

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: 30/05/2023

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 30th May 2023 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 2023 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, 30th May 2023, 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, 2023 along with Statement of Assets and Liabilities and Cash Flow Statement for the financial year ended 31st March, 2023.
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, 2023 with qualified opinion.
3. The Company has not declared any dividend on equity shares for the year ended 31st March, 2023.
4. Statement on impact of Audit Qualifications on Audited Standalone and Consolidated financial results for the financial year ended 31st March, 2023 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 2023-24.

6. M/s. Dhiren R. Dave & Co., Practicing Company Secretaries has been appointed as Secretarial Auditor of the Company for the financial year 2023-24.

The financial results for quarter and year ended 31st March 2023 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 15:00 P.M and concluded at 17:50 P.M

This is for your information and record please.

Thanking you.

For Sumeet Industries Limited (under CIRP)

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. IBBI/IPA-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.)

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| (₹ in Lakhs) | | | | | | | | | | | |
|--|---|-----------------|------------|----------|------------------|----------|-----------------|------------|----------|------------------|----------|
| STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023 | | | | | | | | | | | |
| | PARTICULARS | STANDALONE | | | | | CONSOLIDATED | | | | |
| | | QUARTER ENDED | | | YEAR ENDED | | QUARTER ENDED | | | YEAR ENDED | |
| | | 31/03/23 | 31/12/22 | 31/03/22 | 31/03/23 | 31/03/22 | 31/03/23 | 31/12/22 | 31/03/22 | 31/03/23 | 31/03/22 |
| | | Audited | Un-Audited | Audited | Audited | Audited | Audited | Un-Audited | Audited | Audited | Audited |
| 1 | Revenue from operations | 23719.95 | 26484.39 | 28262.34 | 103312.41 | 89350.44 | 23719.95 | 26484.39 | 28262.34 | 103312.41 | 89350.44 |
| 2 | Other Income (Refer Note no.3) | 987.17 | 5.66 | 329.27 | 1022.57 | 2099.88 | 986.84 | 5.66 | 320.03 | 1022.24 | 2090.64 |
| | Total Income | 24707.12 | 26490.05 | 28591.61 | 104334.98 | 91450.32 | 24706.79 | 26490.05 | 28582.37 | 104334.65 | 91441.08 |
| 3 | Expenses: | | | | | | | | | | |
| | (a) Cost of materials consumed | 19314.05 | 20771.84 | 22334.19 | 83076.14 | 65550.44 | 19314.04 | 20771.84 | 22334.19 | 83076.13 | 65550.44 |
| | (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 | -211.41 | 2896.74 | -1430.92 | 4768.88 | 619.05 | -211.41 | 2896.74 | -1430.92 | 4768.88 | 619.05 |
| | (d) Employee benefits expense | 698.49 | 623.98 | 828.20 | 2532.28 | 2442.14 | 698.49 | 623.98 | 828.20 | 2532.28 | 2442.14 |
| | (e) Finance costs | 0.92 | 28.44 | 570.69 | 705.57 | 2654.51 | 0.92 | 28.44 | 570.69 | 705.57 | 2654.51 |
| | (f) Depreciation and amortisation expense | 678.91 | 694.66 | 777.21 | 2749.24 | 3140.99 | 678.91 | 694.66 | 777.21 | 2749.24 | 3140.99 |
| | (g) Other expenses | 3839.36 | 4368.82 | 6869.48 | 16878.03 | 17309.49 | 3839.05 | 4368.82 | 6869.92 | 16877.72 | 17309.93 |
| | Total Expenses | 24320.32 | 29384.48 | 29948.85 | 110710.14 | 91716.62 | 24320.00 | 29384.48 | 29949.29 | 110709.82 | 91717.06 |
| 4 | Profit / (Loss) from continuing Operarions before Exeptional items | 386.80 | -2894.43 | -1357.24 | -6375.16 | -266.30 | 386.79 | -2894.43 | -1366.92 | -6375.17 | -275.98 |
| 5 | Exceptional items (Refer Note no.4) | 1.80 | 0.00 | 3.55 | 1.80 | 3.55 | 1.80 | 0.00 | 3.55 | 1.80 | 3.55 |
| 6 | Profit / (Loss) from continuing Operarions before tax | 385.00 | -2894.43 | -1360.79 | -6376.96 | -269.85 | 384.99 | -2894.43 | -1370.47 | -6376.97 | -279.53 |
| 7 | Tax expense: | | | | | | | | | | |
| | (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 | -123.59 | -381.22 | -570.91 | -504.81 | -570.91 | -123.59 | -381.22 | -570.91 | -504.81 | -570.91 |
| | (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 |

SUMEET INDUSTRIES LIMITED

| | PARTICULARS | STANDALONE | | | | | CONSOLIDATED | | | | |
|----|--|-----------------|------------|----------|-----------------|----------|-----------------|------------|----------|-----------------|----------|
| | | QUARTER ENDED | | | YEAR ENDED | | QUARTER ENDED | | | YEAR ENDED | |
| | | 31/03/23 | 31/12/22 | 31/03/22 | 31/03/23 | 31/03/22 | 31/03/23 | 31/12/22 | 31/03/22 | 31/03/23 | 31/03/22 |
| | | Audited | Un-Audited | Audited | Audited | Audited | Audited | Un-Audited | Audited | Audited | Audited |
| 8 | Profit (Loss) for the period | 508.59 | -2513.21 | -789.88 | -5872.15 | 301.06 | 508.58 | -2513.21 | -799.56 | -5872.16 | 291.38 |
| 9 | Other Comprehensive Income: | | | | | | | | | | |
| | A. Items that will not be reclassified to profit or loss | | | | | | | | | | |
| | (i) Remeasurements of defined benefits obligations | 20.81 | 0.00 | 28.05 | 20.81 | 28.05 | 20.81 | 0.00 | 28.05 | 20.81 | 28.05 |
| | 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 other comprehensive income | -0.85 | 0.08 | 0.26 | -0.48 | 1.88 | -0.85 | 0.08 | 0.26 | -0.48 | 1.88 |
| | 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 | -345.97 | 107.51 | -622.93 | -499.62 | -251.98 |
| | (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 | 19.96 | 0.08 | 28.31 | 20.33 | 29.93 | -326.01 | 107.59 | -594.62 | -479.29 | -222.05 |
| 10 | Total Comprehensive Income for the period | 528.55 | -2513.13 | -761.57 | -5851.82 | 330.99 | 182.57 | -2405.62 | -1394.18 | -6351.45 | 69.33 |
| 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 | - | - | - | - | - | - | - | - | - | - |
| 13 | Earnings per equity share of Rs.10/- each (For continuing and total operations) - not annualised | | | | | | | | | | |
| | (a) Basic | 0.49 | -2.42 | -0.73 | -5.67 | 0.32 | 0.49 | -2.32 | -1.35 | -5.67 | 0.07 |
| | (b) Diluted | - | - | - | - | - | - | - | - | - | - |

Taken on Record

FOR SUMEET INDUSTRIES LIMITED (under CIRP)

Satyendra P. Khorania-RP
Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002
AFA No.: AA2/10002/02/181223/202501 & Valid upto-18.12.2023

Shankarlal Sitaram Somani
Director
(DIN:00165238)

Abhishek Prasad
CFO

Place : Surat
Date : 30/05/2023

SUMEET INDUSTRIES LIMITED

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STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2023

(Rupees in Lakhs)

| | Particular | STANDALONE | | CONSOLIDATED | |
|---|-----------------|------------|-----------------|--------------|----------|
| | | 31/03/23 | 31/03/22 | 31/03/23 | 31/03/22 |
| | | Audited | Audited | Audited | Audited |
| I. ASSETS | | | | | |
| (1) Non-Current Assets | | | | | |
| (a) Property, Plant and Equipment | 18486.06 | 21152.47 | 18486.06 | 21152.47 | |
| (b) Capital Work in Progress | - | - | - | - | |
| (c) Investment Property | - | - | - | - | |
| (d) Goodwill | - | - | - | - | |
| (e) Other Intangible Aseets | - | - | - | - | |
| (f) Intangible Aseets under Development | - | - | - | - | |
| (g) Financial Assets | | | | | |
| (i) Investments | 2278.14 | 2285.89 | 4.36 | 12.12 | |
| (ii) Trade Receivables | 446.09 | - | - | - | |
| (iii) Loans | 1491.83 | 1498.46 | 1491.83 | 1498.46 | |
| (iv) Other Financial Assets | 38.71 | 891.99 | 38.71 | 891.99 | |
| (h) Deferred Tax Assets | - | - | - | - | |
| (i) Other non current assets | - | - | - | - | |
| Subtotal | 22740.83 | 25828.81 | 20020.96 | 23555.04 | |
| (2) Current Assets | | | | | |
| (a) Inventories | 10299.22 | 15561.40 | 10299.22 | 15561.40 | |
| (b) Financial Assets | | | | | |
| (i) Investments | - | - | - | - | |
| (ii) Trade Receivables | 10478.23 | 12098.69 | 10478.23 | 11652.60 | |
| (iii) Cash and Cash Equivalentents | 462.74 | 30.63 | 462.74 | 30.63 | |
| (iv) Loans | - | - | - | - | |
| (v) Other Financial Assets | - | - | - | - | |
| (c) Others Current Assets | 4225.77 | 8873.48 | 4225.77 | 8873.48 | |
| Subtotal | 25465.96 | 36564.20 | 25465.96 | 36118.11 | |
| TOTAL ASSETS | 48206.79 | 62393.01 | 45486.92 | 59673.14 | |

SUMEET INDUSTRIES LIMITED

| | Particular | STANDALONE | | CONSOLIDATED | |
|-----------|---------------------------------------|-----------------|-----------------|------------------|-----------------|
| | | 31/03/23 | 31/03/22 | 31/03/23 | 31/03/22 |
| | | Audited | Audited | Audited | Audited |
| II | EQUITY AND LIABILITIES | | | | |
| (1) | Equity | | | | |
| | Share Capital | 10364.24 | 10364.24 | 10364.24 | 10364.24 |
| | Other Equity | -13642.46 | -7790.64 | -21997.89 | -15646.43 |
| | Subtotal | -3278.22 | 2573.60 | -11633.65 | -5282.19 |
| (2) | Liabilities | | | | |
| | Non Current Liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowings | 4124.45 | 4646.05 | 4124.45 | 4646.05 |
| | (ii) Trade Payable | - | - | - | - |
| | (iii) Other Financial Liabilities | - | - | - | - |
| | (b) Provisions | - | - | - | - |
| | (c) Deferred Tax liabilities (Net) | 3261.69 | 3766.51 | 3261.69 | 3766.51 |
| | (d) Other non current liabilities | 460.96 | 273.82 | 460.95 | 273.82 |
| | Subtotal | 7847.10 | 8686.38 | 7847.09 | 8686.38 |
| | Current Liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowings | 38371.21 | 44564.70 | 44788.70 | 50484.10 |
| | (ii) Trade Payable Due to : | | | | |
| | Micro, Small & Medium Enterprises | 996.12 | 878.53 | 996.12 | 878.53 |
| | Other than Micro, Small & Medium Ent. | 3640.23 | 4838.98 | 2844.93 | 4051.44 |
| | (iii) Other Financial Liabilities | 0.00 | 0.00 | 0.00 | 0.00 |
| | (b) Other Current Liabilities | 630.35 | 850.83 | 630.35 | 842.54 |
| | (c) Provisions | 0.00 | 0.00 | 13.38 | 12.34 |
| | Subtotal | 43637.91 | 51133.04 | 49273.48 | 56268.95 |
| | TOTAL EQUITY AND LIABILITIES | 48206.79 | 62393.02 | 45486.92 | 59673.14 |

FOR SUMEET INDUSTRIES LIMITED (under CIRP)

Taken on Record

Shankarlal Sitaram Somani
Director (DIN:00165238)

Abhishek Prasad
CFO

Satyendra P. Khorania-RP
Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002
AFA No.: AA2/10002/02/181223/202501 & Valid upto-
18.12.2023

Place : Surat

Date : 30/05/2023

SUMEET INDUSTRIES LIMITED

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Rupees in Lakhs)

| | Particular | STANDALONE | | CONSOLIDATED | |
|----------|--|---------------|---------------|---------------|---------------|
| | | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| | | Audited | Audited | Audited | Audited |
| A | Cash Flow From Operating Activities | | | | |
| | Net Profit before tax and Extraordinary Items | -6354.83 | -239.92 | -6354.85 | -249.60 |
| | Depreciation | 2749.24 | 3140.99 | 2749.24 | 3140.99 |
| | Fair Value on investment | - | - | - | - |
| | Foregin Exchange Difference | - | - | -499.62 | -251.98 |
| | Loss on sale of Asset | 1.80 | 3.55 | 1.80 | 3.55 |
| | Interest on Income Tax | - | - | - | - |
| | Loss on sale of Investment | - | - | - | - |
| | Interest Paid | 576.40 | 2446.31 | 576.40 | 2446.31 |
| | Other Adjustment to reconcile profit | 0.00 | 85.68 | - | 85.68 |
| | | 3327.44 | 5676.53 | 2827.82 | 5424.55 |
| | Less: | | | | |
| | Fair Value on Investment | - | - | - | - |
| | Interest Income | 0.55 | 173.98 | 1.03 | 173.98 |
| | Profit on sale of Asset | - | - | - | - |
| | Dividend Income | 0.25 | 0.20 | 0.25 | 0.20 |
| | | 0.80 | 174.18 | 1.28 | 174.18 |
| | | | 3326.64 | 5502.35 | 2826.54 |
| | Operating Profit before Working Capital Changes | | | | |
| | Trade Receivables | 1174.37 | -1255.03 | 1174.37 | -1241.57 |
| | Other asset | 5500.98 | 34.69 | 5500.98 | 34.69 |
| | Inventories | 5262.18 | 776.16 | 5262.19 | 776.15 |
| | Trade Payables | -1081.15 | 1346.76 | -1088.92 | 1355.56 |
| | Other Financial Liability | 0.00 | 0.00 | - | - |
| | Other Liabilities | -33.35 | 134.67 | -25.07 | 126.39 |

SUMEET INDUSTRIES LIMITED

| | Particular | STANDALONE | | | | CONSOLIDATED | | | |
|----------|--|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| | | 31 March 2023 | | 31 March 2022 | | 31 March 2023 | | 31 March 2022 | |
| | | Audited | | Audited | | Audited | | Audited | |
| | Provision | 0.00 | | 0.00 | | 1.04 | | 0.37 | |
| | | | 10823.03 | | 1037.25 | | 10824.59 | | 1051.60 |
| | Tax Paid | | 0.00 | | 0.00 | | 0.00 | | 0.00 |
| | Net Cash Flow From Operating Activities (A) | | 7794.84 | | 6299.68 | | 7296.28 | | 6052.37 |
| B | Cash Flow From Investing Activities: | | | | | | | | |
| | <u>Fixed Assets & Work in Progress</u> | | | | | | | | |
| | Sale of Fixed Assets | -1.40 | | 4.19 | | -1.40 | | 4.20 | |
| | Purchase of Fixed Assets | -85.03 | | -121.85 | | -85.03 | | -121.85 | |
| | Increase/(Decrease) in Fixed Asset due To Exchange Diffrence | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| | <u>Investments</u> | | | | | | | | |
| | Purchase of Investments | 7.76 | | -71.90 | | 7.76 | | -3.27 | |
| | Sale of Investments | 0.00 | | 0.00 | | 0.00 | | - | |
| | Dividend received | 0.25 | | 0.20 | | 0.25 | | 0.20 | |
| | Interest Income | 0.55 | | 173.98 | | 1.03 | | 173.98 | |
| | Net Cash Flow From Investing Activities (B) | | -77.87 | | -15.37 | | -77.39 | | 53.26 |
| C | Cash Flow From Financing Activities: | | | | | | | | |
| | Equity Share Capital raised | - | | - | | - | | 0.00 | |
| | Security premium received | - | | - | | - | | 0.00 | |
| | Increase / Decrease in Borrowings | -6715.08 | | -4084.30 | | -6217.00 | | -3905.62 | |
| | Increase / Decrease in Loans & Advances | 6.63 | | 193.57 | | 6.63 | | 193.57 | |
| | Interest Paid | -576.40 | | -2446.31 | | -576.40 | | -2446.31 | |
| | Net Cash Flow From Financing Activities (C) | | -7284.85 | | -6337.04 | | -6786.77 | | -6158.35 |
| | Net Increase in Cash & Cash equivalents | | 432.12 | | -52.73 | | 432.12 | | -52.73 |
| D | Opening Cash and Cash equivalents | | 30.62 | | 83.36 | | 30.62 | | 83.36 |
| E | Closing Cash and Cash equivalents | | 462.74 | | 30.63 | | 462.74 | | 30.63 |
| | | | 432.12 | | -52.73 | | 432.12 | | -52.73 |

NOTES :-

- 1 The above Audited Financial Results for the Year ended 31st March, 2023, were reviewed and approved by the Board of Directors (Suspended) and taken on records by Resolution Professional (RP) on May 30, 2023. 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 2022-23 with the annual accounts of its wholly owned subsidiary company named "Sumeet Global Pte Ltd", Singapore.

SUMEET INDUSTRIES LIMITED

- 3 Other Income includes an amount of Rs. 988.71 Lacs (Net) towards claims received. (Please refer "Key audit matters" in Auditors Report)
- 4 Exceptional items showing amount of (Rs.1.80 Lacs) loss on sale of fixed assets (Vehicles).
- 5 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. 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.
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".
- 6 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.
- 7 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.
- 8 Figures for the quarter ended 31st March, 2023 and 31st March, 2022 are the balancing figures between audited figures in respect of the full financial year ended 31st March, 2023 and 31st March, 2022 and the unaudited published year to date figures up to 31st December, 2022 and 31st December, 2021 respectively being the dates of the end of the third quarters of the financial years which were subjected to limited review.
- 9 The figures of previous period are regrouped/reclassified wherever necessary to correspond to the figures of the current reporting period.
- 10 Statement of Impact of Audit Classification being qualified opinion for the financial year ended 31st March, 2023 on Standalone and Consolidated Financial Result is enclosed as Annexure-1.
- 11 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 | |
|---|---------------|------------|------------|------------|------------|
| | 31.03.2023 | 31.12.2022 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| Total Income | 24707.12 | 26490.05 | 28591.61 | 104334.98 | 91450.32 |
| Profit Before Tax | 385.00 | -2894.43 | -1360.79 | -6376.96 | -269.85 |
| Net Profit for the period/year after Tax | 508.59 | -2513.21 | -789.88 | -5872.15 | 301.06 |
| Total Comprehensive income for the period | 528.55 | -2513.13 | -761.57 | -5851.82 | 330.99 |

Taken on Record

FOR SUMEET INDUSTRIES LIMITED (under CIRP)

Satyendra P. Khorania-RP
Reg. No. IBBI/IPA-002/IP-N00002/2016-17/10002
AFA No.: AA2/10002/02/181223/202501 & Valid upto-
18.12.2023

Shankarlal Sitaram Somani
Director
(DIN:00165238)

Abhishek Prasad
CFO

Place : Surat
Date : 30/05/2023

ANNEXURE -1

**STATEMENT ON IMPACT OF AUDIT QUALIFICATION FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2023 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 | 104334.99 | 104334.99 |
| | 2. | Total Expenditure | 110186.81 | 110256.64 |
| | 3. | Total Comprehensive Net Profit/(Loss) | (5851.82) | (5921.65) |
| | 4. | Earnings Per Share | (5.67) | (5.67) |
| | 5. | Total Assets | 48206.79 | 48276.62 |
| | 6. | Total Liabilities | 48206.79 | 48276.62 |
| | 7. | Net Worth | (3278.22) | (3348.05) |
| | 8. | Any other financial item(s) | Not Applicable | Not Applicable |
| 2. | Audit Qualification : | | | |
| | a. Details of Audit Qualifications : | | | |
| | As mentioned in Note no. 2 (Basis for Qualified opinion) | | | |
| | i) The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2023 and had paid only interest of Rs. 5,75,16,938/- for 3 months out of the total period. The financial impact is not quantifiable as the provision amount cannot be ascertained based on the material existing. | | | |
| | ii) The company has not created provision for Interest amounting to Rs 69, 83, 207/- on delayed payment of MSME dues resulting in overstatement of profit. | | | |
| | b. Type of Audit Qualification : Qualified Opinion | | | |
| | c. Frequency of qualification : Point No. i) : Fourth time Point No. ii) : Second 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 because most of payment is delayed due to disputes standing with parties in terms of quality issue, rate differences, discounts etc which were remained unresolved from the parties. However, the company is under Crip process and various vendors pertaining to MSME also filing the Claim before IRP/RP. | | | |

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

The Company has paid Cut Bank amount for the period from April, 2022 to June, 2022 to the Consortium Bankers as per decisions held in JLM Meeting and out of Cut back given an amount of Rs. 5,75,16,938/- has been provided for interest for that period.

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.

The Hona'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 :

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) N. A.

For Sumeet Industries Limited (under CIRP)

Shankarlal Somani
Director

Abhishek Prasad
CFO

Place : Surat
Date : 30.05.2023

Refer our Independent Auditor's Report dated 30th May, 2023 on the Standalone Financial Statements of the Company.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

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

Place: Surat
Date : 30.05.2023

**STATEMENT ON IMPACT OF AUDIT QUALIFICATION FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2023 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 | 104334.65 | 104334.65 |
| | 2. | Total Expenditure | 110686.10 | 110755.93 |
| | 3. | Total Comprehensive Net Profit/(Loss) | (6351.45) | (6421.28) |
| | 4. | Earnings Per Share | (5.67) | (5.67) |
| | 5. | Total Assets | 45486.92 | 48556.75 |
| | 6. | Total Liabilities | 45486.92 | 48556.75 |
| | 7. | Net Worth | (11633.65) | (11703.48) |
| | 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 31.03.2023 and had paid only interest of Rs. 5,75,16,938/- for 3 months out of the total period. 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 69, 83, 207/- on delayed payment of MSME dues resulting in overstatement of profit.</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification : Point No. i) : Fourth time Point No. ii) : Second Time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :</p> <p>i) Nil</p> <p>ii) Provision for Interest on delayed payment to MSME has not been provided because most of payment is delayed due to disputes standing with parties in terms of quality issue, rate differences, discounts etc which were remained unresolved from the parties. However, the company is under Crip process and various vendors pertaining to MSME also filing the Claim before IRP/RP.</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor</p> | | | |

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

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

The Company has paid Cut Bank amount for the period from April, 2022 to June, 2022 to the Consortium Bankers as per decisions held in JLM Meeting and out of Cut back given an amount of Rs. 5,75,16,938/- has been provided for interest for that period.

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.

The Hona'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) 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) N. A.

For Sumeet Industries Limited (under CIRP)

Shankarlal Somani
Director

Abhishek Prasad
CFO

Place : Surat

Date : 30.05.2023

Refer our Independent Auditor's Report dated 30th May, 2023 on the Consolidated Financial Statements of the Company.

FOR H. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS

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

Place: Surat
Date : 30.05.2023



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF SUMEET INDUSTRIES LIMITED

Report on the Audit of the Standalone Annual Financial Results

1. 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 2023**, 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") 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").

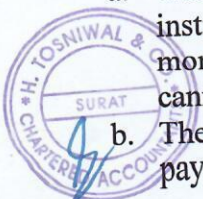
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph and Material Uncertainty Related to Going Concern under the Emphasis of Matter paragraph below, the aforesaid annual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

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. 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, 2023.

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:

- a. The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2023 and had paid only interest of Rs.5,75,16,938/- for 3 months out of the total period. 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 69, 83, 207/- on delayed payment of MSME dues resulting in overstatement of profit.

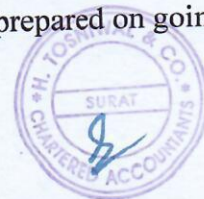


Emphasis of Matter:

We draw attention to the following matters:-

- As stated in Note No 30 to the Standalone financial results, the Bankers have classified its advance to Company as NPA and issued notices under SARFAESI Act, 2002. The IDBI Bank Limited, one of the financial creditor, has filed an application CP (IB) No. 38/ NCLT/AHM/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process (CIRP) against the Company and Order has been pronounced by NCLT on 20.12.2022 to initiate CIRP. Further, Mr. Kuresh Hatim Khambati, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-001/IP-P-01521/2018-2019/12454 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and for convening a meeting of Committee of Creditors for evolving a resolution plan.
- Further, the Committee of Creditors (COC) in its First COC meeting convened on 24-01-2023 resolved for replacement of IRP Mr. Kuresh Hatim Khambati by appointing resolution professional Mr. Satyendra P. Khorania having Registration No. IBBI/IPA-002/IP-N0002/2016-2017/10002 to conduct CIRP Process of corporate debtor Sumeet industries limited.
- As stated in Note No 31 to the Standalone financial Statement, The Resolution Professional has 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 is due to charging of interest and other charges claimed by the financial creditors and by unsecured financial creditors amounting is 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.
- As stated in Note 31 in the Standalone 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 company's ability to continue as a going Concern, Further, under the CIRP process the Interim Resolution Professional ("IRP") appointed have invited claims from different set of stakeholders including claims from Financial Creditors, Operational Creditors, Workmen and Employee and other creditors which is subject to verification and admission/rejection by the RP. Adding the company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission 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 Company's ability to continue as a going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the 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, the financial statements of the Company have been prepared on going concern basis.

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

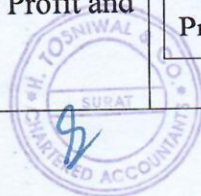


Key Audit Matters

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>Investment in subsidiary company</u> As at March 31, 2023, 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.</p> <p>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 \$78,26,902 i.e. Rs 64.31 Crores. Therefore there is a doubt about recovery of the invested amount.</p> <p>Considering the above we have determined this as a 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. | | | | | | | | | | | | |
| <p><u>Claim Received</u> During the year the sum of Rs. 55,55,43,409/- has been credited to Claim Receivable Account on account of Insurance Claim received by Oldenburgische Landesmark AG Bank and the sum of Rs. 7,93,29,968/- has been debited to Claim Receivable Account and credited to Vikudha Overseas Corporation Limited Account reason being in F.Y. 2018-19 it was written off. However the party has submitted its claim as Creditor in Corporate Insolvency Resolution Process. The balance amount in the Claim Receivable Account is of Rs. 9,88,70,953/- has been transferred to Profit and Loss Account.</p> | <table border="1"><thead><tr><th colspan="2">Claim receivable account</th></tr></thead><tbody><tr><td>Balance as on 01-04-2022</td><td>37,76,62,285/-</td></tr><tr><td>Oldenburgische Landesmark AG Bank</td><td>(55,55,43,409/-)</td></tr><tr><td>Vikudha Overseas Corporation Ltd.</td><td>7,93,29,968/-</td></tr><tr><td>BOB Bank</td><td>(3,19,798/-)</td></tr><tr><td>Balance Transferred to Profit and Loss A/C</td><td>9,88,70,953/-</td></tr></tbody></table> | Claim receivable account | | Balance as on 01-04-2022 | 37,76,62,285/- | Oldenburgische Landesmark AG Bank | (55,55,43,409/-) | Vikudha Overseas Corporation Ltd. | 7,93,29,968/- | BOB Bank | (3,19,798/-) | Balance Transferred to Profit and Loss A/C | 9,88,70,953/- |
| Claim receivable account | | | | | | | | | | | | | |
| Balance as on 01-04-2022 | 37,76,62,285/- | | | | | | | | | | | | |
| Oldenburgische Landesmark AG Bank | (55,55,43,409/-) | | | | | | | | | | | | |
| Vikudha Overseas Corporation Ltd. | 7,93,29,968/- | | | | | | | | | | | | |
| BOB Bank | (3,19,798/-) | | | | | | | | | | | | |
| Balance Transferred to Profit and Loss A/C | 9,88,70,953/- | | | | | | | | | | | | |



3. 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.

4. 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.

5. 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.



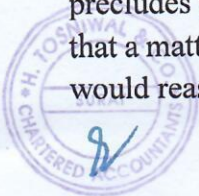
As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. 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.
- 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 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.
- d. 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.
- e. 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.



6. Other Matter:

The annual financial results include the results for the quarter ended 31st March, 2023 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. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS**



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

**PLACE : SURAT
DATE : 30-05-2023**

UDIN : 23055043B6VZJR7973.



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF SUMEET INDUSTRIES LIMITED

Report on the Audit of the Consolidated Annual Financial Results

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of **SUMEET INDUSTRIES LTD.** ("The Holding Company") and its subsidiary (the Company and its subsidiary together referred to as the "Group") which comprises the Balance Sheet as on **31st March 2023**, the Statement of Profit and Loss (including Other Comprehensive Loss), the 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") 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:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. 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, 2023.

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 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 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:

- a. The company has not created any provision for interest on loan taken from bank and financial institutions for the year ending 31.03.2023 and had paid only interest of Rs.5,75,16,938/- for 3 months out of the total period. 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 69, 83, 207/- on delayed payment of MSME dues resulting in overstatement of profit.

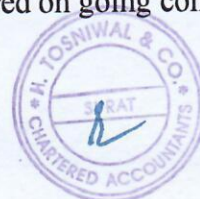


3. **Emphasis of Matter:**

We draw attention to the following matters:-

- As stated in Note No 30 to the Consolidated financial results, the Bankers have classified its advance to Holding Company as NPA and issued notices under SARFAESI Act, 2002. The IDBI Bank Limited, one of the financial creditor, has filed an application CP (IB) No. 38/NCLT/AHM/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process (CIRP) against the Holding Company and Order has been pronounced by NCLT on 20.12.2022 to initiate CIRP. Further, Mr. Kuresh Hatim Khambati, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-001/IP-P-01521/2018-2019/12454 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and for convening a meeting of Committee of Creditors for evolving a resolution plan.
- Further, the Committee of Creditors (COC) in its First COC meeting convened on 24-01-2023 resolved for replacement of IRP Mr. Kuresh Hatim Khambati by appointing resolution professional Mr. Satyendra P. Khorania having Registration No. IBBI/IPA-002/IP-N0002/2016-2017/10002 to conduct CIRP Process of corporate debtor Sumeet industries limited.
- As stated in Note No 31 to the Standalone financial Statement, The Resolution Professional has 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 is due to charging of interest and other charges claimed by the financial creditors and by unsecured financial creditors amounting is 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.
- As stated in Note 31 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 . Further, under the CIRP process the Interim Resolution Professional ("IRP") appointed have invited claims from different set of stakeholders including claims from Financial Creditors, Operational Creditors, Workmen and Employee and other creditors which is subject to verification and admission/rejection by the RP. 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 submission 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, the financial statements of the Holding Company have been prepared on going concern basis.

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



4. 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>Investment in subsidiary company</u> As at March 31, 2023, the Holding 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.</p> <p>On the basis of certified financial statement of Sumeet global PTE ltd, it has been observed that Holding Company does not have any Asset in its balance sheet, moreover it has negative net worth of \$78,26,902 i.e. Rs 64.31 Crores. Therefore there is a doubt about recovery of the invested amount.</p> <p>Considering the above we have determined this as a 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 Holding Company and its subsidiary in the financial statement. • We have checked the amount of investment disclosed in the financial statement. | | | | | | | | | | | | | |
| <p><u>Claim Received</u> During the year the sum of Rs. 55,55,43,409/- has been credited to Claim Receivable Account on account of Insurance Claim received by Oldenburgische Landesmark AG Bank and the sum of Rs. 7,93,29,968/- has been debited to Claim Receivable Account and credited to Vikudha Overseas Corporation Limited Account reason being in F.Y. 2018-19 it was written off. However the party has submitted its claim as Creditor in Corporate Insolvency Resolution Process. The balance amount in the Claim Receivable Account is of Rs. 9,88,70,953/- has been transferred to Profit and Loss Account.</p> | <table border="1"> <thead> <tr> <th colspan="2" data-bbox="815 1355 1417 1429">Claim receivable account</th> </tr> </thead> <tbody> <tr> <td data-bbox="815 1429 1173 1518">Balance as on 01-04-2022</td> <td data-bbox="1173 1429 1417 1518">37,76,62,285/-</td> </tr> <tr> <td data-bbox="815 1518 1173 1608">Oldenburgische Landesmark AG Bank</td> <td data-bbox="1173 1518 1417 1608">(55,55,43,409/-)</td> </tr> <tr> <td data-bbox="815 1608 1173 1697">Vikudha Overseas Corporation Ltd.</td> <td data-bbox="1173 1608 1417 1697">7,93,29,968/-</td> </tr> <tr> <td data-bbox="815 1697 1173 1787">BOB Bank</td> <td data-bbox="1173 1697 1417 1787">(3,19,798/-)</td> </tr> <tr> <td data-bbox="815 1787 1173 1888">Balance Transferred to Profit and Loss A/C</td> <td data-bbox="1173 1787 1417 1888">9,88,70,953/-</td> </tr> </tbody> </table> | | Claim receivable account | | Balance as on 01-04-2022 | 37,76,62,285/- | Oldenburgische Landesmark AG Bank | (55,55,43,409/-) | Vikudha Overseas Corporation Ltd. | 7,93,29,968/- | BOB Bank | (3,19,798/-) | Balance Transferred to Profit and Loss A/C | 9,88,70,953/- |
| Claim receivable account | | | | | | | | | | | | | | |
| Balance as on 01-04-2022 | 37,76,62,285/- | | | | | | | | | | | | | |
| Oldenburgische Landesmark AG Bank | (55,55,43,409/-) | | | | | | | | | | | | | |
| Vikudha Overseas Corporation Ltd. | 7,93,29,968/- | | | | | | | | | | | | | |
| BOB Bank | (3,19,798/-) | | | | | | | | | | | | | |
| Balance Transferred to Profit and Loss A/C | 9,88,70,953/- | | | | | | | | | | | | | |



5. 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 Annual Report, but does not include the 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 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.

6. 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 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 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 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.

7. 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.



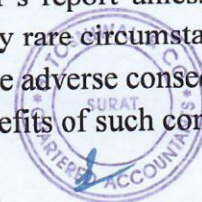
As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. 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.
- 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 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 Holding Company to cease to continue as a going concern.
- d. 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.
- e. 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.



8. Other Matter:

The annual financial results include the results for the quarter ended 31st March, 2023 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. TOSNIWAL & CO.
CHARTERED ACCOUNTANTS**



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



**PLACE : SURAT
DATE : 30-05-2023**

UDIN : 23055043BQUZJS7557