	8	4
04.	Mr. Dipesh Dasadia *	Member	Non-Executive	8	4
05.	Mr. Abhishek B. Desai *	Member	Non-Executive	8	3

* Mr. Manojkumar Ganeshmal Jain has been inducted as members of this Committee in place of Mr. Dipesh Dasadia and Mr. Abhishek B. Desai at the time of reconstitution by the Board on dated 30/11/2018.

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

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

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

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

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

II) NOMINATION AND REMUNERATION COMMITTEE

A) Composition

The Nomination and Remuneration Committee was re-constituted by the Board on 30/11/2018. The Nomination and Remuneration Committee now comprises of three members viz; Mr. Dinesh Sharan Khare, Mr. Atma Ram Sarda, Mr. Manojkumar Ganeshmal Jain, consisting of 3 Non-Executive Directors. Mr. Dinesh Sharan Khare is the Chairman of the Nomination and Remuneration Committee. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the Nomination and Remuneration Committee.

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

B) Meetings and attendance during the year

During the financial year two meeting of Nomination and Remuneration Committee were held on 2nd April 2018, 29th November 2018. Composition of Nomination and Remuneration Committee and number of meeting held and number of meetings attended by the members during the year are given below:

Sr. No.	Name of Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Dinesh Sharan Khare	Chairman	Non-Executive	2	2
02.	Mr. Atma Ram Sarda	Member	Non-Executive	2	2
03	Mr. Manojkumar G Jain *	Member	Non-Executive	2	-
04.	Mr. Dipesh Dasadia *	Member	Non-Executive	2	2
05.	Mr. Abhishek B. Desai *	Member	Non-Executive	2	1

* Mr. Manojkumar Ganeshmal Jain has been inducted as members of this Committee in place of Mr. Dipesh Dasadia and Mr. Abhishek B. Desai at the time of reconstitution by the Board on dated 30/11/2018.

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 2018-19

The following are the details of remuneration paid to the Executive Director for the financial year 2018-19.

Sr. No.	Name of the Director	Salary (Rs.)	Commission (Rs.)	Perquisites Rs.
01.	Mr. Shankarlal Sitaram Somani	18,00,000.00	-	-

E) Details of Remuneration of Non-Executive Directors for the Financial Year 2018-19

The following are the details of remuneration paid to Non-Executive Director for the financial year 2018-19.

Sr. No.	Name of Non-Executive (Director)	Sitting Fees/Committee Sitting Fees (In Rupees)	Professional Fees (In Rupees)
1.	Mr. Atma Ram Sarda	3,60,000.00	7,10,316.00
2.	Mr. Dinesh Sharan Khare	10,24,257.00	-
3.	Mrs. Gangadevi Shankarlal Somani	2,40,000.00	-
6.	Mr. Dipesh Dasadia	90,000.00	-
7.	Mr. Abhishek Desai	90,000.00	-
8.	Mr. Manoj G Jain	1,80,000.00	-

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

F) Terms of reference

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

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

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

iii) Devising a policy of Board diversity Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

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

v) To review HR Polices and initiatives.

vi) To review and recommend annual increments for employees of the company.

III) STAKEHOLDERS RELATIONSHIP COMMITTEE

A) Composition

The Stakeholders Relationship Committee was re-constituted by the Board on 30/11/2018. The Stakeholders Relationship Committee now comprises of three members viz; Mr. Dinesh Sharan Khare, Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Dinesh Sharan Khare is the Chairman of the Stakeholders Relationship Committee. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the Stakeholders Relationship Committee.

B) Terms of Reference

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

C) Meetings and Attendance during the year

During the financial year Thirty Four meetings of Stakeholders Relationship Committee were held on 13.04.2018, 27.04.2018, 04.05.2018, 18.05.2018, 01.06.2018, 15.06.2018, 22.06.2018, 29.06.2018, 06.07.2018, 13.07.2018, 16.07.2018, 20.07.2018, 27.07.2018, 03.08.2018, 10.08.2018, 17.08.2018, 14.09.2018, 21.09.2018, 05.10.2018, 12.10.2018, 19.10.2018, 02.11.2018, 30.11.2018, 07.12.2018, 14.12.2018, 21.12.2018, 28.12.2018, 11.01.2019, 25.01.2019, 08.02.2019, 15.02.2019, 01.03.2019, 08.03.2019, 22.03.2019.

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

Sr. No.	Name of Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Dinesh Sharan Khare	Chairman	Non-Executive	34	34
02.	Mr. Sumeet Shankarlal Somani	Member	Executive	34	34
03.	Mr. Manojkumar G Jain *	Member	Non-Executive	34	12
03.	Mr. Dipesh Dasadia *	Member	Non-Executive	34	22
04.	Mr. Abhishek B. Desai *	Member	Non-Executive	34	22

* Mr. Manojkumar Ganeshmal Jain has been inducted as members of this Committee in place of Mr. Dipesh Dasadia and Mr. Abhishek B. Desai at the time of reconstitution by the Board on dated 30/11/2018.

D) Compliant Status

Number of complaints/requests received from the shareholders during the financial year 2018-19 and the number of pending complaints is given below :

Compliant received during the year 2018-2019	43
Complaint pending as on 31/03/2019	NIL
Number of pending shares transfer as on 31/03/2019	NIL

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

IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

A Composition

The Corporate Social Responsibility Committee (CSR Committee) was re-constituted by the Board on 30/11/2018. The CSR Committee now comprises of three members viz; Mr. Sumeet Shankarlal Somani, Mr. Manojkumar Ganeshmal Jain, Mr. Atma Ram Sarda, consisting of 1 Executive Director and 2 Non-Executive Directors. Mr. Sumeet Shankarlal Somani is the Chairman of the CSR Committee. Mr. Anil Kumar Jain, Company Secretary of the company is the Secretary of the CSR Committee.

B) Terms of Reference

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

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

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

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

iv) To prepare a transparent monitoring mechanism for ensuring implementation of the project/ 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 04.06.2018 and 05.02.2019. The number of meetings held and number of meetings attended by the members during the year are as given below :-

Sr. No.	Name of Director	Status in Committee	Category	No. of Meetings	
				Held	Attended
01.	Mr. Sumeet Kumar Somani	Chairman	Executive	2	2
02.	Mr. Manojkumar G Jain *	Member	Non-Executive	2	1
03.	Mr. Atma Ram Sarda *	Member	Non-Executive	2	1
04.	Mrs. Gangadevi Somani *	Member	Non-Executive	2	1
05.	Mr. Dinesh Sharan Khare *	Member	Non-Executive	2	1

* Mr. Manojkumar Ganeshmal Jain and Mr. Atma Ram Sarda has been inducted as members of this Committee in place of Mrs. Gangadevi Somani and Mr. Dinesh Sharan Khare at the time of reconstitution by the Board on dated 30/11/2018.

4. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

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

5. GENERAL INFORMATION TO THE SHAREHOLDERS

I) GENERAL BODY MEETING

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

Sr. No.	AGM Date	Location	Time
1.	30/09/2018	Shree Maheshwari Bhavan, First Floor Hall, Near Science Centre, City Light, Surat	10:00 A.M.
2.	30/09/2017	Conference Hall, Bombay Market, Umarwada, Surat	10:00 A.M.
3.	30/09/2016	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 2017-18

1) Raising of Funds

YEAR 2015-16

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

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

IV) SHAREHOLDING AS ON 31ST MARCH, 2019

A) DISTRIBUTION OF SHAREHOLDING (IN SHARES) AS ON 31ST MARCH, 2019

Distribution Range			No. of Shareholders	% of Total	No. of Shares	% of Total
1	To	500	26560	62.1199	5036171	4.8592
501	To	1000	5444	12.7327	3972980	3.8334
1001	To	2000	4835	11.3084	6799103	6.5602
2001	To	3000	1807	4.2263	4486754	4.3291
3001	To	4000	995	2.3272	3497023	3.3741
4001	To	5000	601	1.4057	2801525	2.7031
5001	To	10000	1288	3.0124	9178370	8.8558
10001	To	9999999999	1226	2.8674	67870463	65.4852
TOTAL == >			**42756**		**103642389**	**100.0000**

B) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

Category	No. of Shares Held	% of Shareholding
Promoters & Promoter Group	21721689	20.96
Corporate Bodies	9159928	8.84
Clearing Member	518906	0.50
Non Resident Indians (NRI'S)	2006675	1.94
Indian Public & Others	70235191	67.77
TOTAL	**103642389**	**100.00**

V) MARKET PRICE DATA

Month wise High, Low price and volume data for the F.Y. 2018-19 at BSE & NSE are as under :

Month	BSE			NSE		
	High	Low	Total Volume	High	Low	Total Volume
Apr-18	20.00	14.00	7679358	20.00	13.90	58573357
May-18	16.50	13.20	1576221	16.45	13.20	13873372
Jun-18	20.62	12.40	5414684	20.60	12.35	36931674
Jul-18	15.65	10.43	1842333	15.70	10.45	19112696
Aug-18	15.60	9.80	1385905	15.80	9.85	4464501
Sep-18	11.19	6.69	1257137	10.80	6.70	3171617
Oct-18	6.80	4.55	1296184	6.90	4.55	6557682
Nov-18	4.94	4.35	1616073	4.90	4.25	7963722
Dec-18	4.71	3.46	1441441	4.60	3.45	6035522
Jan-19	4.20	3.53	2868702	4.25	3.55	3165165
Feb-19	3.99	3.10	255276	3.95	3.10	1925995
Mar-19	4.94	3.62	798414	4.95	3.60	4264996

VI) ANNUAL GENERAL MEETING (TENTATIVE)

Date : 30/09/2019, Monday

Time : 10:00 A.M.

Venue : Agrasen Bhavan, Shyam Kunj Hall, City Light, Surat-395007

VII) FINANCIAL CALENDAR (TENTATIVE)

Annual General Meeting	:	September, 2019
Results for quarter ending June 30, 2019	:	on or before 14th August, 2019
Results for quarter ending Sept 30, 2019	:	on or before 14th November, 2019
Results for quarter ending Dec 31, 2019	:	on or before 14th February, 2020
Results for quarter ending March 31, 2020	:	on or before 30th May, 2020

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 National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shares of the company are compulsorily to be delivered in the demat form on Stock Exchange by all investors. As on 31st March, 2019 about 97.69% of the issued capital have already been dematerialized. Shares of the company are listed at 'BSE Limited' & 'National Stock Exchange of India Limited' and being trading regularly. Demat ISIN number of the Equity Share of the Company is INE235C01010.

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

X) BANK MANDATE FOR DIVIDEND:

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

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

XII) BOOK CLOSURE:-

The books will be closed from Monday, 23rd September 2019 to Monday, 30th September, 2019 (both days inclusive) as annual closure for the purpose of Annual General Meeting.

XIII) DIVIDEND DATE: - NIL

XIV) LISTING:-

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

STOCK CODES :

BSE : 514211

NSE : SUMEETINDS

ISIN No. : INE235C01010

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

XV) BUILD UP OF EQUITY SHARE CAPITAL

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

Date of Allotment	Reason for Allotment	No. of Equity Shares Issued	Face Value (Rs.)	Cumulative Share	Cumulative paid-up Capital (Rs.)
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) UNCLAIMED DIVIDED :

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

Financial year	Date of Declaration	Due Date for transfer to IEPF *
2011-12	28.09.2012	5th November, 2019

* Actual dates of transfer to IEPF may vary.

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

XVII) NOMINATION :

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

XVIII) NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS) :

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

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

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

XX) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

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

XXI) PLANT LOCATION :

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

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

XXII) REGISTERED OFFICE :

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

Phone : 0261- 2328902, Fax : 0261- 2334189

E-mail : corporate@sumeetindustries.com

XXIII) REGISTRARS AND SHARE TRANSFER AGENTS :

M/S. Bigshare Services Pvt. Ltd.

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

Mumbai 400059, Maharashtra

Ph. : (022) 62638200

Fax : (022) 62638299

XXIV) MEANS OF COMMUNICATION :

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

XXV) ADDRESS FOR CORRESPONDENCE:

Unit : Sumeet Industries Limited

Investor Correspondence : Bigshare Services Pvt. Ltd.

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

Mumbai 400059, Maharashtra

Ph. : 022 62638200

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

M/S. Bigshare Services Pvt. Ltd.

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

Mumbai 400059, Maharashtra

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

B) For 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:

M/s. Sumeet Industries Limited

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

Phone : 0261- 2328902, Fax : 0261- 2334189

E-mail : corporate@sumeetindustries.com

6. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

Reconciliation of Share Capital Audit Report of the company in terms of SEBI circular no. D & CC/ FITTC/ CIR-16/2002, reconciling the total shares held in both the depositories, viz NSDL and CDSL and in Physical form with the total issued/paid-up capital of the company 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. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

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

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

11. DECLARATION UNDER CODE OF CONDUCT

As required under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board members and senior management personnel have complied with code of conduct of the Company for the financial year ended on 31st March, 2019.

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

This is to certify that as provided under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2019.

On behalf of the Board of Directors

Sd/-
Sumeet Kumar Somani
Mg. Director

Place : Surat
Date : 30/05/2019

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Sumeet Industries Limited

I have examined the compliance of conditions of Corporate Governance by Sumeet Industries Limited ("the Company") for the year ended on 31 March 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. 055043

Place : Surat
Date : 02/08/2019

MANAGING DIRECTOR (MG) 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, 2019 and that to the best of our knowledge and belief, we state that:

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

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

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

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

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

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

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

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

For Sumeet Industries Limited

Sumeet Shankarlal Somani
Managing Director
(DIN : 00318156)

Abhishek Prasad
Chief Financial Officer

Place : Surat

Date : 30.05.2019

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

During FY 2018-19, both the Global as well as Domestic economy witnessed a lower than expected growth. The World Economic growth, after reaching its peak of 3.8% in 2017 lost pace in 2018 due to a confluence of diverse factors such as continuing trade tensions between China and USA, regulatory vehicle emission norms in Germany affecting demand, tighter monetary and financial conditions in developed world. During FY 2018-19, the domestic economy also witnessed moderation in growth rate and the GDP growth rate came down from 8.0% in Q1 to 6.6% in Q3, mainly due to lower growth registered by agricultural and manufacturing sector. The inflation during the year FY 2018-19 exhibited a falling trend aided by decline in food inflation and the CPI inflation came down rom 4.28% in March, 2018, to 2.86% in March, 2019.

Global economic growth is estimated at 3.6% in 2018 compared to 3.8% in 2017. The year started off strongly driven by economic acceleration gained in 2017, however weaker performance in some countries, notably Europe and Asia impacted growth in the second half. Factors like weakening financial market sentiment, trade policy uncertainties, credit policy tightening and concerns over China's outlook weighed down momentum.

International Monetary Fund's (IMF) recent World Economic Outlook (WEO) states that global economic activity slowed notably in the second half of last year, after strong growth in 2017 and early 2018, reflecting a confluence of factors affecting major economies.

GLOBAL GROWTH PATTERN

Year	2016	2017	2018	2019(P)	2020(P)
Real GDP Growth (%)	3.2	3.8	3.7	3.5	3.6

(Source : IMF, World economic outlook April, 2019)

INDIAN ECONOMY

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3% (Source: IMF).

Sustained real GDP growth of over 6% since FY91 has led to a fundamental transformation of India's economy. Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In PPP terms, the economy is expected to be among the top five global economies by 2020.

While the global economy is battling headwinds, India continues to be one of the fastest growing major economies in the world in FY 2018-19, driven by strong household spending and corporate fundamentals. Despite external vulnerabilities in the form of high oil prices, trade tensions between major global trading partners and the US monetary tightening, the Indian economy remained resilient. The World Bank estimated the Indian economy to grow by 7.2% in FY 2018-19.

INDIA'S GROWTH PATTERN

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Real GDP Growth (%)	7.3	7.6	7.1	7.2	7.0

Factors such as continued domestic consumption and investment trends have positioned India as the sixth largest economy and one of the fastest growing countries in the world. The growth in the domestic consumption demand is catalysed and strengthened by factors such as harmonised of Goods and Services Tax (GST) and recapitalised bank. Indian economy grew by 6.8% in 2018-19 as compared to that of 6.7% in 2017-18. Agriculture and manufacturing are the two key industry sectors that are expected to contribute to this growth graph. The Government of India under the make in India initiative , is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from current 17 percent.

Few factors shaping the nation's economic growth are:

- Increased ease of doing business through changed processes such as a uniform Goods and Services Tax across India since mid-2017 and relaxed norms of opening, obtaining licences and investing in new businesses.
- Policy reforms such as increased FDI limits in most sectors, including retail, manufacturing and telecom are driving increased participation of foreign investors and improved investment norms for non-resident Indians.
- Large-scale infrastructure development projects such as smart cities, industrial corridors, road, rail and shipping hubs, and power projects.
- The Central Government announced a further capital infusion of Rs. 70,000 Crores in public sector banks.
- Government announced Rs. 6.9 Lakhs Crores investment outlay to construct 83677 Kilometres of Road Network over five years. (source KPMG)
- As of August 2018, The Government has increased the basic custom duty to 20% from 10% on 501 textile products to boost make in India and indigenous production.

GLOBAL TEXTILE AND APPAREL INDUSTRY

Over the years, The global textile & apparel industry has been influenced by several disruptive changes that have shaped the textile landscape. The Textile and apparel industry has continued to evolve driven by changes in consumption patterns, sourcing and manufacturing trends, technology changes and overall market demand-supply dynamics.

The textile and apparel trade is predicted to grow at a CAGR of 3.7% during the period 2018-28. During this period, the increase in apparel trade is expected to be at a CAGR of 4.5% and textiles at a CAGR of 2.5%.

Demand for man-made fibre (MMF) textiles all over the world is increasing as a substitute for cotton amid changes in global fashion trends. Currently MMF dominates global textile fibre consumption with 72:28 ratio i.e., MMF 72% and 28% is Natural fibre. The share of MMF has been steadily increasing due to the inherent limitations of growth of cotton and other natural fibres. (Report : Indian Manmade Fibre Textile Industry;2018-19)

According to the Textiles Intelligence Report on Forecasts of Regional and Global end-use, demand for man-made fibres is projected to increase by 3.4% in 2017 whereas end-use demand for cotton is projected to increase by only 0.5%. As a result of these trends, the share of man-made fibres in global end-use demand will grow from 72.5% to 73.0% but the share of cotton will fall to 25.7% of which most of the overall growth will take place in developing countries and most of this growth will be in Asia. (Report : Indian Manmade Fibre Textile Industry ; 2018-19)

DOMESTIC INDUSTRY SCENARIO

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

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

INDIAN TEXTILE INDUSTRY

India remains the second largest producer of manmade fibre (MMF) and filaments globally after China. The country's MMF industry has been wading through a lean phase for the last few financial years. In the last couple of years, the industry witnessed softened demand due to rise in imports, greater competition from cotton yarn, fall in realisations and short-term loss of production owing to demonetisation (Source: CARE Ratings Report). At Sumeet Industries, we are reviewing these developments with a critical eye to capitalise on the upcoming opportunities and scrutinise the challenges to our growth.

Indian textiles and apparel exports were estimated at $39 billion and is expected to grow at a CAGR of 7.5% over the next decade to reach $76 billion by 2028. The fundamental strength of India's textile industry is its strong production base with a wide range of fibres and yarns that include natural fibres like cotton, jute, silk and wool; and synthetic and manmade fibres such as polyester, viscose, nylon and acrylic.

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$ 3.09 Billion during April 2000 to December 2018. Some of the major investments in the Indian textiles industry are as follows:

- In May 2018, textiles sector recorded investments worth Rs. 27,000 Crore (US$ 4.19 Billion) since June 2017.
- The Government of India announced a Special Package to boost exports by US$ 31 Billion, create one crore job opportunities and attract investments worth Rs. 800.00 Billion (US$ 11.93 Billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs. 253.45 Billion (US$ 3.78 Billion) and exports worth Rs. 57.28 Billion (US$ 854.42 Million) (Source : IBEF)

INDIAN POLYESTER INDUSTRY

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

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

RAW MATERIAL SCANRIO

With volatility in oil prices, the prices of our raw materials-PTA and MEG-which are crude oil derivatives fluctuated, impacting our cost of production. This was primarily due to Brent crude's high prices that remained over $70 per barrel (on an average) throughout the year under review. This led to volatility in the prices of feedstock Paraxylene (PX), which resulted in volatility in the prices of PTA and MEG as well. The price of PX varied between US$ 963 pmt. to US$ 1328 pmt.

PURIFIED TEREPHTHALIC ACID (PTA)

The PTA price varied between US$ 779 pmt to US$ 1060 pmt. The price of PTA increased due to firming up of crude oil and feedstock PX prices, shutting down of inefficient PTA capacities in China and elsewhere, as well as good performance by downstream polyester industry. Tightening of the PTA market also resulted in increase in the average PTA-PX Delta to US$ 144 pmt from about US$ 89 pmt in the previous year. The demand supply situation of PTA in India is more or less balanced at present, but it may become tight, going forward, due to delay in restart of IOCL PTA plant, and commissioning of the JBF PTA project.

MONO ETHYLENE GLYCOL (MEG)

The MEG price varied between US$ 1012 pmt to US$ 616 pmt. The MEG-Ethylene Delta reduced to $ 165 pmt from $ 209 pmt in the previous year. Significant decrease in price of MEG as well as MEG-Ethylene Delta took place due to easing of the MEG market caused by higher inventory of MEG as well as speculative tendencies in China.

BUSINESS OVERVIEW

Sumeet Industries Limited have an integrated manufacturing facility at Karanj (Surat) from Melt to DTY. Our large product comprises of POY, FDY, Texturized Yarn, Micro Filament Yarn, Dope Dyed Yarn and Textile Grade chips (Pet Chips).

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

In the current year, the company have 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 has shown mixed performance during the year under review due to business re-engineering work undertaken in the previous year, diversification in product portfolio in value added products..

It has been able to restrain its position in the industry due to proactive planning, efficient use of resources, capitalizing on emerging opportunity and striving on cutting edge technology and remain guided by our corporate values while exploring avenues to drive profitable growth. We intend to continue our efforts, with a focus on the most strategic options to reinforce our products both in domestic and international markets.

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. 833.28 Lacs in the year 2018-19 as against Rs. 1070.82 Crore during the previous year. Decrease in sales was effected due to less production achieved during the year. During the year under review the company has produced 81889.565 Ton (Previous year 93529.48 Ton) and purchase and sale of stock –in- trade was also in comparison to previous year.

Other Income : Other income consisting receipt of Dividend**,** Discounts and Interest on Fixed Deposits & others. Other income for the year 2018-19 is amounting of Rs. 303.28 Lacs against Rs. 952.60 Lacs in the previous year.

Consumption of Raw material : Consumption of raw material was marginally increased from Rs. 71364.85 Lacs to Rs. 74176.14 Lacs due to increase in cost prices of raw materials. The prices of our basic raw materials mainly i.e. PTA and MEG are petroleum products and are closely linked with crude oil prices. Prices of Crude oil has increased steadily during the year under review.

Employee Cost : Employees cost were marginally decreased from Rs. 2236.87 Lacs to Rs. 2144.09 Lacs.

Interest Cost : Interest cost were increased from Rs. 4917.79 Lacs to Rs. 6191.22 Lacs being rate of interest affected due to falling in the NPA category of the company during the year.

During the year under review the company has written off stock amounting to Rs. 5136.56 Lakhs on account of obsolete stock and the same has been accounted for in showing Extra ordinary Items in the Profit & Loss Account.

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

ENERGY CONSERVATION

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

ENERGY COST

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

OPPORTUNITIES AND STRENGTH

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

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

THREAT, RISKS AND CONCERNS

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

a) RISK AGAINST FIRE, FLOOD AND ACCIDENTS

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

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

b) ECONOMIC RISK

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

Polyester has emerged as a fibre of the nation and is being extensively used in apparel, automotive, home furnishing, industrial textile and sportswear sectors. Burgeoning population, rapid urbanization, rising disposable income and growing middle-class population will drive the polyester demand in future. India is witnessing improving macroeconomic fundamentals–moderating inflation, stabilising currency and improving consumer demand.

c) COMPETITION RISK

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

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

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

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

d) STRATEGIC RISK

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

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

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

e) PRICE RISK

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

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

f) LIQUIDITY RISK

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

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

g) MARKET RISK

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

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

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

h) TECHNOLOGY RISK

Obsolescence of technology may affect the production process and technical support from original equipment manufacturers. The Company monitors such issues and makes investment in technology upgradation on regular basis to ensure 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.

WASTE MANAGEMENT

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

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

ENVIRONMENT, HEALTH & 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 2018-19.

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

HUMAN RESOURCES

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

a) RECRUITMENT POLICY

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

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

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

b) PERFORMANCE APPRAISAL SYSTEM

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

c) PERSONNEL TRAINING

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

d) LABOUR RELATIONS

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

STATUTORY COMPLIANCE

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

CORPORATE SOCIAL SERVICE

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

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

CAUTIONARY STATEMENT

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

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

Anil Kumar Jain
Company Secretary

Surat
5th August, 2019

INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF,
SUMEET INDUSTRIES LTD.

Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **SUMEET INDUSTRIES LTD.** ("The Company") which comprises the Balance Sheet as on **31st March 2019,** the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, 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, 2019**, and its **loss** (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

   Refer Note 7, 10 and 19 to the accompanying standalone financial statements:

   (a) A sum of credit of ₹ 2449.60 lakh lying in Buyer's credit ledger as on 31.03.2018. During the year, company has debited sum of ₹ 12298.59 lakh and credited sum of ₹ 844.64 lakh in this account. Closing Balance as on 31.03.2019 of ₹ 9004.35 lakh has been reduced from reserve and surplus a/c. As per the information and explanation given to us, it is a prior period exchange loss not recognized in books of accounts in previous years. However, the details has not been provided to us for the purpose of verification.

   (b) During the year, a sum of ₹ 2262.46 lakh has been credited to Purchase a/c of raw materials on account of slow moving items and debited to Reserve and surplus a/c. As a result of this the cost of material consumed is reduced by the said amount. As per explanation given to us, these are slow moving items.

   (c) During the year, company has written off stock amounting to ₹ 5136.56 lakh on account of obsolete stock and the same has been provided for as "Extraordinary item" in the Statement of Profit and Loss.

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

Auditor's Responsibility

9. 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.

10. 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.

11. 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.
12. 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.
13. 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

Without qualifying our opinion, we draw attention on certain matter stated in "**Annexure-A"** attached to this report, which are of such importance that it is fundamental/ relevant to user's understanding of the financial statement. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies(Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in the paragraph 3 & 4 of the order, to the extent applicable.
2) As required by section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
   e) On the basis of written representations received from the directors as on **31st March, 2019** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2019** from being appointed as a director in terms of Section 164(2) of the Act;
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure C"**.
   g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note No. 32 Contingent liabilities under "Notes Accompanying the Financial Statements" of the standalone Ind AS financial statements.
      ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

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

PLACE : SURAT
DATE : 30/05/2019

Annexure- A to our Main Audit Report: F.Y. 2018-19

1. Company has shown Claim Receivable of ₹ 4855.59 Lakh as Other Current Assets as on 31.03.2019, which is subject to our verification.
2. Company has shown Inland LC (Union Bank) of ₹ 1842.72 lakh and Inland LC (Canara Bank) of ₹ 1436.69 lakh under the head of "Current Borrowings" during the year. However, we have not been provided with any supporting documentary evidence regarding verification of the same.
3. As per information and explanations given to us, following bank accounts are in-operative. We are unable to verify the closing balance of following bank accounts as the bank statements have not been provided to us.

Sr. No.	Name of Bank	Balance as on dt.31.03.2019
1.	HDFC Bank Delhi	34382/-
2.	HDFC IEX Settlement A/C	NIL

4. Company has written off "Provision for Dividend and Distribution Tax" amounting to ₹ 9.97 lakh. As per explanation given to us, it is an excess provision of Dividend Distribution Tax [DDT] of prior year which is written off during the year.
5. Sum of ₹ 12.02 lakh has been written off on account of withholding tax payable. As explained to us, the company was not liable to pay withholding tax. Therefore, same has been credited to reserves and surplus account during the year.
6. As informed to us, the transactions with the MSME Parties were conducted as per trade practices and creditors had not claimed any interest on the payment made after due date as per MSME Act, 2006. Therefore, Company has not made provision for interest under MSME Act, 2006.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

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

PLACE : SURAT
DATE : 30/05/2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF SUMEET INDUSTRIES LTD, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

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

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

(c) The title deeds of immovable property are held in the name of the company.

ii. In our opinion, the inventories have been physically verified at reasonable intervals during the year by the management and following significant discrepancies was noticed on such verification.

(a) During the year, company has written off stock amounting to ₹ 5136.56 lakh on account of obsolete stock and the same has been provided for as "Extraordinary item" in the Statement of Profit and Loss. As a result of this the cost of material consumed has been reduced by the same amount.

(b) During the year, a sum of ₹ 2262.46 lakh has been credited to Purchase a/c of raw materials on account of slow moving items and debited to Reserve and surplus a/c. As a result of this the cost of material consumed is reduced by the said amount. As per explanation given to us, these are slow moving items.

iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence Clause iii (a), (b) and (c) is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Act, with respect to the loans and investment made.

v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit 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.

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, sales tax, service tax, duty of custom duty, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, sales tax, service tax, duty of custom, duty of excise and other material statutory due were in arrears as at **31/03/2019** for a period of more than six months from the date they became payable.

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:

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due Date
Income Tax Act	Income Tax Demand	A.Y.2016-17	7,87,39,870/-	31/03/2018
Income Tax Act	Income Tax Demand	A.Y.2017-18	9,51,77,090/-	31/03/2018

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

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

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

Name of Bank	Principal Amount	Installment Period Default
BOB Term Loan	6,20,00,000/-	12 Months
Canara Bank Term Loan [Texturising]	15,30,425/-	3 Months
Canara Bank Term Loan[Carpet]	2,10,294/-	3 Months
IDBI Corporate Loan	3,24,07,410/-	7 Months
Tourism Finance Corporation Ltd.	2,25,00,000/-	9 Months
Bremer Kredit Bank	30,73,75,481/- [39,57,327 EURO]	30 Months
ECB London Term Loan (BOB)	9,87,92,828/- [14,28,571 USD]	12 Months

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

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

xi. Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

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

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

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

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

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

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

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

PLACE : SURAT
DATE : 30/05/2019

AUDITORS REPORT- ANNEXURE C

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE SUMEET INDUSTRIES LTD.

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

We have audited the internal financial controls over financial reporting of **SUMEET INDUSTRIES LTD. ("The Company")** as on **March 31, 2019** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2019** based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

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

PLACE : SURAT
DATE : 30/05/2019

BALANCE SHEET AS AT 31ST MARCH, 2019

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

	Particulars	Note No.	31st March, 2019	31st March, 2018
I.	**ASSETS**			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	2	**30,974.58**	35,915.58
	(b) Capital Work in Progress		**-**	110.79
	(c) Investment Property		**-**	-
	(d) Goodwill		**-**	-
	(e) Other Intengible Aseets		**-**	-
	(f) Intengible Aseets under Development		**-**	-
	(g) Financial Assets			
	(i) Investments	3	**3,362.26**	3,247.86
	(ii) Trade Receivables	4	**1,359.19**	231.64
	(iii) Loans	5	**1,475.87**	1,555.11
	(iv) Other Financial Assets		**-**	-
	(h) Deferred Tax Assets		**-**	-
	(i) Other non current assets	6	**705.57**	322.54
(2)	**Current Assets**			
	(a) Inventories	7	**16,964.50**	22,841.69
	(b) Financial Assets			
	(i) Investments		**-**	-
	(ii) Trade Receivables	4	**8,733.12**	20,678.83
	(iii) Cash and Cash Equivalents	8	**1,118.00**	3,247.44
	(iv) loans		**-**	-
	(v) Other Financial Assets		**-**	-
	(c) Others Current Assets	6	**10,685.67**	6,927.36
	TOTAL ASSETS		**75,378.75**	**95,078.83**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity Share Capital	9	**10,364.24**	8,291.39
	Other Equity	10	**-2,943.36**	25,657.81
	Total Equity		**7,420.88**	**33,949.20**
(2)	**Liabilities**			
	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	**11,642.14**	13,011.32
	(ii) Trade Payable	12	**-**	32.83
	(iii) Other Financial Liabilities	13	**50.00**	7.09
	(b) Provisions			
	(c) Deferred Tax liabilities (Net)	14	**5,491.48**	6,231.42
	(d) Other non current liabilities	15	**184.74**	156.66
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	**36,759.08**	25,578.64
	(ii) Trade Payable	12	**7,480.09**	8,390.55
	(iii) Other Financial Liabilities	13	**4,434.59**	3,966.34
	(b) Other Current Liabilities	15	**637.72**	1,171.58
	(c) Provisions	16	**1,278.03**	2,583.20
	Total Liabilities		**67,957.87**	**61,129.63**
	TOTAL EQUITY AND LIABILITIES		**75,378.75**	**95,078.83**
	Significant Accounting Policies	1		
	Refer accompanying Notes to the Financial Statements			

As per our report of even date
FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS
CA. HARISHANKAR TOSNIWAL
PARTNER
M.NO. : 055043
PAN : AACFH 1890 B
FIRM REG. NO: 111032W
PLACE : SURAT
DATE : 30/05/2019

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

PROFIT & LOSS STATEMENT FOR YEAR ENDED ON 31ST MARCH, 2019

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

	Particulars	Note No.	31st March, 2019	31st March, 2018
I.	Revenue from Operations	17	**83,328.05**	107,081.71
II.	Other Incomes	18	**303.38**	952.60
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)		**83,631.43**	**108,034.31**
IV	Expenses:			
	Manufacturing Expenses			
	Cost of Materials Consumed	19	**74,176.14**	71,364.86
	Purchases of Stock-in-Trade		**1,449.82**	21,089.63
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	**175.00**	(311.82)
	Administrative & Selling Expenses			
	Employee Benefit Expenses	21	**2,144.09**	2,236.87
	Finance Costs	22	**6,191.22**	4,917.79
	Depreciation and Amortization Expense	23	**4,666.32**	5,259.57
	Other Expenses	24	**1,401.89**	4,174.97
	Total Expenses		**90,204.47**	**108,731.88**
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)		**(6,573.04)**	(697.57)
VI	Exceptional Items		**5,821.90**	-
VII	Profit before Extraordinary Items and Tax (V - VI)		**(12,394.94)**	(697.57)
VIII	Extra Ordinary Items		**-**	-
IX	**Profit before Tax**		**(697.57)**	5,484.89
X	Tax Expense:			
	(1) Current tax		**-**	785.20
	(2) Income Tax of Earlier Year		**-**	13.98
	(3) Deferred Tax		**(739.94)**	(1,171.89)
	(4) MAT credit		**-**	-
	Total		**(739.94)**	**(372.70)**
XI	Profit/ (Loss) for the period from Continuing Operations (VII - VIII-X)		**(11,655.00)**	**(324.87)**
XII	Profit/ (Loss) from discontinuing Operations		**-**	-
XIII	Tax expense of discountinued operation		**-**	-
XVI	Profit/ (Loss) from discontinuing Operations (after tax) (XII-XIII)		**-**	-
XV	**Profit/ (Loss) for the period (IX-XII)**		**(11,655.00)**	**(324.87)**
XVI	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit obligations		**(12.23)**	14.45
	Less : Income tax relating to above item		**3.81**	(4.46)
	Total		**(8.42)**	**9.99**

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

Particulars	Note No.	31st March, 2019	31st March, 2018
(b) Fair value of equity instruments through other comprehensive income		**(5.00)**	159.27
Less : Income tax relating to above item		**1.56**	(30.57)
Total		**(3.44)**	**128.70**
B (i) Items that will be reclassified to profit or loss		**-**	-
(ii) Income Tax relating to items that will be reclassified to profit or loss		**-**	-
Total Comprehensive Income for the period (XV + XVI)		**(11.86)**	138.69
Earning per equity share (for countinuing operation):			
(1) Basic		**-**	-
(2) Diluted		**-**	-

Refer accompanying Notes to the Financial Statements

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

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

PLACE : SURAT
DATE : 30/05/2019

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2019

(Rs. In Lacs)

	Particulars	F.Y. 2018-19		F.Y. 2017-18	
		Amount	Amount	Amount	Amount
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax and Extraordinary Items	**(12,406.80)**		(558.88)	
	Adjustment For:				
	Add:				
	Depreciation	**4,659.00**		5,252.25	
	Loss on sale of Asset	**88.32**		0.06	
	Loss on sale of Investment	**-**		8.00	
	Interest Paid	**4,786.67**		3,150.15	
		9,533.98		8,410.45	
	Less:				
	Fair Value on investment			159.27	
	Interest Income	**302.60**		458.69	
	Profit on sale of Investment	**-**		-	
	Dividend Income	**0.05**		0.03	
		302.65		617.99	
			9,231.33		7,792.46
	Operating Profit before Working Capital Changes				
	Trade Receivables	**(4,079.26)**		(5,210.39)	
	Other asset	**(4,141.34)**		(522.23)	
	Inventories	**5,877.19**		(1,381.16)	
	Trade Payables	**(931.28)**		2,298.56	
	Other Financial Liability	**511.16**		(1,658.81)	
	Other Liabilities	**(505.80)**		(340.65)	
	Provision	**(1,295.20)**		35.04	
			(4,564.52)		(6,779.64)
	Tax Paid		**(13.98)**		13.98
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**(7,726.01)**		439.96
B	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Fixed Assets & Work in Progress				
	Sale of Fixed Assets	**283.76**		1.06	
	Purchase of Fixed Assets	**20.72**		(150.59)	
	Increase/(Decrease) in Fixed Asset due to Exchange Difference	**-**		(818.09)	
	Increase in Capital Work in progress	**-**		(110.18)	
	Investments				
	Purchase of Investments	**(114.40)**		(148.29)	
	Sale of Investments	**-**		94.23	
	Dividend received	**0.05**		0.03	
	Interest Income	**302.60**		458.69	

(Rs. In Lacs)

	Particulars	F.Y. 2018-19		F.Y. 2017-18	
		Amount	Amount	Amount	Amount
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**492.73**		(673.13)
C	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Equity Share Capital raised	**-**		2,487.42	
	Security premium received	**-**		3,482.38	
	Increase / Decrease in Borrowings	**9,811.26**		(3,355.93)	
	Increase / Decrease in Loans & Advances	**79.23**		349.48	
	Interest Paid	**(4,786.67)**		(3,150.15)	
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)		**5,103.84**		(186.80)
	Net Increase in Cash & Cash equivalents		**(2,129.44)**		**(419.97)**
D	Cash and Cash equivalents as on 01-04-2018		**3,247.44**		3,667.42
E	Cash and Cash equivalents as on 31-03-2019		**1,118.00**		3,247.45
			(2,129.44)		**(419.97)**

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

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

PLACE : SURAT
DATE : 30/05/2019

For and on behalf of Board of Directors
Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 1: Company Overview, Basis of Preparation And Significant Accounting Policies

I) THE COMPANY OVERVIEW:

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

II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

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

(iii) Current and non-current classification

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

(iv) Rounding of amounts

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

(v) Use of estimates and judgment

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

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

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

III) SIGNIFICANT ACCOUNTING POLICIES

(A) Inventories: [Ind AS 2]

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

Cost comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(B) Cashflow statement [Ind AS 7]

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

(C) Income Tax (Ind AS 12)

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

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

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

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

Tax expense/(credit) recognized in the Statement of Profit and Loss for the year ended 31.03.2019:

Sr. No.	Description	Amount (In ₹)	Amount (In ₹)
1.	Difference in closing Balance of Depreciations		
	Depreciation as Per Companies Act	46,58,99,739	
	Depreciation as per Income Tax Act	22,87,38,226	
		23,71,61,513	
	Deferred Tax Assets/(Liability) At 31.2 % On ₹23,71,61,513		7,39,94,392
			7,39,94,392

Sr. No.	Particulars	Amount (In ₹)
1.	Opening Balance of DTA / (DTL)	(62,31,41,728)
2.	Deferred Tax Assets / (Liabilities) of the period	7,39,94,392
3.	Closing Balance of DTA / (DTL)	(54,91,47,336)

(D) Employee Benefits: [Ind AS 15]

Short-term obligations

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

Post-employment obligations

The Company operates the following postemployment schemes:

(a) defined benefit plans such as gratuity and pension; and

(b) defined contribution plans such as provident fund etc.

Defined Benefit Plans

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

Defined contribution plans

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

Other Employee Benefits

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

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

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

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

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

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual values

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

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

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

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

(F) Foreign Currency: [Ind AS 19]

Functional and presentation currency

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

Foreign currency transactions

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.
- At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.
- Exchange difference arising on settlement of monetary items or reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.
- **Para D13AA of Appendix D of Ind AS 101:**

  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.

(G) Government Grants: [Ind AS 20]

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

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

(H) Related parties [Ind AS 24]

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

Parties where control exists:

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

b) 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	360000/-	81608/-	-
			Legal & Professional Fees	710316/-		
2	D.S. Khare	Independent Director	Director Sitting Fees	360000/-	78097/-	-
			Committee Fees	664257/-		
3	Somani Overseas Pvt. Ltd.	Director's Son is Director	PTA Purchase	60831350/-	55350796/-	-
			Polyester Chips Purchase	100597950/-		
			Financial Transaction	24478602/-		
4	Betex India Ltd.	Director's Brother is Director	Loan Repayment Received	13997643/-	-	6399821/-
			Interest Received	610018/-		
5	Sumit Global PTE Ltd.	Fully Owned Subsidiary Company	MEG Purchase	143347522/-	70973084/-	-
			PTA Purchase	29851200/-	16043960/-	-
			Sales for Texturising (Polyester)	2334253/-	-	40702834/-
7	National Poly Yarn Pvt. Ltd.	Director's Son is Director	Recovery of Advance given against Land	14098500/-	-	23118455/-
8	Shankarlal Somani	Chairman	Remuneration	1800000/-	-	-
			Out-of-Pocket Expense	10000/-		
			Loan Taken	15012360/-	15135928/-	-
			Loan Given	1580000/-		
			Loan Repayment Received	1580000/-		
			Interest Paid	137298/-		
9	Ganga Devi Somani	Non - executive Director	Director Sitting Fees	240000/-	-	-
10	Dipesh Dasadia	Non - executive Director	Director Sitting Fees	90000/-	-	-
11	Sumicot Ltd.	Sumeet Somani is Common Director	Interest Received	13046523/-	-	141187570/-
			Loan Repayment Received	6216645/-	-	
			Cotton Fabrics Purchase	4654525/-	-	-
			Cotton Yarn Purchase	8945335/-	-	-
12	Abhishek Desai	Non - executive Director	Director Sitting Fees	90000/-	81000/-	-
13	Manoj Kumar Jain	Non - executive Director	Director Sitting Fees	180000/-	27000/-	-
14	Dhanvirdhi Financial Consultatnts Pvt, Ltd.	Common Director	Advance for shares	275000/-	1275000/-	
15	Siddhipriya Poly Fab Pvt. Ltd.	Common Director	Loan Taken	4349000/-	18847/-	-
			Loan Repaid	3773320/-		-

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

(I) Financial instruments: [Ind AS 32]

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

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

Financial assets:

Classification

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

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

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

Initial recognition and measurement

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

Subsequent measurement

After initial recognition, financial assets are measured at:

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

Amortised cost:

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

Fair Value Through Other Comprehensive Income (FVOCI):

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

Fair Value Through Profit and Loss (FVTPL):

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

Equity instruments

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

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

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

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

Debt instruments

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

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

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

Financial liabilities:

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

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

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

(K) Segment reporting: [Ind AS 108]

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note No. 33 for segment information presented.

(L) Fair value measurement [Ind AS 113]

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

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

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

(M) Revenue recognition: [Ind AS 115]

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

(N) Cash and cash equivalents:

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

(O) Provisions and Contingent Liabilities

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

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

NOTE # 2

Property, plant and equipment

(Rs. in Lakh)

Particulars	Land	Building	Road Development	Plant & Machinery	Furniture & Fixture	Vehicle	Total
Deemed cost as at April 01, 2017	23.56	1,317.98	-	39,554.81	59.81	92.79	41,048.96
Additions from 01.04.17 to 31st March 2018	26.67	39.90	115.65	1,953.20	16.57	5.00	2,156.99
Disposal/Adjustment	-	-		-	-	-	-
Closing gross carrying amount as at March 31, 2018	**50.23**	**1,357.88**	**115.65**	**41,508.01**	**76.38**	**97.79**	**43,205.96**
Accumulated amortization and impairment :	-	-		-	-	-	-
Depreciation/Amortization charge during the year	-	241.62	9.93	6,964.69	23.53	50.61	7,290.38
Closing accumulated depreciation	**-**	**241.62**	**9.93**	**6,964.69**	**23.53**	**50.61**	**7,290.38**
Net carrying amount as at March 31, 2018	**50.23**	**1,116.26**	**105.72**	**34,543.32**	**52.85**	**47.18**	**35,915.58**
Opening Gross Carrying Amount	50.23	1,357.88	115.65	41,508.01	76.38	97.79	43,205.96
Additions	-	85.49	-	31.89	9.16	-	126.54
Disposal/Adjustment	-	-	-	534.64	-	-	534.64
Closing gross carrying amount as at March 31, 2019	**50.23**	**1,443.38**	**115.65**	**41,005.26**	**85.54**	**97.79**	**42,797.86**
Accumulated amortization and impairment :							-
Opening Accumulated Depreciation	-	241.62	9.93	6,964.69	23.53	50.61	7,290.38
Depreciation/Amortization charge during the year	-	107.99	27.37	4,487.75	10.35	25.53	4,659.00
Disposal/Adjustment	-	-	-	183.36	-	-	183.36
Closing accumulated depreciation	**-**	**349.61**	**37.30**	**11,269.09**	**33.88**	**76.14**	**11,766.02**
Foreign Exchange Difference				-57.26			-57.26
Net carrying amount as at March 31, 2019	**50.23**	**1,093.77**	**78.35**	**29,678.91**	**51.67**	**21.65**	**30,974.58**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 3			
Investments			
Financial instruments at FVTPL			
Equity instruments [Note 3.1]		1,203.57	1,212.38
Mutual Funds [Note 3.2]		84.03	80.23
		1,287.61	1,292.61
Investment in Subsidiaries (Note 3.3]		2,074.65	1,955.25
	Total	**3,362.26**	**3,247.86**
Non-current		3,362.26	3,247.86
Current		-	-
Aggregate amount of quoted investments (FMV)			
Non-current		87.16	92.16
Current		-	-
Aggregate amount of unquoted investments (FMV)			
Non-current		3,275.10	3,155.70
Current		-	-
3.1 Details of investments in equity instruments:			
Quoted:			
Stampede Capital Ltd.		1.87	10.06
Tata Steel Ltd.		1.05	1.15
Tata Steel Ltd.		0.01	0.04
M/s. Questfin Ltd.		0.04	0.04
Zylog Systems Ltd.		0.15	0.64
		3.13	11.93
Unquoted:			
Sumicot Ltd.		1,200.45	1,200.45
		1,200.45	1,200.45
	Total	**1,203.57**	**1,212.38**

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

3.2 Investment in Mutual funds - Quoted			
Canara Robeco Capital Protection ORIT.Fund-6-RG		61.81	59.35
India First Life Insurance Co Ltd. MF		5.00	5.00
Union KBC Capital Protection Oriental Fund		17.22	15.88
	Total	**84.03**	**80.23**

Investment in India First Life Insuramce 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)	2,074.65	1,955.25
Investment in Sumeet Global Pte. Ltd. has been taken at carrying amount.		

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 4			
Trade Receivables			
Unsecured			
Considered Good		10,092.31	20,910.47
Doubtful		-	-
Less : Allowance for expected credit loss		-	-
	Total	**10,092.31**	**20,910.47**
Non - current		1,359.19	231.64
Current		8,733.12	20,678.83
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		1,475.87	1,555.11
Current		-	-
	Total	**1,475.87**	**1,555.11**
NOTE # 6			
Other Assets			
Non - Current			
Capital Advances			
Advances other than capital advances			
Security deposits		705.57	143.33
Advance to Suppliers		-	179.20
	Total	**705.57**	**322.54**
Current			
Prepaid Expenses		5.19	7.67
Advance to Suppliers		1,172.56	1,404.16
Balance with Excise, Customs, Income Tax and other authorities		4,621.19	4,747.07
Advance to Staff		17.64	20.28
Claim Receivable		4,855.59	727.35
Preliminary Expenses		-	7.32
Income Tax Seized Cash		13.50	13.50
	Total	**10,685.67**	**6,927.36**
NOTE # 7			
Inventories			
Raw Materials		529.59	6,001.24
Work-in-progress		5,669.01	5,364.56
Finished goods		6,161.75	6,641.19
Stores and spares		4,604.15	4,834.68
	Total	**16,964.50**	**22,841.69**

Mode of Valuation of Inventories

Particulars Mode of Valuation

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

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

(Rs. in Lakh)

Particulars	As at March 31,2019	As at March 31,2018
NOTE # 8		
Cash and cash equivalents		
Balances with Banks		
Current accounts	43.98	19.02
Demand deposits	1,061.22	3,228.05
(Fixed deposits/Margin Money/Security against borrowings)		
Cash on hand	12.79	0.37
Total	**1,118.00**	**3,247.44**
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	8,291.39
[82913911 Equity Shares Earlier]		
	10,364.24	**8,291.39**

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, 2019		As at March 31, 2018	
	No of shares	Amt in lakhs	No of shares	Amt in lakhs
Authorised Capital				
Number of shares at the beginning	175,000,000	17,500.00	175,000,000	17,500.00
Add : Increased during the year	-	-	-	-
Number of shares at the end	**175,000,000**	**17,500.00**	**175,000,000**	**17,500.00**
Issued, Subscribed and Paid up				
Number of **equity shares** at the beginning	82,913,911	8,291.39	58,039,738	5,803.97
Add : Issued during the year	20,728,478	2,072.85	24,874,173	2,487.42
Number of shares at the end	**103,642,389**	**10,364.24**	**82,913,911**	**8,291.39**
Number of **preference shares** at the beginning	30,000,000	3,000.00	30,000,000	3,000.00
Add : Issued during the year	-	-	-	-
Number of shares at the end	**30,000,000**	**3,000.00**	**30,000,000**	**3,000.00**

(ii) Terms and rights attached to equity shares.

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend 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, 2019	%	As at March 31, 2018	%
Somani Overseas Private Limited	1,02,88,855	9.93	10,436,928	12.59

(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2019:

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	2,07,28,478	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-	-

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

NOTE # 10

Statement of changes in Equity for the year ended March 31, 2019

A. Equity Share Capital	
Particulars	**Amount**
As at April 1, 2017	5,803.97
Changes in Equity share capital	2,487.42
As at March 31, 2018	**8,291.39**
Changes in Equity share capital	2,072.85
As at March 31, 2019	**10,364.24**

B. Other Equity

Particulars	Reserves and surplus						
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit obligations	Equity instruments through OCI	Total other equity
Balance as at April 01, 2018	25.00	8,814.05	62.08	16,247.61	(33.97)	543.04	25,657.81
Prior period adjustments	-	-	-	-		-	-
Provision due to depreciation in value of							
current assets due to writeoff	-	-	-	(14,897.42)	-	-	(14,897.42)
Restated balance at the beginning	**25.00**	**8,814.05**	**62.08**	**1,350.19**	**(33.97)**	**543.04**	**10,760.39**
Other comprehensive income for the year	-	-	-	-	(8.42)	(3.44)	(11.86)
Transfer to securities premium	-	(2,072.85)	-	-	-	-	(2,072.85)
Transfer to retained earnings	-	-	-	(11,619.03)	-	-	(11,619.03)
Balance as at March 31, 2019	**25.00**	**6,741.20**	**62.08**	**(10,268.84)**	**(42.39)**	**539.60**	**(2,943.36)**

(Rs. in Lakh)

Particulars	As at March 31,2019	As at March 31,2018
NOTE # 11		
Borrowings		
Non - current Borrowings		
Secured		
Term loans from banks	7,480.09	8,577.89
Term loans from others	549.02	624.02
Unsecured		
Loans and Deposits	613.03	809.42
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3,000.00
Total	**11,642.14**	**13,011.32**
Current Borrowings	-	-
Cash Credit facilities	31,839.95	20,280.07
Buyer's Credit and Inland LCs	4,919.13	5,298.57
Total	**36,759.08**	**25,578.64**

Nature of security

1. Hypothication of 1st charge on all fixed assets of the company and 2nd pari passue charge on all current assets of the company.
2. Mortgage of Fixed Assets of M/S. Sitaram Prints Pvt. Ltd. And Residence Bunglow of Shri Shankar Lal Somani and Smt.Ganga devi Somani.
3. Hypothication of Exclusive Charges of Machinery Financed by them only.
4. Vehicle Loans are secured by hypothecation of vehicles itself.
5. LIC has Key Man Insurance policy hypothecated against Premium Amt. Paid.

Loans guaranteed by directors or others

Mr.Shankarlal Sitaram Somani	
Mr.Rajkumar Sitaram Somani	
Mr. Sumeetkumar Shankarlal Somani	Term Loan: Rs. 35.99 Crores & US$ 39.29 Lacs
Smt. Gangadevi Somani	
Corporate Guarantee of M/S. Sitaram Prints Pvt Ltd.	

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

Terms of repayment of term loans & other loans

(Refer Notes to accounts)

NOTE # 12		
Trade Payables		
Creditors for Goods	5,462.49	5,864.97
Creditors for Expenses	2,017.60	2,558.41
Total	**7,480.09**	**8,423.38**
Non Current	-	32.83
Current	7,480.09	8,390.55

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 13			
Other Financial Liabilities			
Non - Current			
Agency deposits		50.00	7.09
Current			
Current maturities of long term debt		3,680.20	3,766.88
Interest accrued but not paid		754.39	199.45
		4,434.59	3,966.34
	Total	**4,484.59**	**3,973.43**
NOTE # 14			
Deferred Tax Liabilities			
Opening Balance		6,231.42	7,403.31
Provision for the period		(739.94)	(1,171.89)
Closing Balance		**5,491.48**	**6,231.42**
NOTE # 15			
Other liabilities			
Non-current			
Retention Money		-	3.14
Security Deposit from Staff		0.05	0.56
Provision for employee benefits - Gratuity Payable		184.69	152.96
		184.74	156.66
Current			
Advance from Customers		53.15	438.23
Provision for Expenses		554.52	695.74
Statutory Dues Payable		30.05	37.61
		637.72	1,171.58
	Total	**822.45**	**1,328.24**
NOTE # 16			
Provisions			
Current			
Provision for Taxation		1,169.21	2,459.04
Provision for Dividend distribution Tax		-	9.97
Provision for taxation - OCI		108.82	114.19
	Total	**1,278.03**	**2,583.20**
NOTE # 17			
Revenue From Operations			
Sale of Products			
Domestic sales		72,250.92	90,463.36
Export			
Export sales		-	4,312.91
Export against Bond		5,223.57	3,713.72
Deemed Export sales		5,853.56	8,574.74
		83,328.05	107,064.73
Other Operating Revenues			
Export Incentives		-	16.98
	Total	**83,328.05**	**107,081.71**

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 18			
Other Incomes			
Dividend received		0.05	0.03
Discount received		0.73	22.57
Int. on FDR'S		135.77	218.51
Others - Interest		166.83	240.18
Exchange Diff Income		-	471.31
	Total	**303.38**	**952.60**
NOTE # 19			
Cost of Materials Consumed			
Purchases of Raw Materials and Stores			
Opening stock		6,001.24	4,870.82
Add:Purchase(net)		56,837.89	60,393.28
		62,839.13	65,264.10
Less:Closing Stock		529.59	6,001.24
		62,309.54	59,262.86
Direct/Production expenses			
Labour & Security		13.26	70.30
Power & Fuel		8,181.08	7,732.77
Freight & Octroi		944.41	1,022.12
Stores & Spares		684.87	811.24
Factory Expense		10.54	12.04
Repair & Maintenance:Factory Building		0.61	5.97
Repair & Maintenance:Plant&Machinery		38.24	67.07
Packing Expenses		1,993.56	2,380.50
		11,866.60	12,102.01
	Total	**74,176.14**	**71,364.86**
NOTE # 20			
Change in inventories			
Opening Stock		12,005.76	11,693.94
Less: Closing Stock		11,830.76	12,005.76
	Total	**175.00**	**(311.82)**

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 21			
Employement Benefit Expenses			
Salary		1,682.60	1,714.20
Gratuity		45.10	42.12
Bonus		102.15	114.72
P.F.		33.68	42.25
Leave Encashment		18.72	9.23
Directors Remuneration		18.00	5.40
ESIC		0.09	0.08
Manpower Supply Service		243.74	308.87
	Total	**2,144.09**	**2,236.87**
NOTE # 22			
Financial Cost			
Interest paid to Banks		4,444.27	2,791.02
Interest paid to others		342.39	359.14
Bank Charges & Guarantee commission (Others & Buyers credit)		1,396.13	1,758.40
Overseas Bank Charges		8.43	9.23
	Total	**6,191.22**	**4,917.79**
NOTE # 23			
Depreciation and Amortization Expense			
Depreciation		4,659.00	5,252.25
Preliminary Expenses written off		7.32	7.32
	Total	**4,666.32**	**5,259.57**
NOTE # 24			
Other Expenses			
Advertisement & Publicity		1.68	10.98
Auditors Remuneration		10.85	13.16
Brokerage & Overseas Agency Commission		294.64	345.34
Carraige outward		634.29	738.66
Demat Charges		0.03	0.16
Director Sitting Fees		13.50	24.30
Brokerage & Overseas Agency Commission		-	0.02
Donation & CSR Activity		27.34	93.39
Electricity Expenses		4.69	4.58
Excise duty (Included in Domestic sale)		-	2,357.12

(Rs. in Lakh)

Particulars	As at March 31,2019	As at March 31,2018
Insurance Expenses	23.16	20.29
Legal & Professional	176.69	345.25
Loss on sale of Fixed Assets	88.32	0.06
Loss on sale of Investments	-	8.00
Membership & Subscriptions	3.74	0.22
Office & General Expenses	33.09	34.13
Postage & Telegram & Telephone	14.70	15.47
Printing & Stationery Expenses	10.60	15.76
Rent, Rates & Taxes	29.69	86.90
Repairs Office Building	-	1.73
Repairs Other	2.70	4.82
Sales Promotion Expenses	1.29	10.73
Travelling & Conveyance	5.57	17.75
Vehicle Expense	25.32	26.15
Total	**1,401.89**	**4,174.97**

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

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

PLACE : SURAT
DATE : 30/05/2019

For and on behalf of Board of Directors
Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO

SCHEDULE: FIXED ASSETS
FINANCIAL YEAR 2018-19
Schedules To And Forming Part Of Accounts

		GROSS BLOCK				DEPRECIATION			NET BLOCK		
Sr No	*Particulars*	*As At 01.04.2018*	*Addition*	*DELETION*	*As At 31.03.2019*	*As At 01.04.2018*	*For the Year*	*Adjustment*	*As At 31.03.2019*	*As At 31.03.2019*	*As At 31.03.2018*
1	Land	5,023,285	-		5,023,285	-	-	-	-	5,023,285	5,023,285
2	Building	271,687,523	8,549,473		280,236,996	160,060,636	10,799,094		170,859,730	109,377,266	111,626,887
3	Road Develoment	11,565,174	-		11,565,174	992,606	2,737,238		3,729,844	7,835,330	10,572,568
4	Plant & Machinery	5,479,941,854	3,189,084	53,464,149	5,429,666,789	2,025,609,594	448,775,411	18,335,580	2,456,049,425	2,973,617,363	3,372,523,349
5	Furniture,Fixture & Equipments	22,388,319	915,938		23,304,257	17,103,120	1,034,619		18,137,739	5,166,518	5,285,199
6	Vehicle	37,111,065	-	4,311,413	32,799,652	32,393,083	2,553,377	4,311,413	30,635,047	2,164,605	4,717,982
	TOTAL	**5,827,717,220**	**12,654,495**	**57,775,562**	**5,782,596,153**	**2,236,159,039**	**465,899,739**	**22,646,993**	**2,679,411,785**	**3,103,184,367**	**3,509,749,270**
	WIP	11,079,318	11,079,318							-	11,079,318
	Foreign Exchange Diffrence		-5726192							-5726192	81,808,910
	Grand Total	**5,838,796,538**	**1,575,177**	**57,775,562**	**5,782,596,153**	**2,236,159,039**	**465,899,739**	**22,646,993**	**2,679,411,785**	**3,097,458,175**	**3,602,637,498**

Terms of repayment of term loans & other loans

F.Y. 2018-19

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, 2019		Balance as on 31st March, 2018		Prevailing Interest Rate % Per Annum
					Shown in long Term Borrow	Shown in Short Term Borrow	Shown in long Term Borrow	Shown in Short Term Borrow	
ECB Loan 2 (BOB London)	Rs. 50 Crores (10M UDS)	7	Quarterly	23/01/2019	172,887,476	98,792,852	254,767,859	92,642,858	5.36%
Bremer Kredit Bank AG	10441142 Euro	8.5	Half-Yearly	8/8/2019	421,868,116	114,492,653	357,490,587	137,719,055	2.20%
Term Loan (BOB FDY Winder Loan)	Rs. 29.45 Crores	4	Quarterly	31/3/2019	46,500,000	62,000,000	124,684,415	62,000,000	11.70%
Term Loan (Canara Bank Text)	Rs. 4.12 Crores	6	Monthly	6/3/2019	7,394,235	6,337,884	18,928,306	6,670,320	13.65%
IDBI Loan (Corporate)	Rs. 25 Crores	4.5	Monthly	31/3/2019	97,222,210	55,555,560	175,925,932	55,555,548	11.90%
Canara Bank (Carpet Yarn)	Rs. 3.85 Crores	6.5	Monthly	31/3/2019	1,542,178	841,176	3,123,507	841,188	13.90%
TFCI Ltd.	Rs.12 Crores	4	Monthly	15/3/2019	52,500,000	30,000,000	90,000,000	30,000,000	13.00%
Total					**799,914,215**	**368,020,125**	**1,024,920,606**	**385,428,969**	

Notes Accompanying the Financial Statements

25. Balances of loans, advances, and Creditors & Debtors are subject to confirmation and have been taken as appeared in the books of account of the company.

26. Company has written off "Provision for Dividend and Distribution Tax" amounting to ₹ 9.97 lakh. As per explanation given to us, it is an excess provision of Dividend Distribution Tax [DDT] of prior year which is written off during the year.

27. Sum of ₹ 12.02 lakh has been written off on account of withholding tax payable. As explained to us, the company is not liable to pay withholding tax. Therefore, same has been credited to reserves and surplus during the year.

28. Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees.

Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

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

	Year ended	
	March 31, 2019	**March 31, 2018**
Current service cost	33,19,953.00	32,27,760.00
Net interest on net defined benefit liability/(asset)	11,90,041.00	9,84,731.00
Net gratuity cost/(benefit)	**45,09,994.00**	**42,12,491.00**

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

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

	Year ended	
	March 31, 2019	**March 31, 2018**
Discount rate	7.78%	7.78%
Expected return on plan assets	N.A	N.A
Expected rate of salary increase	8.00%	8.00%
Rate of employee turnover		
For service 4 years and below	12.00%	12.00%
For service 5 years and above	3.00%	3.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A	N.A

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

	Year ended	
	March 31, 2019	**March 31, 2018**
Present value of Defined Benefit Obligation at the beginning of the period	1,52,96,162.00	1,35,45,129.00
Current service cost	33,19,953.00	32,27,760.00
Past service cost	-	-
Interest cost	11,90,041.00	9,84,731.00

	Year ended	
	March 31, 2019	March 31, 2018
Liability transferred In/Acquisitions	-	-
(Liability transferred Out/Divestments)	-	-
(Gains)/Losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefits paid directly by the employer)	-25,60,055.00	-10,16,843.00
(Benefits paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial loss/(gain) arising from financial assumptions	23,053.00	-10,20,968.00
Actuarial loss/(gain) arising from demographic assumptions	-	-
Actuarial loss/(gain) arising from experience assumptions	11,99,628.00	-4,23,647.00
Present value of Defined Benefit Obligation at the end of the period	**1,84,68,782.00**	**1,52,96,162.00**

Amount Recognized in the Balance Sheet:

	As at	
	March 31, 2019	March 31, 2018
(Present Value of Benefit Obligation at the end of the Period)	-1,84,68,782.00	-1,52,96,162.00
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	-1,84,68,782.00	-1,52,96,162.00
Net (Liability)/Asset Recognized in the Balance Sheet	**-1,84,68,782.00**	**-1,52,96,162.00**

Maturity Analysis of the Benefit Payments: From the Employer

	As at	
Projected Benefits Payable in Future Years from the Date of Reporting	**March 31, 2019 (Amt in ₹)**	**March 31, 2018 (Amt in ₹)**
1st Following Year	5,78,196.00	4,68,823.00
2nd Following Year	5,47,420.00	4,54,390.00
3rd Following Year	6,04,252.00	8,37,503.00
4th Following Year	11,03,784.00	7,93,404.00
5th Following Year	10,29,154.00	9,84,283.00
Sum of Years 6 To 10	69,10,675.00	49,01,557.00
Sum of Years 11 and above	5,35,13,730.00	4,45,72,907.00

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, 2019 (Amt in ₹)	March 31, 2018 (Amt in ₹)
Projected Benefit Obligation on Current Assumptions	1,84,68,782.00	1,52,96,162.00
Delta Effect of +1% Change in Rate of Discounting	-21,04,213.00	-17,38,138.00
Delta Effect of -1% Change in Rate of Discounting	25,43,547.00	21,01,496.00
Delta Effect of +1% Change in Rate of Salary Increase	25,11,991.00	20,75,634.00
Delta Effect of -1% Change in Rate of Salary Increase	-21,17,990.00	-17,49,668.00
Delta Effect of +1% Change in Rate of Employee Turnover	-1,31,203.00	-1,15,907.00
Delta Effect of -1% Change in Rate of Employee Turnover	1,41,309.00	1,24,311.00

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.

29. Payment to Auditors:

Sr. No.	Particulars	Current Period	Previous Year
(a)	Statutory Auditors: (i) Audit Fees (ii) Tax Audit Fees	6,50,000 1,00,000	7,50,000
(b)	Cost Audit	40,000	35,000

30. Managerial Remuneration:

Sr. No.	Particulars	Current Period	Previous Year
(i)	Salary	18,00,000	5,40,000
(ii)	Perquisite	-	-

31. Earnings Per share (Ind AS 33) :

Sr. No.	Particulars	Current Period	Previous Year [Re-stated]
(i)	Net profit/(loss) as per Profit & Loss A/C	-1,16,54,99,323	-1,86,17,775
(ii)	Net Profit/(loss) adjusted from reserves	-1,48,61,45,441	-
(iii)	Net Profit Attributable to ordinary Shareholders[(i)+(ii)]	-2,65,16,44,764	-
(iv)	Weighted average number of shares for Basic Earnings per share	10,36,42,389	7,25,49,674
(v)	Weighted average number of shares for Diluted Earnings per share	10,36,42,389	7,25,49,674
(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.

32. Contingent Liabilities:

(a) SEBI had imposed penalty of ₹ 2.00 crores u/s 15-I of Securities and Exchange Board of India Act, 1992 read with rule 5 of SEBI (procedure for holding enquiry and imposing penalties by educating officer) Rules 1995 vide Adjudication order no. IVD/SIL/AO/DRK-CS/EAD-3/473-486/16-29-14. The Company has filed petition before SAT against the said order. The same has been remanded back to SEBI for fresh order on merits.

(b) 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 ₹ 21.35 Crores.

(c) Income Tax Assessment for A.Y. 2012-13, 2014-15 and 2015-16 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 Lacs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March,2018
(I)	Contingent Liabilities		
	Claims against the company/disputed liabilities not acknowledged as debts		
	i) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2012-13 pending in CIT Appeal [Note No. (a)]	595.59	732.59
	ii) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2014-15 pending in CIT Appeal [Note No. (b)]	11.14	11.14
	iii) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2015-16 pending in CIT Appeal [Note No. (c)]	9.73	10.73

The Company has filed appeal with CIT Appeal for the Income Tax demand of ₹5,95,58,850/- for the period A.Y. 2012-13, disputed by the companies which are still pending in the appeals.

The Company has filed appeal with CIT Appeal for the Income Tax demand of ₹11,13,928/- for the period A.Y. 2014-15, disputed by the companies which are still pending in the appeals.

The Company has filed appeal with CIT Appeal for the Income Tax demand of ₹9,72,740/- for the period A.Y. 2015-16, disputed by the companies which are still pending in the appeals.

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.

33. Operating Segment:

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

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

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

(₹ In Lacs)

Sr. No.	Particulars	31-03-2019	31-03-2018
(i)	India	72250.92	90463.00
(ii)	Rest of the world	11077.13	8026.00

Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2019 and March 31, 2018.

(₹ In Lacs)

Sr. No.	Name of Customer	31-03-2019	31-03-2018
(i)	Sharda Enterprise	9929.75	12516.00
(ii)	Ginni Tradelinks Pvt. Ltd.	11148.85	-

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

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

PLACE : SURAT
DATE : 30/05/2019

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

INDEPENDENT AUDITOR'S REPORT

TO,

THE MEMBERS OF

SUMEET INDUSTRIES LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **SUMEET INDUSTRIES LTD.** ("The Company") which comprises the Balance Sheet as on **31st March 2019,** the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2019**, and its loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds

and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
2. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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.
3. 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.
4. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1) We did not audit the financial statements/financial information of Sumeet Golbal PTE Ltd.,(Wholly Owned Subsidiary) whose financial statements/financial information reflect total assets of Rs. 8935.08 Lakh as at 31st March, 2019, total revenues of Rs. 5122.64 Lakh and Net Profit /(Loss) of Rs.(35.96) Lakh for the year ended 31st March 2019.

   These financial statements / financial information have been audited by M/s Stamford Associates LLP, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of the M/s Stamford Associates LLP.

2) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1) In our opinion, the provision of The Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in term of sub-section (11) of Section 143 of the Companies Act, 2013 are not applicable to consolidated financial statements.

2) As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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

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

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

   e) On the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

   f) In our opinion, the provisions of section 143(3)(i) of Companies Act, 2013 with respect to reporting about the adequacy of the internal financial controls are not applicable vide Notification dated 13th June, 2018.

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

      i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements. Refer Note No. 32 Contingent liabilities under "Notes Accompanying the Financial Statements" of the consolidated Ind AS financial statements.

      ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

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

PLACE : SURAT
DATE : 30.05.2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

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

	Particulars	Note No.	31st March, 2019	31st March, 2018
I.	**ASSETS**			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	2	30974.58	35,915.58
	(b) Capital Work in Progress		-	110.79
	(c) Investment Property			
	(d) Goodwill			
	(e) Other Intengible Aseets			
	(f) Intengible Aseets under Development			
	(g) Financial Assets			
	(i) Investments	3	1287.61	1,292.61
	(ii) Trade Receivables	4	1359.18	231.64
	(iii) Loans	5	1475.87	1,555.11
	(iv) Other Financial Assets			
	(h) Deferred Tax Assets			
	(i) Other non current assets	6	705.57	322.54
(2)	**Current Assets**			
	(a) Inventories	7	16964.50	22,841.69
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade Receivables	4	16394.33	28,286.37
	(iii) Cash and Cash Equivalents	8	1118.00	4,261.61
	(iv) loans			
	(v) Other Financial Assets			
	(b) Others Current Assets	7	10685.67	8,369.12
	TOTAL ASSETS		**80,965.31**	**103,187.05**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity Share Capital	9	10364.24	8,291.39
	Other Equity	10	-1905.27	26,658.14
	Total Equity		8458.97	34,949.53
(2)	**Liabilities**			
	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	11,642.14	13,011.32
	(ii) Trade Payable	12	-	32.83
	(iii) Other Financial Liabilities	13	50.00	7.09
	(b) Provisions			
	(c) Deferred Tax liabilities (Net)	14	5,491.48	6,231.42
	(d) Other non current liabilities	15	184.74	156.66
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	42,160.10	31,320.71
	(ii) Trade Payable	12	6,616.29	8,811.29
	(iii) Other Financial Liabilities	13	4,434.59	3,966.34
	(b) Other Current Liabilities	15	637.72	2,094.17
	(c) Provisions	16	1289.29	2,605.70
	Total Liabilities		**72,506.34**	**68,237.52**
	TOTAL EQUITY AND LIABILITIES		**80,965.31**	**103,187.05**

Refer accompanying Notes to the Financial Statements

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

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

PLACE : SURAT
DATE : 30/05/2019

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

CONSOLIDATED PROFIT & LOSS STATEMENT FOR YEAR ENDED ON 31ST MARCH, 2019

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

	Particulars	Note No.	31st March, 2019	31st March, 2018
I.	Revenue from Operations	17	86684.05	122,883.11
II.	Other Incomes	18	372.66	953.65
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)		**87,056.71**	**123,836.76**
IV	Expenses:			
	Manufacturing Expenses			
	Cost of Materials Consumed	19	74,176.13	71,364.86
	Purchases of Stock-in-Trade		4700.06	36,414.04
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	175.00	-311.83
	Administrative & Selling Expenses			
	Employee Benefit Expenses	21	2,144.09	2,268.92
	Finance Costs	22	6,261.14	5,147.08
	Depreciation and Amortization Expense	23	4,666.32	5,259.57
	Other Expenses	24	1,542.97	4,312.95
	Total Expenses		**93,665.71**	**124,455.60**
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)		(6,609.00)	-618.84
VI	Exceptional Items		5821.90	-
IX	Profit before Tax		-12,430.90	-618.84
X	Tax Expense:			
	(1) Current tax			795.82
	(2) Income Tax of Earlier Year			19.19
	(3) Deferred Tax		-739.94	1,171.89
	(4) MAT credit			-
			-739.94	356.88
XI	Profit/ (Loss) for the period from Continuing Operations (VII - VIII-X)		-11,690.96	-261.96
XII	Profit/ (Loss) from discontinuing Operations			-
XIII	Tax expense of discountinued operation			-
XVI	Profit/ (Loss) from discontinuing Operations (after tax)(XII-XIII)			-
XV	Profit/ (Loss) for the period (IX-XII)		-11,690.96	**-261.96**
XVI	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit obligations		-12.23	14.45
	Less : Income tax relating to above item		3.81	-4.46
	Net		**-8.42**	**9.98**
	(b) Fair value of equity instruments through other comprehensive income		-5.00	159.27
	Less : Income tax relating to above item		1.56	-30.57

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

Particulars	Note No.	31st March, 2019	31st March, 2018
Net		**-3.44**	**128.70**
B (i) Items that will be reclassified to profit or loss			
(a) Exchange Difference in translating the Financial Statement of a Foreign Operation		65.13	2.68
Less: Income Tax relating to items that will be reclassified to profit or loss		-20.32	-0.89
Net		**44.81**	**1.80**
Total Comprehensive Income for the period (XV + XVI)		32.95	140.48
Earning per equity share (for countinuing operation):			
(1) Basic		-	-
(2) Diluted		-	-

Refer accompanying Notes to the Financial Statements

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

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

PLACE : SURAT
DATE : 30/05/2019

For and on behalf of Board of Directors

Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2019

(Rs. in lakh)

	PARTICULARS	F.Y. 2018-19		F.Y. 2017-18	
		Amount	Amount	Amount	Amount
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax and Extraordinary Items			(478.37)	
	Adjustment For:	**(27,230.50)**			
	Add:				
	Depreciation	**4,659.00**		5,252.25	
	Loss on sale of Asset	**88.32**		0.06	
	Loss on sale of Investment	**-**		8.00	
	Interest Paid	-		3,212.34	
		4,747.32		8,472.65	
	Less:				
	Fair Value on investment	**5.00**		159.27	
	Interest Income	**(319.42)**		471.39	
	Exchage diff. from Internal Transaction	**-**		(9.75)	
	Profit on sale of Investment	**-**		-	
	Dividend Income	**(0.05)**		0.03	
		(314.47)		620.94	
			4,432.85		7,851.71
	Operating Profit before Working Capital Changes				
	Adjustment For:				
	Trade Receivables	**10,764.51**		(5,681.78)	
	Other asset	**(2,699.59)**		(516.45)	
	Inventories	**5,877.19**		(1,381.16)	
	Trade Payables	**(2,227.83)**		(3,915.30)	
	Other Financial Liability	**511.16**		(1,658.81)	
	Other Liabilities	**(1,428.37)**		579.15	
	Provision	**(1,316.41)**		35.92	
			9,480.66		(12,538.43)
	Cash Generated From Operations				
	Tax Paid		**-**		53.08
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**(13,316.99)**		(5,218.17)
B	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Fixed Assets				
	Sale of Fixed Assets	**283.76**		1.06	
	Purchase of Fixed Assets	**20.72**		(150.59)	
	Increase in Fixed Asset due to Exchange Diffrence	**-**		(818.09)	
	Work in Progress				
	Increase in Capital Work in progress	**-**		(110.18)	
	Investments				
	Purchase of Investments	**79.23**		(148.29)	
	Sale of Investments	**-**		94.23	
	Dividend received	**0.05**		0.03	
	Other				
	Interest Income	**319.42**		471.39	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**703.19**		(660.44)

(Rs. in lakh)

	PARTICULARS	F.Y. 2018-19		F.Y. 2017-18	
		Amount	Amount	Amount	Amount
C	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Equity Share Capital raised	-		2,487.42	
	Security premium received	-		3,482.38	
	Increase / Decrease in Borrowings	**9,470.21**		2,386.14	
	Increase / Decrease in Loans & Advances	-		349.48	
	Interest Paid	-		(3,212.34)	
	Proceeds from issue of shares			-	-
	Security premium received			-	-
	Transfer of Share Application Money			-	-
	Preliminary Expensditure incurred			-	-
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)		**9,470.21**		5,493.08
	Net Increase in Cash & Cash equivalents		**(3,143.60)**		**(385.53)**
D	Cash and Cash equivalents as on 01-04-2018 (D)		**4,261.61**		4,647.13
E	Cash and Cash equivalents as on 31-03-2019 (E)		**1,118.00**		4,261.61
			(3,143.60)		**(385.53)**

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

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

PLACE : SURAT
DATE : 30/05/2019

For and on behalf of Board of Directors
Shankarlal Somani - Chairman
Sumeet Kumar Somani - Mg. Director
Anil Kumar Jain - Company Secretary
Abhishek Prasad - CFO

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

Note 1: Company Overview, Basis of Preparation And Significant Accounting Policies

I) THE COMPANY OVERVIEW:

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

II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

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

(iii) Current and non-current classification

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

(iv) Rounding of amounts

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

(v) Use of estimates and judgment

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

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

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

III) SIGNIFICANT ACCOUNTING POLICIES

(A) Inventories: [Ind AS 2]

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

Cost comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(B) Cash flow statement [Ind AS 7]

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

(C) Income Tax (Ind AS 12)

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

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

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

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

Tax expense/(credit) recognized in the Statement of Profit and Loss for the year ended 31.03.2019:

Sr. No.	Description	Amount (In ₹)	Amount (In ₹)
1.	Difference in closing Balance of Depreciations		
	Depreciation as Per Companies Act	46,58,99,739	
	Depreciation as per Income Tax Act	22,87,38,226	
	Deferred Tax Assets/(Liability) At 31.2 % On `23,71,61,513	23,71,61,513	7,39,94,392
			7,39,94,392

Sr. No.	Particulars	Amount (In ₹)
1.	Opening Balance of DTA / (DTL)	(62,31,41,728)
2.	Deferred Tax Assets / (Liabilities) of the period	7,39,94,392
3.	Closing Balance of DTA / (DTL)	(54,91,47,336)

(D) Employee Benefits: [Ind AS 15]

Short-term obligations

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

Post-employment obligations

The Company operates the following postemployment schemes:

(a) defined benefit plans such as gratuity and pension; and

(b) defined contribution plans such as provident fund etc.

Defined Benefit Plans

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

Defined contribution plans

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

Other Employee Benefits

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

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

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

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

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

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual values

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

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

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

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

(F) Foreign Currency: [Ind AS 19]

Functional and presentation currency

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

Foreign currency transactions

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.
- At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.
- Exchange difference arising on settlement of monetary items or reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.
- **Para D13AA of Appendix D of Ind AS 101:**

  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.

(G) Government Grants: [Ind AS 20]

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

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

(H) Related parties [Ind AS 24]

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

Parties where control exists:

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

b) The other related par ties 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	360000/-	81608/-	-
			Legal & Professional Fees	710316/-		
2	D.S. Khare	Independent Director	Director Sitting Fees	360000/-	78097/-	-
			Committee Fees	664257/-		
3	Somani Overseas Pvt. Ltd.	Director's Son is Director	PTA Purchase	60831350/-	55350796/-	-
			Polyester Chips Purchase	100597950/-		
			Financial Transaction	24478602/-		
4	Betex India Ltd.	Director's Brother is Director	Loan Repayment Received	13997643/-	-	6399821/-
			Interest Received	610018/-		
5	National Poly Yarn Pvt. Ltd.	Director's Son is Director	Recovery of Advances given against land	14098500/-	-	23118455/-
6	Shankarlal Somani	Chairman	Remuneration	1800000/-	-	-
			Out-of-Pocket Expense	10000/-		
			Loan Taken	15012360/-	15135928/-	-
			Loan Given	1580000/-		
			Interest Paid	137298/-		
7	Ganga Devi Somani	Non - executive Director	Director Sitting Fees	240000/-	-	-
8	Dipesh Dasadia	Non - executive Director	Director Sitting Fees	90000/-	-	-
9	SUMICOT Ltd.	Sumeet Somani is Common Director	Interest Received	13046523/-	-	141187570/-
			Loan Repayment Received	6216645/-	-	
			Cotton Fabrics Purchase	4654525/-	-	-
			Cotton Yarn Purchase	8945335/-	-	-
10	Abhishek Desai	Non - executive Director	Director Sitting Fees	90000/-	81000/-	-
11	Manoj Kumar Jain	Non - executive Director	Director Sitting Fees	180000/-	27000/-	-
12	Dhanvirdhi Financial Consultants Pvt, Ltd.	Common Director	Loan Given against shares	275000/-	1275000/-	
13	Siddhipriya Poly Fab Pvt. Ltd.	Common Director	Loan Taken	4349000/-	18847/-	-
			Loan Repaid	3773320/-		-

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

(I) Financial instruments: [Ind AS 32]

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

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

Financial assets:

Classification

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

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

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

Initial recognition and measurement

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

Subsequent measurement

After initial recognition, financial assets are measured at:

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

Amortised cost:

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

Fair Value Through Other Comprehensive Income (FVOCI):

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

Fair Value Through Profit and Loss (FVTPL):

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

Equity instruments

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

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

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

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

Debt instruments

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

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

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

Financial liabilities:

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

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

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

(K) Segment reporting: [Ind AS 108]

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note No. 33 for segment information presented

(L) Consolidated Financial Statements: [Ind AS 110]

Consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity.

In its consolidated financial statements, an entity shall:

I. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

II. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary [Ind AS 103 explains how to account for any related goodwill].

III. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group [profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full].

Ind AS 12, Income Taxes, applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements shall be in the form specified in Schedule III to the Act and comply with Accounting Standards or Indian Accounting Standards as applicable. Provided that the items contained in the financial statements shall be prepared in accordance with the definitions and other requirements specified in the Accounting Standards or the Indian Accounting Standards, as the case may be."

The Effects of Changes in Foreign Exchange Rates [Ind AS 21]

The results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures:

I. Assets and liabilities for each balance sheet presented [i.e. including comparatives] shall be translated at the closing rate at the date of that balance sheet;

II. Income and expenses for each statement of profit and loss presented [i.e. including comparatives] shall be translated at exchange rates at the dates of the transactions; and

III. All resulting exchange differences shall be recognised in other comprehensive income.

Fair value measurement [Ind AS 113]

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

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

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

(M) Revenue recognition: [Ind AS 115]

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

- Export sales are accounted at the exchange rate prevailing on the date of invoice. These are net of commission and does not include freight wherever applicable as per the terms of the sales contract.
- Dividend income is recognized when the right to receive the payment is established.
- Interest income is accounted on accrual basis.

(N) Cash and cash equivalents:

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

(O) Provisions and Contingent Liabilities

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

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

NOTE # 2

Property, plant and equipment

Particulars	Land	Building	Road Development	Plant & Machinery	Furniture & Fixture	Vehicle	Total
Deemed cost as at April 01, 2017	23.56	1,317.98	-	39,554.81	59.81	92.79	41,048.96
Additions from 01.04.17 to 31st march 2018	26.67	39.90	115.65	1,953.20	16.57	5.00	2,156.99
Disposal/Adjustment	-	-		-	-	-	-
Closing gross carrying amount as at March 31, 2018	**50.23**	**1,357.88**	**115.65**	**41,508.01**	**76.38**	**97.79**	**43,205.96**
Accumulated amortization and impairment :	-	-		-	-	-	-
Depreciation/Amortization charge during the year	-	241.62	9.93	6,964.69	23.53	50.61	7,290.38
Closing accumulated depreciation	**-**	**241.62**	**9.93**	**6,964.69**	**23.53**	**50.61**	**7,290.38**
Net carrying amount as at March 31, 2018	**50.23**	**1,116.26**	**105.72**	**34,543.32**	**52.85**	**47.18**	35,915.58
Opening Gross Carrying Amount	50.23	1,357.88	115.65	41,508.01	76.38	97.79	43,205.96
Additions	-	85.49	-	31.89	9.16	-	126.54
Disposal/Adjustment	-	-	-	534.64	-	-	534.64
Closing gross carrying amount as at March 31, 2019	**50.23**	**1,443.38**	**115.65**	**41,005.26**	**85.54**	**97.79**	**42,797.86**
Accumulated amortization and impairment :							-
Opening Accumulated Depreciation	-	241.62	9.93	6,964.69	23.53	50.61	7,290.38
Depreciation/Amortization charge during the year	-	107.99	27.37	4,487.75	10.35	25.53	4,659.00
Disposal/Adjustment	-	-	-	183.36	-	-	183.36
Closing accumulated depreciation	**-**	**349.61**	**37.30**	**11,269.09**	**33.88**	**76.14**	**11,766.02**
Foreign Exchange Difference				-57.26			-57.26
Net carrying amount as at March 31, 2019	**50.23**	**1,093.77**	**78.35**	**29,678.91**	**51.67**	**21.65**	**30,974.58**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 3			
Investments			
Financial instruments at FVTPL			
Equity instruments [Note 3.1]		1,203.57	1,212.38
Mutual Funds [Note 3.2]		84.03	80.23
		1,287.61	1,292.61
Investment in Subsidiaries		-	-
	Total	**1,287.61**	**1,292.61**
Non-current		1287.60	1,292.61
Current		-	-
Aggregate amount of quoted investments (FMV)			
Non-current		87.16	92.16
Current			-
Aggregate amount of unquoted investments (FMV)			
Non-current		0.00	1,200.45
Current			-
3.1 Details of investments in equity instruments:			
Quoted:			
Stampede Capital Ltd.		1.87	10.06
Tata Steel Ltd.		1.05	1.15
Tata Steel Ltd. (Convertibl Pref. shares)		0.01	0.04
M/s. Questfin Ltd.		0.04	0.04
Zylog Systems Ltd.		0.15	0.64
		3.13	11.93
Unquoted:			
Sumeet Poly Power ltd.		1,200.45	1,200.45
		1,200.45	1,200.45
	Total	**1,203.57**	**1,212.38**
3.2 Investment in Mutual funds - Quoted			
Canara Robeco Capital Protection ORIT.Fund-6-RG		61.81	59.35
India First Life Insurance Co Ltd. MF		5.00	5.00
Union KBC Capital Protection Oriental Fund		17.22	15.88
	Total	**84.03**	**80.23**

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

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 4			
Trade Receivables			
Unsecured			
Considered Good		17753.50	28,518.01
Doubtful			-
	Total	**17,753.50**	**28,518.01**
Non - current		1359.18	231.64
Current		16,394.32	28,286.37

Trade receivables are due neither from directors or other officers of the company either severally or jointly with any other person nor from firms or private companies respectively in which any director is a partner, a director or a member.

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

NOTE # 5			
Loans			
Loans to Related Parties			
Non - Current		1475.87	1,555.11
Current		-	-
	Total	**1,475.87**	**1,555.11**
NOTE # 6			
Other Assets			
Non - Current			
Advances other than capital advances			
Security deposits		705.57	143.33
Advance to Suppliers		-	179.20
	Total	**705.57**	**322.54**
Current			
Prepaid Expenses		5.19	7.67
Advance to Suppliers		1,172.56	2,790.87
Balance with Excise, Customs, Income Tax and other authorities		4,621.19	4,749.55
Advance to Staff		17.64	20.28
Claim Receivable		4,855.59	727.35
Preliminary Expenses		-	7.32
Income Tax Seized Cash		13.50	13.50
Other Receivables		-	52.58
	Total	**10,685.67**	**8,369.12**
NOTE # 7			
Inventories			
Raw Materials		529.59	6,001.24
Work-in-progress		5669.01	5,364.56
Finished goods		6161.75	6,641.19
Stores and spares		4604.15	4,834.68
	Total	**16,964.50**	**22,841.69**

(Rs. in Lakh)

Particulars	As at March 31,2019	As at March 31,2018
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	43.98	55.36
Demand deposits	1061.22	4,205.68
(Fixed deposits / Margin Money / Security against borrowings)		
Cash on hand	12.79	0.58
Total	**1,118.00**	**4,261.61**
NOTE # 9		
Share Capital		
Authorised Capital		
145,000,000 Equity shares of Rs. 10/- each.	14,500.00	14,500.00
(2017 : 145,000,000, 2016 : 70,000,000)		-
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3,000.00	3,000.00
	17,500.00	**17,500.00**
Issued, Subscribed and paid up capital		
82,913,911 Equity shares of Rs. 10/- each.fully paid	10,364.24	8,291.39
(2017 : 58,039,738, 2016 : 58,039,738)		
	10,364.24	**8,291.39**

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, 2019		As at March 31, 2018	
	No of shares	Amt in lakh	No of shares	Amt in lakh
Authorised Capital				
Number of shares at the beginning	175,000,000	17,500.00	175,000,000	17,500.00
Add : Increased during the year	-	-	-	-
Number of shares at the end	**175,000,000**	**17,500.00**	**175,000,000**	**17,500.00**
Issued, Subscribed and Paid up				
Number of equity shares at the beginning	82,913,911	8291.39	58,039,738	5,803.97
Add : Issued during the year	20,728,478	2072.85	24,874,173	2,487.42
Number of shares at the end	**103,642,389**	**10,364.24**	**82,913,911**	**8,291.39**
Number of preference shares at the beginning	30,000,000	3,000.00	30,000,000	3,000.00
Add : Issued during the year	-	-	-	-
Number of shares at the end	**30,000,000**	**3,000.00**	**30,000,000**	**3,000.00**

(ii) Terms and rights attached to equity shares.

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend 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 31,2019	%	As at March 31,2018
Somani Overseas Private Limited	10,288,855.00	9.93	10,436,928.00

(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2019:

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	20,728,478.00	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-	-
During the immediate preceding five years, no shares were bought back. However, 2,50,000 shares held by Vishvas Infrastructure Ltd. were cancelled during the financial year 2013-14 as per the order of High Court.						

NOTE # 10

Statement of changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital	Amount
Particulars	
As at April 1, 2017	**-**
Changes in Equity share capital	**2,487.42**
As at March 31, 2018	**8,291.39**
Changes in Equity share capital	2,072.85
As at March 31, 2019	**10,364.24**

B. Other Equity

Particulars	Reserves and surplus							
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit obligations	Equity instruments through other comprehensive income	Exchange Difference in translating the Financial Statement of a Foreign Operation	Total other equity
Balance as at April 01, 2018	25.00	8,814.05	62.08	17,223.87	-33.97	543.04	24.08	26,658.14
Provision due to depriciation in value of current assets due to written off	-	-	-	-14,897.42	-	-		-14,897.42
Restated balance at the beginning	**25.00**	**8,814.05**	**62.08**	**2,326.45**	**-33.97**	**543.04**	**24.08**	**11,760.73**
Other comprehensive income for the year	-	-	-	-	-8.42	61.43	44.81	97.82
Dividends	-	-	-	-	-	-	-	-
Transfer to securities premium	-	-2,072.85	-	-	-	-	-	-2,072.85
Transfer to retained earnings	-	-	-	-11,690.96	-	-	-	-11,690.96
Balance as at March 31, 2019	**25.00**	**6,741.20**	**62.08**	**-9,364.51**	**-42.39**	**604.47**	**68.89**	**-1,905.27**

(Rs. in Lakh)

Particulars	As at March 31,2019	As at March 31,2018
NOTE # 11		
Borrowings		
Non - current Borrowings		
Secured		
Term loans from banks	7480.09	8,577.89
Term loans from others	549.02	624.02
Unsecured		
Loan from related parties	613.03	809.42
30,000,000 6% Non-convertible Redeemable Preference Shares of Rs. 10/- each	3000.00	3,000.00
Total	**11,642.14**	**13,011.32**
Current Borrowings		
Bank Overdraft	5401.02	-
Cash Credit facilities	31839.95	20,280.07
Buyer's Credit and Inland LCs - Bills Payable	4919.13	11,040.64
Total	**42,160.10**	**31,320.71**

Nature of security

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

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

Hypothication of Exclusive Charges of Machinery Financed by them only.

Vehicle Loans are secured by hypothecation of vehicles itself.

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

Loans guaranteed by directors or others	
Mr. Shankarlal Sitaram Somani Mr. Rajkumar Sitaram Somani Mr. Sumeetkumar Shankarlal Somani Smt. Gangadevi Somani Corporate Guarantee of M/S. Sitaram Prints Pvt Ltd.	Term Loan: Rs. 35.99Crores & US$ 39.29 Lacs

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

(Rs. in Lakh)

Particulars		**As at March 31,2019**	**As at March 31,2018**
NOTE # 12			
Trade Payables			
Creditors for Goods		4,598.69	6,285.71
Creditors for Expenses		2,017.60	2,558.41
	Total	**6,616.29**	**8,844.11**
Non Current		-	32.83
Current		6,616.29	8,811.29
NOTE # 13			
Other Financial Liabilities			
Non - Current			
Agency deposits		50.00	7.09
Current			
Current maturities of long term debt		3,680.20	3,766.88
Interest accrued but not due		754.39	199.45
		4,434.59	3,966.34
	Total	**4,484.59**	**3,973.43**
NOTE # 14			
Deferred Tax Liabilities			
Opening Balance		6,231.42	7,403.30
Provision for the period		(739.94)	1,171.89
Closing Balance		**5,491.48**	**6,231.42**

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 15			
Other liabilities			
Non-current			
Retention Money		-	3.14
Security Deposit from Staff		0.05	0.56
Provision for employee benefits - Gratuity Payable		184.69	152.96
		184.74	**156.66**
Current			
Advance from Customers		53.15	1,357.69
Professional Tax Payable		-	-
Provision for Expenses		554.52	695.74
Statutory Dues Payable		30.05	37.61
Other Payable		-	3.13
		637.72	2,094.17
	Total	**822.46**	**2,250.83**
NOTE # 16			
Provisions			
Current			
Provision for Taxation		1,180.47	2,469.66
Provision for Dividend distribution Tax		-	9.97
Provision for taxation - OCI		108.82	126.08
	Total	**1,289.29**	**2,605.70**
NOTE # 17			
Revenue From Operations			
Sale of Products			
Domestic sales		75606.92	106,860.75
Export			
Export sales			3,716.82
Export against Bond		5223.57	3,713.72
Deemed Export sales		5853.56	8,574.84
		86,684.05	122,866.13
Other Operating Revenues			
Export Incentives		0	16.98
	Total	**86,684.05**	**122,883.11**
NOTE # 18			
Other Incomes			
Dividend received		0.05	0.03
Commission received		-	-
Discount received		53.19	22.62
Int. on FDR'S		135.77	218.51
Others - Interest		183.65	252.88
Exchange Diff Income		-	459.61
	Total	**372.66**	**953.65**

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 19			
Cost of Materials Consumed			
Purchases of Raw Materials and Stores			
Opening stock		6001.24	4,870.82
Add:Purchase(net)		56837.89	60,393.28
		62,839.12	65,264.10
Less:Closing Stock		529.58	6,001.24
		62,309.54	**59,262.86**
Direct/Production expenses			
Labour & Security		13.26	70.30
Power & Fuel		8181.08	7732.77
Freight & Octroi		944.41	1022.12
Stores & Spares		684.87	811.24
Factory Expense		10.54	12.04
Repair & Maintenance:Factory Building		0.61	5.97
Repair & Maintenance:Plant&Machinery		38.24	67.07
Packing Expenses		1993.58	2380.50
		11866.59	**12102.01**
	Total	**74,176.13**	**71,364.86**
NOTE # 20			
Change in inventories			
Opening Stock		12005.76	11,693.93
Less:Closing Stock		11830.76	12,005.76
	Total	**175.00**	**(311.83)**
NOTE # 21			
Employement Benefit Expenses			
Salary		1,682.60	1,746.26
Gratuity		45.10	42.12
Bonus		102.15	114.72
P.F.		33.68	42.25
Leave Encashment		18.72	9.23
Directors Remuneration		18.00	5.40
ESIC		0.09	0.08
Manpower Supply Service		243.74	308.87
	Total	**2,144.09**	**2,268.92**

(Rs. in Lakh)

Particulars		As at March 31,2019	As at March 31,2018
NOTE # 22			
Financial Cost			
Interest paid to Banks		4444.27	2,791.02
Interest paid to others		342.39	421.32
Bank Charges & Guarantee commission (Others & Buyers credit)		1466.05	1,925.51
Overseas Bank Charges		8.43	9.23
	Total	**6,261.14**	**5,147.08**
NOTE # 23			
Depreciation and Amortization Expense			
Depreciation		4,659.00	5,252.25
Preliminary Expenses written off		7.32	7.32
	Total	**4,666.32**	**5,259.57**
NOTE # 24			
Other Expenses			
Advertisement & Publicity		1.68	10.98
Auditors Remuneration		10.85	16.47
Bad Debts		-	102.98
Books & Periodicals		-	0.07
Brokerage & Overseas Agency Commission		301.28	352.36
Carraige outward		634.29	738.66
Demat Charges		0.03	0.16
Director Sitting Fees		13.50	24.30
Diwali Expenses		-	0.02
Donation & CSR Activity		27.34	93.39
Electricity Expenses		4.69	4.58
Exchange Rate Difference		-	-
Excise duty (Included in Domestic sale)		-	2,357.12
Insurance Expenses		23.16	20.29
Legal & Professional		170.05	353.31
Loss on sale of Fixed Assets		88.32	0.06
Loss on sale of Investments		-	8.00
Membership & Subscriptions		3.74	0.22
Office & General Expenses		33.09	35.62
Postage & Telegram & Telephone		14.70	15.40
Printing & Stationery Expenses		10.60	15.76
Rent, Rates & Taxes		29.69	99.49
Repairs Office Building		-	1.73
Repairs Other		2.70	4.82
Sales Promotion Expenses		1.29	10.73
Travelling & Conveyance		5.57	17.75
Vehicle Expense		25.32	26.15
Vatav Kasar & Write off		-	2.54
Other Expenses		141.08	-
	Total	**1,542.97**	**4,312.95**

Notes Accompanying the Financial Statements

25. Balances of loans, advances, and Creditors & Debtors are subject to confirmation and have been taken as appeared in the books of account of the company.

26. Company has written off "Provision for Dividend and Distribution Tax" amounting to ₹ 9.97 lakh. As per explanation given to us, it is an excess provision of Dividend Distribution Tax [DDT] of prior year which is written off during the year.

27. Sum of ₹ 12.02 lakh has been written off on account of withholding tax payable. As explained to us, the company is not liable to pay withholding tax. Therefore, same has been credited to reserves and surplus during the year.

28. Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees.

Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

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

	Year ended	
	March 31, 2019	**March 31, 2018**
Current service cost	33,19,953.00	32,27,760.00
Net interest on net defined benefit liability/(asset)	11,90,041.00	9,84,731.00
Net gratuity cost/(benefit)	**45,09,994.00**	**42,12,491.00**

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

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

	Year ended	
	March 31, 2019	**March 31, 2018**
Discount rate	7.78%	7.78%
Expected return on plan assets	N.A	N.A
Expected rate of salary increase	8.00%	8.00%
Rate of employee turnover		
For service 4 years and below	12.00%	12.00%
For service 5 years and above	3.00%	3.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A	N.A

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

	Year ended	
	March 31, 2019	**March 31, 2018**
Present value of Defined Benefit Obligation at the beginning of the period	1,52,96,162.00	1,35,45,129.00
Current service cost	33,19,953.00	32,27,760.00
Past service cost	-	-
Interest cost	11,90,041.00	9,84,731.00

	Year ended	
	March 31, 2019	March 31, 2018
Liability transferred In/Acquisitions	-	-
(Liability transferred Out/Divestments)	-	-
(Gains)/Losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefits paid directly by the employer)	-25,60,055.00	-10,16,843.00
(Benefits paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial loss/(gain) arising from financial assumptions	23,053.00	-10,20,968.00
Actuarial loss/(gain) arising from demographic assumptions	-	-
Actuarial loss/(gain) arising from experience assumptions	11,99,628.00	-4,23,647.00
Present value of Defined Benefit Obligation at the end of the period	**1,84,68,782.00**	**1,52,96,162.00**

Amount Recognized in the Balance Sheet:

	As at	
	March 31, 2019	March 31, 2018
(Present Value of Benefit Obligation at the end of the Period)	-1,84,68,782.00	-1,52,96,162.00
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	-1,84,68,782.00	-1,52,96,162.00
Net (Liability)/Asset Recognized in the Balance Sheet	**-1,84,68,782.00**	**-1,52,96,162.00**

Maturity Analysis of the Benefit Payments: From the Employer

	As at	
Projected Benefits Payable in Future Years from the Date of Reporting	**March 31, 2019 (Amt in ₹)**	**March 31, 2018 (Amt in ₹)**
1st Following Year	5,78,196.00	4,68,823.00
2nd Following Year	5,47,420.00	4,54,390.00
3rd Following Year	6,04,252.00	8,37,503.00
4th Following Year	11,03,784.00	7,93,404.00
5th Following Year	10,29,154.00	9,84,283.00
Sum of Years 6 To 10	69,10,675.00	49,01,557.00
Sum of Years 11 and above	5,35,13,730.00	4,45,72,907.00

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, 2019 (Amt in ₹)	March 31, 2018 (Amt in ₹)
Projected Benefit Obligation on Current Assumptions	1,84,68,782.00	1,52,96,162.00
Delta Effect of +1% Change in Rate of Discounting	-21,04,213.00	-17,38,138.00
Delta Effect of -1% Change in Rate of Discounting	25,43,547.00	21,01,496.00
Delta Effect of +1% Change in Rate of Salary Increase	25,11,991.00	20,75,634.00
Delta Effect of -1% Change in Rate of Salary Increase	-21,17,990.00	-17,49,668.00
Delta Effect of +1% Change in Rate of Employee Turnover	-1,31,203.00	-1,15,907.00
Delta Effect of -1% Change in Rate of Employee Turnover	1,41,309.00	1,24,311.00

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.

29. Payment to Auditors:

Sr. No.	Particulars	Current Period	Previous Year
(a)	Statutory Auditors: (i) Audit Fees (ii) Tax Audit Fees	6,50,000 1,00,000	7,50,000
(b)	Cost Audit	40,000	35,000

30. Managerial Remuneration:

Sr. No.	Particulars	Current Period	Previous Year
(i)	Salary	18,00,000	5,40,000
(ii)	Perquisite	-	-

31. Earnings Per share (Ind AS 33) :

Sr. No.	Particulars	Current Period	Previous Year [Re-stated]
(i)	Net profit/(loss) as per Profit & Loss A/C	-1,16,54,99,323	-1,86,17,775
(ii)	Net Profit/(loss) adjusted from reserves	-1,48,61,45,441	-
(iii)	Net Profit Attributable to ordinary Shareholders[(i)+(ii)]	-2,65,16,44,764	-
(iv)	Weighted average number of shares for Basic Earnings per share	10,36,42,389	7,25,49,674
(v)	Weighted average number of shares for Diluted Earnings per share	10,36,42,389	7,25,49,674
(vi)	Nominal value per share	10	10
(vii)	Basic earnings per share (₹)	-	-
(viiii)	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.

32. Contingent Liabilities:

(a) SEBI had imposed penalty of ₹ 2.00 crores u/s 15-I of Securities and Exchange Board of India Act, 1992 read with rule 5 of SEBI (procedure for holding enquiry and imposing penalties by educating officer) Rules 1995 vide Adjudication order no. IVD/SIL/AO/DRK-CS/EAD-3/473-486/16-29-14. The Company has filed petition before SAT against the said order. The same has been remanded back to SEBI for fresh order on merits.

(b) 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 ₹ 21.35 Crores.

(c) Income Tax Assessment for A.Y. 2012-13, 2014-15 and 2015-16 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, 2019	As at 31st March,2018
(I)	Contingent Liabilities		
	Claims against the company/disputed liabilities not acknowledged as debts		
	i) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2012-13 pending in CIT Appeal [Note No. (a)]	595.59	732.59
	ii) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2014-15 pending in CIT Appeal [Note No. (b)]	11.14	11.14
	iii) Demand raised by Income Tax Department for Income Tax Demand for the period A.Y. 2015-16 pending in CIT Appeal [Note No. (c)]	9.73	10.73

The Company has filed appeal with CIT Appeal for the Income Tax demand of ₹5,95,58,850/- for the period A.Y. 2012-13, disputed by the companies which are still pending in the appeals.

The Company has filed appeal with CIT Appeal for the Income Tax demand of ₹11,13,928/- for the period A.Y. 2014-15, disputed by the companies which are still pending in the appeals.

The Company has filed appeal with CIT Appeal for the Income Tax demand of ₹9,72,740/- for the period A.Y. 2015-16, disputed by the companies which are still pending in the appeals.

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.

33. Operating Segment:

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

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

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

(₹ In Lacs)

Sr. No.	Particulars	31-03-2019	31-03-2018
(i)	India	72250.92	90463.00
(ii)	Rest of the world	11077.13	8026.00

Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2019 and March 31, 2018.

(₹ In Lacs)

Sr. No.	Name of Customer	31-03-2019	31-03-2018
(i)	Sharda Enterprise	9929.75	12516.00
(ii)	Ginni Tradelinks Pvt. Ltd.	11148.85	-

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

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

PLACE : SURAT
DATE : 30/05/2019

For and on behalf of Board of Directors

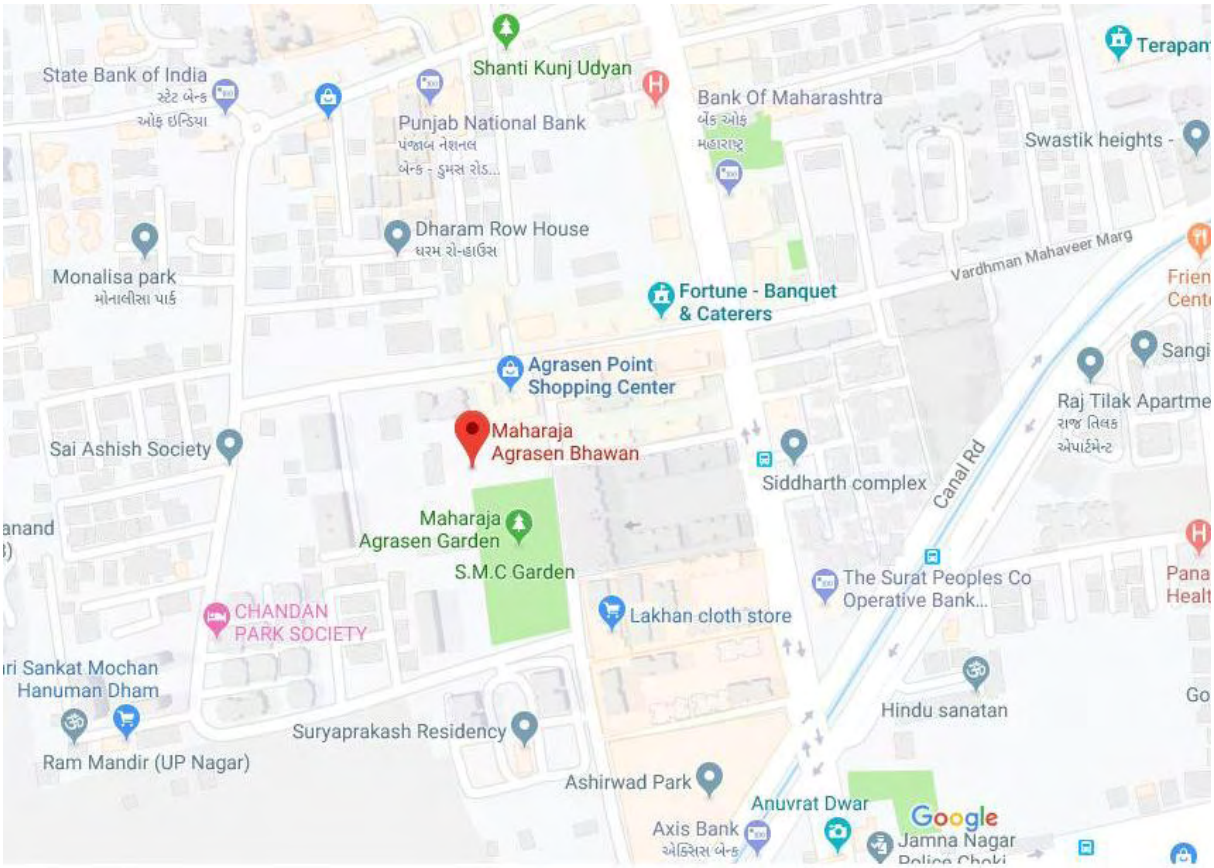
Shankarlal Somani - Chairman

Sumeet Kumar Somani - Mg. Director

Anil Kumar Jain - Company Secretary

Abhishek Prasad - CFO

Route map of the Venue of AGM of Sumeet Industries Limited



To,
Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (E)
Mumbai-400059
Ph.: (022) 62638200

SUB. : REQUEST FOR ECS / MANDATE

Unit: Sumeet Industries Limited **Folio No.**: _____

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

Name of the holder : _____

Securities held in : _____
(Name of the Company)

DPID : _____ **Client ID :** _____

I wish to record my mandate instruction as given below :

Type of instruction (select)	☐ **ECS** ☐ **MANDATE**								
Bank Name									
Bank Address									
9 digit MICR code (If ECS)									
A/c Type									
A/c Number									

Tel No. (with STD code) /Mobile **:** _____

Email ID : _____

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

Thanking you.

Yours faithfully

_____ _____
(Signature of the First holder) (Signature of the Second holder)

Please Note:

1) In case you are having Electronic holding of shares this form needs to be submitted to your Depository Participant. Quoting … DPID / Client ID
2) All the holder(s) sign is compulsory.
3) **Cancelled cheque** must be enclosed for processing mandate request.

SUMEET INDUSTRIES LIMITED

(CIN : L45200GJ1988PLC011049)

Registered office : 504, Trividh Chamber, 5th floor, Opp. Fire Brigade Station, Ring Road, Surat – 395 002
Email: corporate@sumeetindustries.com website: www.sumeetindustries.com
Phone: 0261 2328902 Fax: 0261 2334189

ATTENDANCE SLIP

ANNUAL GENERAL MEETING - 30/09/2019

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slip at the venue of the meeting.

Folio No.	
DP ID	
CLIENT ID	
No. of Shares	

I/We hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company at Agrasen Bhavan, Shyam Kunj Hall, City Light, Surat-395007, on Monday, 30th September, 2019 at 10:00 A.M.

Name of the Shareholder	Signature of the Shareholder

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

SUMEET INDUSTRIES LIMITED

(CIN : L45200GJ1988PLC011049)

Registered office : 504, Trividh Chamber, 5th floor, Opp. Fire Brigade Station, Ring Road, Surat – 395 002
Email: corporate@sumeetindustries.com website: www.sumeetindustries.com
Phone: 0261 2328902 Fax: 0261 2334189

PROXY FORM

ANNUAL GENERAL MEETING - 30/09/2019

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No./Client ID	
DP ID	
No. of Shares	

I/We, being the member(s) of _____ shares of Sumeet Industries Limited, hereby appoint.

1) Name: _____ Address: _____

Email id:_____ Signature: _____or failing him;

2) Name: _____ Address: _____

Email id:_____ Signature: _____or failing him;

3) Name: _____ Address: _____

Email id:_____ Signature: _____or failing him;

as my/our proxy to attend and vote for me/us at the 31st Annual General Meeting of the Company to be held on Monday, 30th September, 2019 at 10:00 A.M. or at any adjournment there of in respect of such resolutions as are indicated below:

Resolutions	For	Against
Ordinary Business:		
1. Consider and Adopt Audited Statement of Accounts for the financial year ended on 31st March, 2019 and Reports of Auditors and Board of Directors.		
2. Appointment of Mr. Shankarlal Somnai (DIN No. 00165238), Director of the Company who retires by rotation and being eligible, offer himself for re-appointment		
3. Appointment of Auditors		
Special Business:		
4. Appointment of Ms. Zeel Sureshkumar Modi (DIN: 08290608) as an Independent Director of the Company		
5. Appointment of Mr. Atmaram Sarda (DIN: 06713264) as a Non- Executive director of the Company		
6. Ratification of appointment of Cost Auditor		

Signed this _____day of _____ 2019.

Affix Rs.1 Revenue Stamp

Signature of the Shareholder _____

Signature of Proxy Holder(s) _____

Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the Commencement of the meeting.
2. In the case of a body corporate, the proxy form should be signed by the authorised person duly enclosing thereto, a certified copy of the resolution of the Board under Section 113 of the Companies Act, 2013.
3. It is Optional to put a 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. A proxy need not be a member of the Company.

FIVE YEARS OPERATING & FINANCIAL DATA (STANDALONE)

OPERATING DATA					(Rs. In Lakh)
PARTICULARS	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Sales & Income from operation	83328.05	107081.71	130180.80	105248.48	93117.27
Other Income	303.38	952.60	729.50	542.99	94.38
Increase (Decrease) in Inventories	-175.00	311.83	429.85	405.66	714.50
Total	**83456.43**	**108346.14**	**131340.15**	**106197.13**	**93926.15**
Purchase of Finished Goods	1449.82	21089.63	43087.46	28829.18	11407.38
Raw Material Consumed	62309.54	59262.86	51339.48	52776.84	60050.64
Staff Cost	2144.09	2236.87	1667.55	1311.61	1238.50
Manufacturing Expenses	11866.60	12102.01	10922.92	11658.72	12350.21
Administrative & Selling & Dist. Exp.	1401.89	4174.97	11969.06	2608.10	868.17
Interest & Depreciation	10857.54	10177.36	6868.80	6174.65	5509.21
Total	**90029.48**	**109043.70**	**125855.27**	**103359.10**	**91424.11**
Profit/(Loss) before Taxation	**-6573.05**	**-697.56**	**5484.88**	**2838.03**	**2502.04**
Exceptional Items	**-5821.90**				
Taxation	739.94	-372.70	1812.14	1153.57	656.31
Profit & Loss after Taxation	**-11655.01**	**-324.86**	**3672.74**	**1684.46**	**1845.73**
Other Comprehensive Income	-11.86	138.68	63.53	-	-
Total Comprehensive Income for the Period	**-11666.87**	**-186.18**	**3736.27**	**1684.46**	**1845.73**
Earning per Share (EPS)	**-**	**-**	**6.44**	**2.90**	**3.18**
Share Capital *	13364.24	11291.39	8803.97	8803.97	7803.97
Share Application Money	0.00	0.00	0.00	0.00	0.00
Reserve & Surplus	-2943.35	25657.81	22361.60	18318.46	16131.50
Deferred Tax Liability	5491.48	6231.42	7403.30	5747.03	4716.66
Loan Funds **	45401.22	35589.96	38945.89	46138.15	44174.98
Capital & Funds Employed	**61313.59**	**78770.58**	**77514.76**	**79007.61**	**72827.11**
Fixed Assets#	30974.58	36026.37	40200.88	41448.32	42580.02
Investments	3362.26	3247.86	3042.53	2592.29	2479.64
Current Assets	41041.92	55804.60	49460.29	49632.85	43417.27
Current Liabilites & Provisions	14065.17	16308.25	15188.93	14665.85	15649.82
Net Current Assets	26976.75	39496.35	34271.36	34967.00	27767.45
Capital & Funds Applied	**61313.59**	**78770.58**	**77514.76**	**79007.61**	**72827.11**

* 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

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