

Sumeet INDUSTRIES LIMITED

CIN: L45200GJ1988PLC011049

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

Date: 28/05/2024

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

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

Scrip Code - 514211

Symbol - SUMEETINDS

Sub.: Outcome of the Board Meeting held on 28TH May, 2024 of M/s Sumeet Industries Limited (“Corporate Debtor” or “SIL”) which is currently undergoing Corporate Insolvency Resolution Process (“CIRP”)

Ref.: Audited Financial Results (Standalone and Consolidated) for the year ended 31ST March 2024 of SIL under Regulation 33 and other applicable regulations of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we wish to inform you that the Resolution Professional (“RP”) along with the Directors and Key Managerial Personnel in their Board Meeting held today i.e., Tuesday, 28TH May 2024, inter alia considered, approved and taken on record the following matters:

1. Audited Standalone and Consolidated Financial Results for the quarter and year ended 31st March, 2024 along with Statement of Assets and Liabilities and Cash Flow Statement for the financial year ended 31st March, 2024.
2. Pursuant Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May 2016, the Company hereby declares that M/s. H. Tosniwal & Co., Chartered Accountants, Surat, the Statutory Auditors of the Company have issued the Audit Reports on the Audited Standalone and Consolidated financial results of the Company for the quarter and year ended 31st March, 2024 with qualified opinion.
3. The Company has not declared any dividend on Equity shares for the year ended 31st March, 2024.
4. Statement on impact of Audit Qualifications on Audited Standalone and Consolidated financial results for the financial year ended 31st March, 2024 is enclosed herewith as **Annexure-1**.

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5. Approved appointment of M/s. V. M. Patel & Associates, Cost Accountants as Cost Auditor of the Company for the financial year 2024-25.
6. M/s. Dhirren R. Dave & Co., Practicing Company Secretaries has been re-appointed as Secretarial Auditor of the Company for the financial year 2024-25.
7. M/s. ARVP & Co., Chartered Accountants (FRN No.101482W) has been re-appointed as Internal Auditor of the company for the year 2024-25.

The financial results for quarter and year ended 31st March 2024 have been taken on record by the RP while exercising the powers of the Board of Directors of the Company, in good faith, solely for the purpose of compliance and discharging his duties which has been conferred upon him as per the provisions of the IBC. The RP has relied upon the certifications, representations and statements made by the officials of the Company in relation to these financial results.

The Company has also made necessary arrangements to publish the extracts of the financial results in newspapers pursuant to the requirements as prescribed under the Listing Regulations.

Please note that in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the trading window for dealing in the securities of the Company will open after expiry of 48 hours from declaration of audited financial results in public domain.

The Board Meeting (RP) commenced at 4.03 P.M and concluded at 05.40 P.M

This is for your information and record please.

Thanking you.

For Sumeet Industries Limited (under CIRP)

ANIL KUMAR
SUMERMAL
JAIN

Digitally signed by ANIL KUMAR SUMERMAL
DN: cn=ANIL KUMAR SUMERMAL, postalCode=395002,
c=IN
Reason: I am the signatory for ANIL KUMAR SUMERMAL
Date: 2024.03.28 17:41:58 +05'30'

Anil Kumar Jain
Company Secretary

Sumeet Industries Limited is under Corporate Insolvency Resolution Process vide Hon'ble National Company Law Tribunal, Ahmedabad Bench order dated December 20, 2022 and Mr. Satyendra P Khorania (Reg. No. IBB/1PA-002/IP-N00002/2016-17/10002) is appointed as Resolution Professional ("RP"). Pursuant to the order and the provisions of Insolvency & Bankruptcy Code, 2016, the powers of the Board of Directors have been suspended and such powers are vested with Mr. Satyendra P. Khorania, in the capacity of RP.)

SUMEET INDUSTRIES LIMITED

CIN : L45200GJ1988PLC011049

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STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2024											
(Rs. In Lacs)											
	PARTICULARS	STANDALONE					CONSOLIDATED				
		QUARTER ENDED			YEAR ENDED		QUARTER ENDED			YEAR ENDED	
		31/03/24	31/12/23	31/03/23	31/03/24	31/03/23	31/03/24	31/12/23	31/03/23	31/03/24	31/03/23
		Audited	Un-Audited	Audited	Audited	Audited	Audited	Un-Audited	Audited	Audited	Audited
1	Revenue from operations	27105.57	22707.00	23719.95	98485.70	103312.41	27105.57	22707.00	23719.95	98485.70	103312.41
2	Other Income	46.99	6.10	987.17	84.81	1022.57	47.49	6.10	986.84	85.31	1022.24
	Total Income	27152.56	22713.10	24707.12	98570.51	104334.98	27153.06	22713.10	24706.79	98571.01	104334.65
3	Expenses:										
	(a) Cost of materials consumed	23251.10	18704.68	19314.05	83991.91	83076.14	23251.10	18704.68	19314.04	83991.91	83076.13
	(b) Purchases of stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-431.79	614.44	-211.41	-213.89	4768.88	-431.79	614.44	-211.41	-213.89	4768.88
	(d) Employee benefits expense	750.44	784.23	698.49	2837.10	2532.28	750.44	784.23	698.49	2837.10	2532.28
	(e) Finance costs	0.30	0.52	0.92	1.81	705.57	0.30	0.52	0.92	1.81	705.57
	(f) Depreciation and amortisation expense	594.00	597.87	678.91	2390.90	2749.24	594.00	597.87	678.91	2390.90	2749.24
	(g) Other expenses	4209.07	3665.20	3839.36	15909.38	16878.03	4209.57	3665.20	3839.05	15909.88	16877.72
	Total Expenses	28373.12	24366.94	24320.32	104917.21	110710.14	28373.62	24366.94	24320.00	104917.71	110709.82
4	Profit / (Loss) from continuing Operarions before Exeptional items	-1220.56	-1653.84	386.80	-6346.70	-6375.16	-1220.56	-1653.84	386.79	-6346.70	-6375.17
5	Exceptional item	0.00	0.00	1.80	0.00	1.80	0.00	0.00	1.80	0.00	1.80
6	Profit / (Loss) from continuing	-1220.56	-1653.84	385.00	-6346.70	-6376.96	-1220.56	-1653.84	384.99	-6346.70	-6376.97
7	Tax expense:									0.00	0.00
	(a) Current tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Deferred tax	-445.55	0.00	-123.59	-445.55	-504.81	-445.55	0.00	-123.59	-445.55	-504.81
	(c) MAT Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(d) Taxation of previous year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Profit (Loss) for the period	-775.01	-1653.84	508.59	-5901.15	-5872.15	-775.01	-1653.84	508.58	-5901.15	-5872.16

	PARTICULARS	STANDALONE					CONSOLIDATED				
		QUARTER ENDED			YEAR ENDED		QUARTER ENDED			YEAR ENDED	
		31/03/24	31/12/23	31/03/23	31/03/24	31/03/23	31/03/24	31/12/23	31/03/23	31/03/24	31/03/23
		Audited	Un-Audited	Audited	Audited	Audited	Audited	Un-Audited	Audited	Audited	Audited
9	Other Comprehensive Income:										
	A. Items that will not be reclassified to profit or loss										
	(i) Remeasurements of defined benefits	-39.21	0.00	20.81	-39.21	20.81	-39.21	0.00	20.81	-39.21	20.81
	Less : Income tax relating to above item	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Fair value of equity instruments through	0.27	0.57	-0.85	1.57	-0.48	0.27	0.57	-0.85	1.57	-0.48
	Less : Income tax relating to above item	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	B. Items that will be reclassified to profit or loss										
	(i) Exchange Difference in translating the financial statement of a foreign operation	0.00	0.00	0.00	0.00	0.00	-78.52	90.86	-345.97	-96.66	-499.62
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Comprehensive Income net of taxes	-38.94	0.57	19.96	-37.64	20.33	-117.46	91.43	-326.01	-134.30	-479.29
10	Total Comprehensive Income for the period	-813.95	-1653.27	528.55	-5938.79	-5851.82	-892.47	-1562.41	182.57	-6035.45	-6351.45
11	Paid up Equity Share Capital (Face value Rs.10/-)	10364.24	10364.24	10364.24	10364.24	10364.24	10364.24	10364.24	10364.24	10364.24	10364.24
12	Other Equity (excluding Revaluation Reserve) as per Balance Sheet of previous accounting year	-	-	-	-9217.01	-3278.22	-	-	-	-17669.11	-11633.66
13	Earnings per equity share of Rs.10/- each										
	(a) Basic	-0.79	-1.60	0.49	-5.73	-5.67	-0.86	-1.51	0.49	-5.82	-5.67
	(b) Diluted	-	-	-	-	-	-	-	-	-	-

FOR SUMEET INDUSTRIES LIMITED (under CIRP)

Taken on Record

SATYENDRA
PRASAD
KHORANIA

Digitally signed by
SATYENDRA PRASAD
KHORANIA
Date: 2024.05.28 16:15:29
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Satyendra P. Khorania-RP

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

AFA No.: AA2/10002/02/101224/203107 & Valid upto-10.12.2024

SHANKARLAL
SITARAM SOMANI

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SOMANI
DN: cn=Shankarlal Sitaram Somani, o=Summeet Industries Limited, ou=Director, email=shankarlal.sitaram.somani@summeetindustries.com, c=IN
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Shankarlal Sitaram Somani

Director

(DIN:00165238)

ABHISHEK
MAHENDRA PRASAD

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DN: cn=Abhishek Mahendra Prasad, o=Summeet Industries Limited, ou=Director, email=abhishek.mahendra.prasad@summeetindustries.com, c=IN
Date: 2024.05.28 16:41:54 +05'30'

Abhishek Prasad

CFO

Place : Surat

Date : 28/05/2024

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CIN : L45200GJ1988PLC011049

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STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2024**(Rupees in Lakhs)**

	Particular	STANDALONE		CONSOLIDATED	
		31/03/24	31/03/23	31/03/24	31/03/23
		Audited	Audited	Audited	Audited
I.	ASSETS				
(1)	Non-Current Assets				
	(a) Property, Plant and Equipment	16096.15	18486.06	16096.15	18486.06
	(b) Capital Work in Progress	-	-	-	-
	(c) Investment Property	-	-	-	-
	(d) Goodwill	-	-	-	-
	(e) Other Intangible Aseets	-	-	-	-
	(f) Intangible Aseets under Development	-	-	-	-
	(g) Financial Assets				
	(i) Investments	2279.71	2278.14	5.93	4.36
	(ii) Trade Receivables	446.09	446.09	-	-
	(iii) Loans	1491.83	1491.83	1491.83	1491.83
	(iv) Other Financial Assets	35.55	38.71	35.55	38.71
	(h) Deferred Tax Assets	-	-	-	-
	(i) Other non current assets	-	-	-	-
	Subtotal	20349.33	22740.83	17629.46	20020.96
(2)	Current Assets				
	(a) Inventories	10252.34	10299.22	10252.34	10299.22
	(b) Financial Assets				
	(i) Investments	-	-	-	-
	(ii) Trade Receivables	8202.06	10478.23	8202.06	10478.23
	(iii) Cash and Cash Equivalents	2110.94	462.74	2110.94	462.74
	(iv) Loans	-	-	-	-
	(v) Other Financial Assets	-	-	-	-
	(c) Others Current Assets	4575.02	4225.77	4575.02	4225.77
	Subtotal	25140.36	25465.96	25140.36	25465.96
	TOTAL ASSETS	45489.69	48206.79	42769.82	45486.92
II	EQUITY AND LIABILITIES				
(1)	Equity				
	Share Capital	10364.24	10364.24	10364.24	10364.24
	Other Equity	-19581.26	-13642.46	-28033.35	-21997.89
	Subtotal	-9217.02	-3278.22	-17669.11	-11633.65
(2)	Liabilities				
	Non Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	4124.45	4124.45	4124.45	4124.45
	(ii) Trade Payable	-	-	-	-
	(iii) Other Financial Liabilities	-	-	-	-
	(b) Provisions	-	-	-	-
	(c) Deferred Tax liabilities (Net)	2816.14	3261.69	2816.15	3261.69
	(d) Other non current liabilities	454.93	460.96	454.94	460.95
	Subtotal	7395.52	7847.10	7395.54	7847.09
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	38371.09	38371.21	44885.03	44788.70

(ii) Trade Payable Due to :					
Micro, Small & Medium Enterprises	1616.22	996.12	1616.21	996.12	
Other than Micro, Small & Medium Er	4457.26	3640.23	3661.95	2844.93	
(iii) Other Financial Liabilities	0.00	0.00	0.00	0.00	
(b) Other Current Liabilities	2866.62	630.35	2866.62	630.35	
(c) Provisions	0.00	0.00	13.58	13.38	
Subtotal	47311.19	43637.91	53043.39	49273.48	
TOTAL EQUITY AND LIABILITIES	45489.69	48206.79	42769.82	45486.92	

FOR SUMEET INDUSTRIES LIMITED (under CIRP)

SHANKARLAL
SITARAM
SOMANI

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SOMANI
DN: c=IN, o=Personal, postalCode=395007,
st=Gujarat, cn=SHANKARLAL SITARAM
SOMANI, email=ABHISEK@SOMEETINDUSTRIES.COM,
serial=7977, cn=SHANKARLAL SITARAM SOMANI
Date: 2024.05.28 16:37:51 +05'30'

Shankarlal Sitaram Somani
Director (DIN:00165238)

ABHISHEK
MAHENDRA
PRASAD

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PRASAD
DN: c=IN, o=Personal, postalCode=395007,
st=Gujarat, cn=ABHISHEK MAHENDRA
PRASAD, email=ABHISEK@SOMEETINDUSTRIES.COM,
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Date: 2024.05.28 16:37:51 +05'30'

Abhishek Prasad
CFO

SATYENDR
A PRASAD
KHORANIA

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SATYENDRA
PRASAD KHORANIA
Date: 2024.05.28
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Satyendra P. Khorania

Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002
AFA No.: AA2/10002/02/101224/203107 & Valid upto-
10.12.2024

Place : Surat
Date : 28/05/2024

SUMEET INDUSTRIES LIMITED

CIN : L45200GJ1988PLC011049

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(Rupees in Lakhs)

	Particular	STANDALONE				CONSOLIDATED			
		31 March 2024		31 March 2023		31 March 2024		31 March 2023	
		Audited		Audited		Audited		Audited	
A	Cash Flow From Operating Activities								
	Net Profit before tax and Extraordinary Items	-6384.34		-6354.83		-6384.33		-6354.85	
	Depreciation	2390.89		2749.24		2390.89		2749.24	
	Fair Value on investment			-				-	
	Foregin Exchange Difference	-		-		-96.66		-499.62	
	Loss on sale of Asset	-		1.80		-		1.80	
	Interest on Income Tax	-		-		-		-	
	Loss on sale of Investment	-		-		-		-	
	Interest Paid	0.09		576.40		0.09		576.40	
	Other Adjustment to reconcile profit	-		-		-		-	
		2390.98		3327.44		2294.32		2827.82	
	Less:								
	Fair Value on Investment	-		-		-		-	
	Interest Income	74.71		0.55		75.21		1.03	
	Profit on sale of Asset	-		-		-		-	
	Dividend Income	0.22		0.25		0.22		0.25	
		74.93		0.80		75.43		1.28	
			2316.05		3326.64		2218.89		2826.54
	Operating Profit before Working Capital Changes								
	Trade Receivables	2276.16		1174.37		2276.16		1174.37	
	Other asset	-346.09		5500.98		-346.09		5500.98	
	Inventories	46.88		5262.18		46.87		5262.19	
	Trade Payables	1437.12		-1081.15		1437.12		-1088.92	
	Other Liabilities	2230.26		-33.35		2230.26		-25.07	

	Particular	STANDALONE				CONSOLIDATED			
		31 March 2024		31 March 2023		31 March 2024		31 March 2023	
		Audited		Audited		Audited		Audited	
	Provision	0.00		0.00		0.20		1.04	
			5644.33		10823.03		5644.52		10824.59
	Tax Paid		0.00		0.00		0.00		0.00
	Net Cash Flow From Operating Activities (A)		1576.04		7794.84		1479.08		7296.28
B	Cash Flow From Investing Activities:								
	<u>Fixed Assets & Work in Progress</u>								
	Sale of Fixed Assets	-		-1.40		-		-1.40	
	Purchase of Fixed Assets	-0.99		-85.03		-0.99		-85.03	
	<u>Investments</u>								
	Purchase of Investments	-1.57		7.76		-1.57		7.76	
	Sale of Investments	-		-		0.00		-	
	Dividend received	0.22		0.25		0.22		0.25	
	Interest Income	74.71		0.55		75.21		1.03	
	Net Cash Flow From Investing Activities (B)		72.37		-77.86		72.87		-77.39
C	Cash Flow From Financing Activities:								
	Increase / Decrease in Borrowings	-0.13		-6715.08		96.33		-6217.00	
	Increase / Decrease in Loans & Advances			6.63				6.63	
	Interest Paid	-0.08		-576.40		-0.08		-576.40	
	Net Cash Flow From Financing Activities (C)		-0.21		-7284.85		96.25		-6786.76
	Net Increase in Cash & Cash equivalents		1648.20		432.13		1648.20		432.12
D	Opening Cash and Cash equivalents		462.74		30.62		462.74		30.62
E	Closing Cash and Cash equivalents		2110.94		462.74		2110.94		462.74
			1648.20		432.12		1648.20		432.12

NOTES :-

- 1 The above Audited Financial Results for the Year ended 31st March, 2024, were reviewed and approved by the Board of Directors (Suspended) and taken on records by Resolution Professional (RP) on May 28, 2024. The Statutory Auditors of the Company have expressed modified opinion on the aforesaid results.
- 2 The Annual Consolidated financial results have been prepared by consolidating the Companies' Audited Annual Accounts for the financial year 2023-24 with the annual accounts of its wholly owned subsidiary company named "Sumeet Global Pte Ltd", Singapore.

- 3 The Hon'ble National Company Law Tribunal Bench, Ahmedabad vide order dated vide order dated 20.12.2022 ('Insolvency Commencement Date') has initiated Corporate Insolvency Resolution Process ('CIRP') U/S.7 of the Insolvency and Bankruptcy Code, 2016 ('The Code') based on the application filed by IDBI Bank Limited, Secured Creditor of the Company. Mr. Kuresh Hatim Khambati (having registration number IBBI/IPA-001/IP-P-01521/2018-19/12454) was appointed as Interim Resolution Professional ("IRP"). Pursuant to the NCLT order for commencement of the CIRP and in line with the provision of the Code, the power of the Board of Directors stand suspended and be exercised by the IRP/RP. Subsequently on application filed by BOB, the lead Banker for replacement of IRP, Mr. Satyendra P. Khorania (Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002) has been appointed as a Resolution Professional ("RP") of the company vide Hon'able NCLT order dated 15.02.2023. The Company is continued as going concern. The above results were reviewed by the Management and the "RP".
- 4 The COC has approved the Resolution plan submitted by a Resolution Applicant. The Resolution Plan of Successful Resolution Applicant submitted before the Hon'ble NCLT Bench By RP has been rejected and RP on the instruction of COC has filed an appeal against the order of Hon'ble NCLT before Hon'ble NCLAT and currently judgement is reserved.
- 5 These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013.
- 6 The Company is operating in Textile Business only therefore, there is only one reportable segment in accordance with the Accounting Standards AS-17 issued by ICAI.
- 7 Figures for the quarter ended 31st March, 2024 and 31st March, 2023 are the balancing figures between audited figures in respect of the full financial year ended 31st March, 2024 and 31st March, 2023 and the unaudited published year to date figures up to 31st December, 2023 and 31st December, 2022 respectively being the dates of the end of the third quarters of the financial years which were subjected to limited review.
- 8 The figures of previous period are regrouped/reclassified wherever necessary to correspond to the figures of the current reporting period.
- 9 Statement of Impact of Audit Classification being qualified opinion for the financial year ended 31st March, 2024 on Standalone and Consolidated Financial Result is enclosed as Annexure-1.
- 10 Information of Standalone financial results of the company in terms of Regulation 47(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

Particulars	Quarter Ended			Year Ended	
	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
Total Income	27152.56	22713.10	24707.12	98570.51	104334.98
Profit Before Tax	-1220.56	-1653.84	385.00	-6346.70	-6376.96
Net Profit for the period/year after Tax	-775.01	-1653.84	508.59	-5901.15	-5872.15
Total Comprehensive income for the period	-813.95	-1653.27	528.55	-5938.79	-5851.82

Taken on Record
 SATYENDRA PRASAD KHORANIA
 Digitally signed by SATYENDRA PRASAD KHORANIA
 Date: 2024.05.28 16:16:07 +05'30'
Satyendra P. Khorania-RP

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

AFA No.: AA2/10002/02/101224/203107 & Valid upto-10.12.2024

SHANKARLAL SITARAM SOMANI
 Digitally signed by SHANKARLAL SITARAM SOMANI
 DN: cn=SHANKARLAL SITARAM SOMANI, o=FOR SUMEET INDUSTRIES LIMITED, email=SHANKARLAL.SITARAM.SOMANI@SUMEETINDUSTRIES.COM, c=IN
 Date: 2024.05.28 10:38:49 +05'30'

Shankarlal Sitaram Somani
Director
(DIN:00165238)

FOR SUMEET INDUSTRIES LIMITED (under CIRP)

ABHISHEK MAHENDRA PRASAD
 Digitally signed by ABHISHEK MAHENDRA PRASAD
 DN: cn=ABHISHEK MAHENDRA PRASAD, o=FOR SUMEET INDUSTRIES LIMITED, email=ABHISHEK.MAHENDRA.PRASAD@SUMEETINDUSTRIES.COM, c=IN
 Date: 2024.05.28 16:44:00 +05'30'

Abhishek Prasad
CFO
Place : Surat
Date : 28/05/2024

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SUMEET INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Results

1. Qualified Opinion

We have audited the accompanying Standalone Financial Results of **SUMEET INDUSTRIES LTD.** ("The Company") for the quarter and year ended **31st March 2024**, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph and Material Uncertainty Related to Going Concern under the Emphasis of Matter paragraph below, the aforesaid annual financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit/loss and other comprehensive income and other financial information for the quarter and year ended 31st March, 2024.

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 Results* 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 results 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:



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95375 15606, 99097 15606

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Valsad

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Opp. Amit Hospital,
Halar Road, Valsad - 396001

Vapi

305, Orbit, Opp. 21st Century,
Mahavir Nagar, NH No. 48,
Vapi - 396191

Guwahati

B3, Kuber Residency,
Bettola College Road,
Guwahati, Assam - 781029

- a. The company has not created any provision for interest on loan taken from bank and financial institutions for the quarter and year ending 31.03.2024. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing.
- b. The company has not created provision for Interest amounting to Rs 1,04,31,389/- (*pertaining to purchases made after the CIRP period cut-off date i.e 20.12.2022*) and previous pending interest amounting to Rs. 12,89,57,976/- (*pertaining to purchases made before CIRP period cut-off date i.e 2012.2022*) on delayed payment of MSME dues resulting in overstatement of profit.
- c. The Company has not complied the disclosure for the following as per IND AS: -
 - i. IND AS 36: The Company has carried out review of its assets with respect to economic performance. However detailed evaluation/working as to whether any impairment is warranted has not been made available to us. In the absence of such evaluation/working, we are unable to comment about the impact, if any, arising on account of impairment, as required to be provided under Ind AS 36 'Impairment of Assets'.
- d. Trade receivables include overdue amounts outstanding for a period of more than three years aggregating to Rs. 4,46,09,949/- receivable from its subsidiary and amount outstanding for a period of more than 1 year of Rs. 3,91,06,533/- from its customer. The company has not made any Expected Credit Loss provision till date as the management feels that no provisions would be required as per their policy of recognition of ECL. In the absence of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment on the carrying value of above receivables and the shortfall, if any, on the amount that would be ultimately realizable from the said customers.
- e. With reference to the Standalone Financial Results, in respect of investments held in subsidiary of Rs. 22,73,77,500/- and in respect of Trade receivables of Rs.4,46,09,494/- from its subsidiary as at March 31, 2024, the business continuity of such subsidiary is significantly dependent upon the financial support of the Company to enable to meet its liabilities as and when they fall due. No impairment assessment was carried out on the Investments held in subsidiary and Trade Receivable. Therefore, we are unable to comment upon the carrying value of these investments and Trade receivables pertaining to the Subsidiary.

3. Emphasis of Matter:

We draw attention to the following matters: -

- The Standalone Financial Results explains that the Company was admitted under the CIRP vide order dated 20.12.2022 as the Corporate Debtor was admitted into CIRP, in an application filed by the Financial Creditor, namely, IDBI Bank u/s 7 of the IB Code, triggering moratorium under section 14 of the IB Code and Mr. Kuresh Hatim Khambati was appointed as Interim Resolution Professional (hereinafter referred to as "IRP"), who made a public announcement in Form-A on 28.12.2022



- After collating the claims received from the creditors of the Corporate Debtor, the IRP formed the CoC on 18.01.2023 comprised of Six Financial Creditors, namely: Union Bank of India with 4.61% voting share, Bank of Baroda with 60.98 % voting share, IDBI Bank Limited with 25.10 % voting share, Canara Bank with 3.04 % voting share, Central Bank of India with 4.68 % voting share, Oldenburgische Landesbank AG with 1.59 % voting share (with which Bremer Kredibank AG, formerly known as KBC Bank Deutschland AG merged).
- The 1st CoC meeting was held on 24.01.2023 wherein the members of the COC did not confirm the IRP as RP. Further, in the 2nd COC meeting was held on 09.02.2023 in which COC passed the resolution for the appointment and replacement of IRP from RP Mr. Satyendra Prasad Khorania. It is also decided by the CoC for the appointment of two Registered Valuers to carry out the valuation. The 03rd CoC meeting was held on 04.03.2023 wherein the COC approved the resolution for publication of FORM- G along with the eligibility criteria and the same was published on 12.03.2023.
- The Resolution Professional had examined and admitted the claims from Secured Financial Creditors amounting to Rs. 583.48 Cr, Unsecured Financial Creditors amounting to Rs. 107.61 Cr and from Operational Creditors (other than Workmen, Employees and Government dues) amounting to Rs. 36.64 Cr. The variations between balances as per books and amount claimed by the Secured financial creditors was due to charging of interest and other charges claimed by the financial creditors and by unsecured financial creditors amounting was due to claim by Bank of Baroda against Corporate Guarantee by Company for Sumeet Global Pte Ltd and claim by Sitaram Prints Pvt. Ltd. against Corporate Guarantee given in favour of secured creditors of company, as explained to us.
- Then an application was been filed by Mr. Satyendra Prasad Khorania, Resolution Professional of M/s. Sumeet Industries Ltd. under section 30(6) read with Section 31 and 60(5) of Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as IBC, 2016) for approval of the Resolution Plan submitted by the M/s Eagle Fashions Private Limited, Eagle Fibers Limited, Eagle Synthetics Private Limited, Padmini Polytex Private Limited, Eagle Sizers & JPB Fibers Jointly as Eagle Group / Successful Resolution Applicant(hereinafter referred to as "SRA") which was approved by Committee of Creditors ("COC") of Sumeet Industries Limited ("Corporate Debtor"). However pertaining to the observations as mentioned in the points a) to k) of Para 20 of the NCLT order pronounced on 05.04.2024 the application was rejected. The company have filed an appeal before the NCLAT against the order passed vide Company Appeal (AT) (Insolvency) No. 922 of 2024 registered on 29.04.2024 and the order is awaited.



- As stated in the Standalone Ind AS Financial Results which indicate that as the Net worth has become negative, the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going Concern. Adding the Holding Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and approval of a viable resolution plan by the prospective investor. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Holding Company's ability to continue as a going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the Holding Company is possible in foreseeable future. Further the RP is required to make every endeavor to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern. In view of the aforesaid details and pending outcome of the CIRP at NCLAT, the financial results of the Holding Company have been prepared on going concern basis.
- We have not received the bank statement and confirmation of balance for the balance lying in Central Bank amounting to Rs. 10,000/-. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the quarter and year ended March 31, 2024 and on the carrying value of bank balance as on that date.

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

4. **Management's Responsibility for the Standalone Financial Results**

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 Results 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 Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



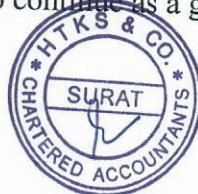
In preparing the Standalone Financial Results, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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.

5. Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results 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 Standalone Financial Results.

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

- a. Identify and assess the risks of material misstatement of the Standalone Financial Results, 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.
- b. 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.
- c. 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 Standalone Financial Results 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.



- d. Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- e. Materiality is the magnitude of the misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results 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 Standalone Financial Results

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.

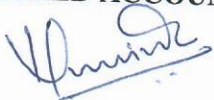
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Results 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.

6. Other Matter:

The annual Standalone Financial Results include the results for the quarter ended 31st March, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**FOR H T K S & CO.
CHARTERED ACCOUNTANTS**



**CA. HARISHANKAR TOSNIWAL
PARTNER
FRN:0111032W
M.NO. 055043**



**PLACE : SURAT
DATE : 28/05/2024**

UDIN : 24055043BKBG0E1964

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SUMEET INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Results

1. Qualified Opinion

We have audited the accompanying consolidated financial results of **SUMEET INDUSTRIES LTD.** ("The Holding Company") and its subsidiary (the Company and its subsidiary together referred to as the "Group") for the quarter and year ended **31st March 2024** attached herewith, being submitted by the Group pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph and Material Uncertainty Related to Going Concern under the Emphasis of Matter paragraph below, the aforesaid annual financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31st March, 2024.

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 Results* section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results 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:



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Valsad

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Vapi

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Mahavir Nagar, NH No. 48,
Vapi - 396191

Guwahati

B3, Kuber Residency,
Bettola College Road,
Guwahati, Assam - 781029

- a. The Holding company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2024. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing.
- b. The Holding company has not created provision for Interest amounting to Rs 1,04,31,389/- (*pertaining to purchases made after the CIRP period cut-off date i.e 20.12.2022*) and previous pending interest amounting to Rs. 12,89,57,976/- (*pertaining to purchases made before CIRP period cut-off date i.e 2012.2022*) on delayed payment of MSME dues resulting in overstatement of profit.
- c. The Holding Company has not complied the disclosure for the following as per IND AS: -
 - i. IND AS 36: The Company has carried out review of its assets with respect to economic performance. However detailed evaluation/working as to whether any impairment is warranted has not been made available to us. In the absence of such evaluation/working, we are unable to comment about the impact, if any, arising on account of impairment, as required to be provided under Ind AS 36 'Impairment of Assets'.
- d. In Holding Company, Trade receivables include overdue amounts outstanding for a period of more than three years aggregating to Rs. 4,46,09,949/- receivable from its subsidiary and amount outstanding for a period of more than 1 year of Rs. 3,91,06,533/- from its customer. The company has not made any Expected Credit Loss provision till date as the management feels that no provisions would be required as per their policy of recognition of ECL. In the absence of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment on the carrying value of above receivables and the shortfall, if any, on the amount that would be ultimately realizable from the said customers.
- e. With respect to consolidation with subsidiary Sumeet Global Pte. Ltd., the business continuity of such subsidiary is significantly dependent upon the financial support of the Company to enable to meet its liabilities as and when they fall due. No impairment assessment was carried out on the Investments held in subsidiary and Trade Receivable. Therefore, we are unable to comment upon the carrying value of these investments and Trade receivables pertaining to the Subsidiary.

3. **Emphasis of Matter:**

We draw attention to the following matters: -

- The consolidated financial statements which explains that the Company was admitted under the CIRP vide order dated 20.12.2022 as the Corporate Debtor was admitted into CIRP, in an application filed by the Financial Creditor, namely, IDBI Bank u/s 7 of the IB Code, triggering moratorium under section 14 of the IB Code and Mr. Kuresh Hatim Khambati was appointed as Interim Resolution Professional (hereinafter referred to as "IRP"), who made a public announcement in Form-A on 28.12.2022
- After collating the claims received from the creditors of the Corporate Debtor, the IRP formed the CoC on 18.01.2023 comprised of Six Financial Creditors, namely: Union Bank of India with 4.61% voting share, Bank of Baroda with 60.98% voting share, IDBI Bank Limited with 25.10% voting share, Canara Bank with 3.04% voting share, Central Bank of India with 4.68% voting



share, Oldenburgische Landesbank AG with 1.59 % voting share (with which Bremer Kredibank AG, formerly known as KBC Bank Deutschland AG merged).

- The 1st CoC meeting was held on 24.01.2023 wherein the members of the COC did not confirm the IRP as RP. Further, in the 2nd COC meeting was held on 09.02.2023 in which COC passed the resolution for the appointment and replacement of IRP from RP Mr. Satyendra Prasad Khorania. It is also decided by the CoC for the appointment of two Registered Valuers to carry out the valuation. The 03rd CoC meeting was held on 04.03.2023 wherein the COC approved the resolution for publication of FORM- G along with the eligibility criteria and the same was published on 12.03.2023.
- The Resolution Professional had examined and admitted the claims from Secured Financial Creditors amounting to Rs. 583.48 Cr, Unsecured Financial Creditors amounting to Rs. 107.61 Cr and from Operational Creditors (other than Workmen, Employees and Government dues) amounting to Rs. 36.64 Cr. The variations between balances as per books and amount claimed by the Secured financial creditors was due to charging of interest and other charges claimed by the financial creditors and by unsecured financial creditors amounting was due to claim by Bank of Baroda against Corporate Guarantee by Company for Sumeet Global Pte Ltd and claim by Sitaram Prints Pvt. Ltd. against Corporate Guarantee given in favour of secured creditors of company, as explained to us.
- Then an application was been filed by Mr. Satyendra Prasad Khorania, Resolution Professional of M/s. Sumeet Industries Ltd. under section 30(6) read with Section 31 and 60(5) of Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as IBC, 2016) for approval of the Resolution Plan submitted by the M/s Eagle Fashions Private Limited, Eagle Fibers Limited, Eagle Synthetics Private Limited, Padmini Polytex Private Limited, Eagle Sizers & JPB Fibers Jointly as Eagle Group / Successful Resolution Applicant(hereinafter referred to as "SRA") which was approved by Committee of Creditors ("COC") of Sumeet Industries Limited ("Corporate Debtor"). However pertaining to the observations as mentioned in the points a) to k) of Para 20 of the NCLT order pronounced on 05.04.2024 the application was rejected. The company have filed an appeal before the NCLAT against the order passed vide Company Appeal (AT) (Insolvency) No. 922 of 2024 registered on 29.04.2024 and the order is awaited.
- As stated in the Consolidated Ind AS Financial Statements which indicate that as the Net worth has become negative, the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going Concern. Adding the Holding Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and approval of a viable resolution plan by the prospective investor. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Holding Company's ability to continue as a going concern. In view of the opinion of the Directors and RMPs, resolution and revival of the Holding Company is possible in foreseeable future. Further the SRA is required to make every endeavor to protect



and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern. In view of the aforesaid details and pending outcome of the CIRP at NCLAT, the Consolidated Financial Results of the Holding Company have been prepared on going concern basis.

- In holding Company, we have not received the bank statement and confirmation of balance for the balance lying in Central Bank amounting to Rs. 10,000/-. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the quarter and year ended March 31, 2024 and on the carrying value of bank balance as on that date.

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

4. **Management's Responsibility for the Consolidated Financial Results**

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 financial position, financial performance, total comprehensive income, change in equity and cash flows of the Holding 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 Holding 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 Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Results, management is responsible for assessing the Holding 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 Holding 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.

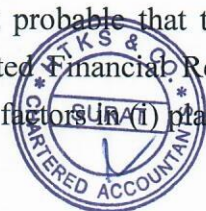


5. Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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 Results.

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

- a. Identify and assess the risks of material misstatement of the Consolidated Financial Results, 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.
- b. 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 Holding 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.
- c. 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 Holding Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results 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 Holding Company to cease to continue as a going concern.
- d. Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- e. Materiality is the magnitude of the misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in 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 Results

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 Consolidated Financial Results 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.

6. Other Matter:

The annual financial results include the results for the quarter ended 31st March, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

The Consolidated Financial Results include the Company's share of Loss of Rs. 9,030.17 lakhs for the year ended 31st March, 2024, in respect of wholly owned subsidiary, whose financial statements have been audited by other auditors and whose audit report have been furnished to us by the Management and our opinion in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of such other auditors. The Auditors have expressed a modified opinion in respect of Material uncertainty relating to Going Concern of the Subsidiary. Our opinion on the Consolidated Financial Results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

**FOR H T K S & CO.
CHARTERED ACCOUNTANTS**



**CA. HARISHANKAR TOSNIWAL
PARTNER
FRN:0111032W
M.NO. 055043**



**PLACE : SURAT
DATE : 28/05/2024
UDIN : 24055043BKBGOF5431**

ANNEXURE -1

STATEMENT ON IMPACT OF AUDIT QUALIFICATION FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024 ON STANDALONE FINANCIAL STATEMENTS :

(Rs. In Lakhs)				
1.	SL No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	98570.51	98570.51
	2.	Total Expenditure	104509.30	105059.71
	3.	Total Comprehensive Net Profit/(Loss)	-5938.79	-6489.20
	4.	Earnings Per Share	-5.73	-6.26
	5.	Total Assets	45489.70	46040.11
	6.	Total Liabilities	45489.70	46040.11
	7.	Net Worth	-9217.02	-9767.43
	8.	Any other financial item(s)	Not Applicable	Not Applicable
2.	<p>Audit Qualification :</p> <p>a. Details of Audit Qualifications:</p> <p>As mentioned in Note no. 2 (Basis for Qualified opinion)</p> <p>i) The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2024. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing.</p> <p>ii) The company has not created provision for Interest amounting to Rs 1,04,31,389/- (pertaining to purchases made after the CIRP period cut-off date i.e 20.12.2022) and previous pending interest amounting to Rs. 12,89,57,976/- (pertaining to purchases made before CIRP period cut-off date i.e 20.12.2022) on delayed payment of MSME dues resulting in overstatement of profit</p> <p>iii) Trade receivable include overdue amounts outstanding more than 3 years aggregating to Rs. 4,46,09,949.00 receivable from its subsidiary and amount outstanding for a period of more than 1 year of Rs. 3,91,06,533/- from its customer. The company has not made any expected credit loss provision.</p> <p>iv) The investment held in subsidiary of Rs. 22,73,77,500/- and Trade receivables of Rs.4,46,09,494/- from its subsidiary as at March 31, 2024, the business continuity of such subsidiary is significantly dependent upon the financial support of the Company to enable to meet its liabilities as and when they fall due. No impairment assessment was carried out on the Investments held in subsidiary and Trade Receivable.</p>			

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: Point No. i) : Fifth Time
Point No. ii) : Third Time
Point No. iii) : First Time
Point No. iv) : First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :

i) Nil

ii) Provision for interest on delayed payment to MSME has not been provided due to company is under CIRP process. For Purchases made by the company from MSME Vendors before Crip Period (Cut off date i.e. 20.12.2022), vendors have filed their claim before IRP/RP and thus the complete determinable interest has already taken into consideration and the company expect no new liability apart from the claim.

iii) Management is on opinion that no provision is to be required as per their policy of recognition of expected credit loss.

iv) Presently the company is under CIRP and final views on impairment assessment on Investment held in subsidiary and Trade receivables will be taken by the new management. And also in Consolidated Statements after merging of subsidiary accounts' impact stand NIL hence there is no financial impact.

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

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

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

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

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

(iii) Auditor's' Comments on :

- i) The company has not created any provision for interest on loan taken from bank and. financial institutions for the year ending 31.03.2024. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing. With the required materials provided by the management, the quantum of provision could not be ascertained however, we have stated the payment actually done during the year and hence our opinion is modified with this respect.
- ii) The interest provisioning mandated under MSME Act has been calculated and we have stated the liability as per the compounded interest method however the before CIRP interest has been included already in the claim by creditors in CIRP. Since the interest has not been crystallised and provision has not been made, our opinion is modified with this respect.
- iii) Trade receivable include overdue amounts outstanding more than 3 years aggregating to Rs. 4,46,09,949.00 receivable from some customers. The company has not made any expected credit loss provision. The company has not provided for any ECL during the year under consideration and hence as per the financials of the subsidiary which forms the only party in receivable greater than 3 years, the provision of 100% is required considering the going concern view adopted in the audited report of the subsidiary company hence our opinion is modified with this respect. With respect to trade receivable greater than 1 year, the company has not made any provisioning for ECL as per their policy and hence the needed attention to be drawn for the users of the financial statement.
- iv) No impairment assessment was carried out on the Investments held in subsidiary and Trade Receivable- The company is required to write off its subsidiary investment as the going concern is questionable and further the assets has NIL value however the management has reviewed that the same and has decided it to be closed as per the new board as the CIRP application has been filed at NCLAT. Hence our opinion is qualified with this respect.

ANNEXURE -1

STATEMENT ON IMPACT OF AUDIT QUALIFICATION FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024 ON CONSOLIDATED FINANCIAL STATEMENTS :

(Rs. In Lakhs)				
1.	SL No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	98571.01	98571.01
	2.	Total Expenditure	104606.46	105156.87
	3.	Total Comprehensive Net Profit/(Loss)	-6035.45	-6585.86
	4.	Earnings Per Share	-5.82	-6.36
	5.	Total Assets	42769.83	43320.24
	6.	Total Liabilities	42769.83	43320.24
	7.	Net Worth	-17669.11	-18219.52
	8.	Any other financial item(s)	Not Applicable	Not Applicable
2.	<p>Audit Qualification :</p> <p>a. Details of Audit Qualifications:</p> <p>As mentioned in Note no. 2 (Basis for Qualified opinion)</p> <p>i) The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2024. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing.</p> <p>ii) The company has not created provision for Interest amounting to Rs 1,04,31,389/- (pertaining to purchases made after the CIRP period cut-off date i.e 20.12.2022) and previous pending interest amounting to Rs. 12,89,57,976/- (pertaining to purchases made before CIRP period cut-off date i.e 20.12.2022) on delayed payment of MSME dues resulting in overstatement of profit.</p> <p>iii) Trade receivable include overdue amounts outstanding more than 3 years aggregating to Rs. 4,46,09,949.00 receivable from its subsidiary and amount outstanding for a period of more than 1 year of Rs. 3,91,06,533/- from its customer. The company has not made any expected credit loss provision.</p> <p>iv) The investment held in subsidiary of Rs. 22,73,77,500/- and Trade receivables of Rs.4,46,09,494/- from its subsidiary as at March 31, 2024, the business continuity of such subsidiary is significantly dependent upon the financial support of the Company to enable to meet its liabilities as and when they fall due. No impairment assessment was carried out on the Investments held in subsidiary and Trade Receivable</p>			

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: Point No. i) : Fifth Time
Point No. ii) : Third Time
Point No. iii) : First Time
Point No. iv) : First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :

i) Nil

ii) Provision for interest on delayed payment to MSME has not been provided due to company is under CIRP process. For Purchases made by the company from MSME Vendors before Crip Period (Cut off date i.e. 20.12.2022), vendors have filed their claim before IRP/RP and thus the complete determinable interest has already taken into consideration and the company expect no new liability apart from the claim.

iii) Management is on opinion that no provision is to be required as per their policy of recognition of expected credit loss.

iv) Presently the company is under CIRP and final views on impairment assessment on Investment held in subsidiary and Trade receivables will be taken by the new management. And also in Consolidated Statements after merging of subsidiary accounts' impact stand NIL hence there is no financial impact.

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

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

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

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

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

(iii) Auditor's' Comments on:

- i) The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2024. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing- With the required materials provided by the management, the quantum of provision could not be ascertained however, we have stated the payment actually done during the year and hence our opinion is modified with this respect.
- ii) The interest provisioning mandated under MSME Act has been calculated and we have stated the liability as per the compounded interest method however the before CIRP interest has been included already in the claim by creditors in CIRP. Since the interest has not been crystallised and provision has not been made, our opinion is modified with this respect.
- iii) Trade receivable include overdue amounts outstanding more than 3 years aggregating to Rs. 4,46,09,949.00 receivable from some customers. The company has not made any expected credit loss provision. The company has not provided for any ECL during the year under consideration and hence as per the financials of the subsidiary which forms the only party in receivable greater than 3 years, the provision of 100% is required considering the going concern view adopted in the audited report of the subsidiary company hence our opinion is modified with this respect. With respect to trade receivable greater than 1 year, the company has not made any provisioning for ECL as per their policy and hence the needed attention to be drawn for the users of the financial statement.
- iv) No impairment assessment was carried out on the Investments held in subsidiary and Trade Receivable- The company is required to write off its subsidiary investment as the going concern is questionable and further the assets has NIL value however the management has reviewed that the same and has decided it to be closed as per the new board as the CIRP application has been filed at NCLAT. Hence our opinion is qualified with this respect.

For Sumeet Industries Limited

SHANKARLA
L SITARAM
SOMANI

Digitally signed by SHANKARLA
L SITARAM SOMANI
DN: cn=Shankar
L, o=Sumeet Industries Limited,
ou=Finance, email=shankar.l.sitaram@sumeet.com,
c=IN

Shankarlal Somani
Director

ABHISHEK
MAHENDRA
PRASAD

Digitally signed by ABHISHEK
MAHENDRA PRASAD
DN: cn=Abhishek
Mahendra Prasad, o=Sumeet
Industries Limited, ou=Finance,
email=abhishek.prasad@sumeet.com,
c=IN

Abhishek Prasad
CFO

Place : Surat
Date : 28.05.2024

Refer our Independent Auditor's Report dated 28th May, 2024 on the Standalone Financial Statements of the Company.

FOR H T K S & CO.
CHARTERED ACCOUNTANTS

Harishankar
Ramkumar
Tosniwal

Digitally signed by Harishankar
Ramkumar Tosniwal
DN: cn=Harishankar
Ramkumar Tosniwal, o=H T K S & Co.,
ou=Chartered Accountants, email=harishankar.tosniwal@htks.co,
c=IN

CA. HARISHANKAR TOSNIWAL
PARTNER
FRN:0111032W
M.NO. 055043

Place: Surat.
Date : 28.05.2024