

Sumeet **INDUSTRIES LIMITED**

CIN : L45200GJ1988PLC011049

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Date: 20/06/2022

To,

National Stock Exchange of India Ltd

Exchange Plaza,

Bandra Kurla Complex,

Bandra (E),

Mumbai - 400 051

Symbol - SUMEETINDS

Ref.: Email Dated 15/06/2022

Reg.: Limited Review Report/ Independent Auditor's Report is not in the format prescribed by SEBI - Company has provided Same UDIN.

Dear sir,

With reference to the caption subject, we are enclosing herewith Independent Auditors' Report on Standalone and Consolidated Financial Accounts for the year ended on 31/03/2022 on new format as provided by SEBI.

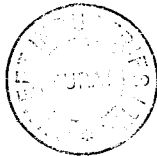
The same UDIN no. put on Independent Auditors' Report on Standalone and Consolidated Financial Accounts for the year ended on 31/03/2022 had typographical error due to ignorance.

In future, we will keep utmost care in this respect.

Thanking You.

For Sumeet Industries Limited


Company Secretary
Anil Kumar Jain





INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF,
SUMEET INDUSTRIES LIMITED

1. Report on the Audit of Standalone Financial Statements

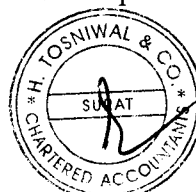
Qualified Opinion

We have audited the accompanying standalone financial statements of **SUMEET INDUSTRIES LTD.** ("The Company") which comprises the Balance Sheet as on **31st March 2022**, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2022**, and its **Profit** (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

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



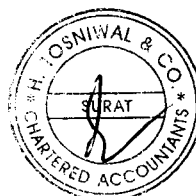
- The company has not created provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2022 on Rs 62.42 cr (Rs438.84– Rs376.42)cr being other than proposed continuing sustainable debt. The same will result in overstatement of profit..
- The company has not created provision for Interest amounting to Rs 30,69,475/- on delayed payment of MSME dues resulting in overstatement of profit.

Key Audit Matters

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

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

<u>Key Audit Matter</u>	<u>How our audit addressed the Key Audit Matter</u>
<p><u>Calculation of Interest paid to Bank</u></p> <p>The company has loan from various banks like Bank of Baroda, Union Bank of India, IDBI Bank, Central bank , BOB(e- Dena bank) which have been2 classified as Non Performing Assets</p> <p>In the meeting held on 19th February 2022 of Joint Lenders, it was proposed that on continuing sustainable debts of Rs 376.42 cr, interest to be charged as per the rate proposed in the meeting from 01.04.2021.</p> <p>The company has booked interest amount of Rs 23 cr in books of accounts shown under Finance cost on the basis of Interest rates proposed in that plan on continuing sustainable debts, However the plan has not been implemented yet.</p> <p>Considering the significance of the judgments used by the management and non implementation of the proposal we have considered this as Key Audit Matter</p>	<p>We performed the following audit procedure</p> <ul style="list-style-type: none"> • We checked the minutes of the meeting held by Joint lenders and the proposal. • We checked the calculation accuracy of interest component as provided in the proposal and rates taken for interest expenditure in books. • We have evaluated the reasonableness of the decreasing the debts by balance amount of cutback deducted by bank.



Investment in subsidiary company

As at March 31, 2022, the company has investment of Rs 22.73 cr in the Equity shares of Sumeet Global PTE Ltd (company incorporated in Singapore) which is measured at Historical cost, (after considering the exchange rate fluctuations) as per Ind AS 109.

On the basis of certified financial statement of Sumeet global PTE ltd, it has been observed that company does not have any Asset in its balance sheet, moreover it has negative net worth of \$78,26,875 i.e Rs 59.32 crores.

Therefore there is a doubt about recovery of the invested amount.

Considering the above we have determined this as a Key Audit Matter.

Our audit procedures included and were not limited to the following,

- Reviewed the certified copy of financials and Compliance report by the Public Accountants and chartered Accountants, (Singapore) of Sumeet global PTE Ltd.
- Reviewed the disclosures made by the company and its subsidiary in the financial statement.
- We have checked the amount of investment disclosed in the financial statement.

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

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

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

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

5. Management's Responsibility for the Standalone Financial Statements

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



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

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

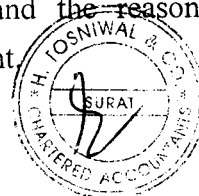
The respective Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibility

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

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

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

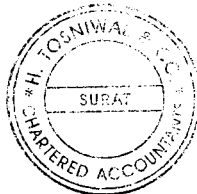


- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of the misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS**



**CA. HARISHANKAR TOSNIWAL
PARTNER
FRN:0111032W
M.NO. 055043
PLACE : SURAT
DATE : 30/05/2022**



UDIN : 22055043AKXUKT6415



INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF,
SUMEET INDUSTRIES LIMITED

1. Report on the Audit of Consolidated Financial Statements

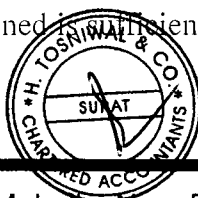
Qualified Opinion

We have audited the accompanying consolidated financial statements of **SUMEET INDUSTRIES LIMITED** ("The Holding Company") and its subsidiary (the Company and its subsidiary together referred to as the "Group") which comprises the Consolidated Balance Sheet as on **31st March 2022**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Group as at **March 31, 2022**, and its Consolidated **Profit** other comprehensive Loss, Consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Qualified Opinion

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



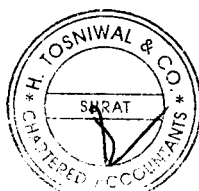
- The Holding Company has not created provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2022 on Rs 62.42 cr (Rs438.84– Rs376.42) cr being other than proposed continuing sustainable debt. The same will result in overstatement of profit
- The Holding Company has not created provision for Interest amounting to Rs 30, 69,475/- on delayed payment of MSME dues resulting in overstatement of profit.

3. Key Audit Matters

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

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

<u>Key Audit Matter</u>	<u>How our audit addressed the Key Audit Matter</u>
<p><u>Calculation of Interest paid to Bank</u></p> <p>The Holding Company has loan from various banks like Bank of Baroda, Union Bank of India, IDBI Bank, Central bank , BOB(e-Dena bank) which have been classified as Non-Performing Assets</p> <p>In the meeting held on 19th February 2022 of Joint Lenders, it was proposed that on continuing sustainable debts of Rs 376.42 cr, interest to be charged as per the rate proposed in the meeting from 01.04.2021.</p> <p>The Holding Company has booked interest amount of Rs 23 cr in books of accounts shown under Finance cost on the basis of Interest rates proposed in that plan on continuing sustainable debts, However the plan has not been implemented yet.</p> <p>Considering the significance of the judgments used by the management and non-implementation of the proposal we have considered this as Key Audit Matter</p>	<p>We performed the following audit procedure</p> <ul style="list-style-type: none"> • We checked the minutes of the meeting held by Joint lenders and the proposal. • We checked the calculation accuracy of interest component as provided in the proposal and rates taken for interest expenditure in books. • We have evaluated the reasonableness of the decreasing the debts by balance amount of cutback deducted by bank.



<u>Key Audit Matter</u>	<u>How our audit addressed the Key Audit Matter</u>
<p><u>Investment in subsidiary company</u></p> <p>As at March 31, 2022, the Holding Company has investment of Rs 22.73 cr in the Equity shares of Sumeet Global PTE Ltd (subsidiary company incorporated in Singapore) which is measured at Historical cost, (after considering the exchange rate fluctuations) as per Ind AS 109.</p> <p>On the basis of certified financial statement of Sumeet Global PTE Ltd, it has been observed that subsidiary company does not have any Asset in its balance sheet, moreover it has negative net worth of \$78,26,875 i.e Rs 59.32 crores. Therefore there is a doubt about recovery of the invested amount.</p> <p>Considering the above we have determined this as Key Audit Matter.</p>	<p>Our audit procedures included and were not limited to the following,</p> <ul style="list-style-type: none"> Reviewed the certified copy of financials and Compliance report by the Public Accountants and chartered Accountants, Singapore) of Sumeet global PTE ltd. Reviewed the disclosures made by the company and its subsidiary in the financial statement. We have checked the amount of investment disclosed in the financial statement.

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

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

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

5. Management's Responsibility for the Consolidated Financial Statements

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



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

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

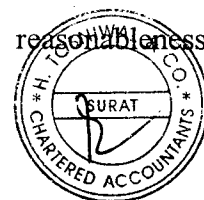
The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

6. Auditor's Responsibility for the Audit of Consolidated Financial Statement.

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

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

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



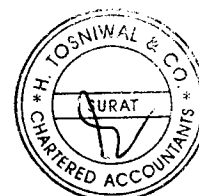
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. -

Materiality is the magnitude of the misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements

We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



Other Matters

7. We did not audit the financial statements/financial information of Sumeet Global PTE Limited (Wholly Owned Subsidiary) whose financial statements/financial information reflect Total Assets is NIL as at 31st March, 2022, Total Revenues is 7.41 Lakhs and Net Profit of Rs 6.97 Lakhs for the year ended 31st March 2022.

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

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

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

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

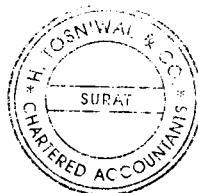
Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us to compile these financial statements. Accordingly, we don't express an audit opinion or a review conclusion on whether theses financials statements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

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the compilation reports of the M/s S. Renganathan & Co .

**FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS**



**CA. HARISHANKAR TOSNIWAL
PARTNER
FRN:0111032W
M.NO. 055043
PLACE : SURAT
DATE : 30/05/2022**



UDIN : 22055043ALESFP6337