

INDEPENDENT AUDITOR'S REPORT

To
The Members,
Umiya Tubes Limited
208, 2nd Floor, Suman Tower, Sector 11
Gnadhinaragar- 382011

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **UMIYA TUBES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and loss, Statement of Changes in Equity, Statement of the Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (here in after referred to as "Standalone Ind AS Financial Statement")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statement, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its Profit including other comprehensive income and its Cash Flow for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Attention is drawn to the following Notes to the Ind AS financial statements:

- (1) Note No. 39 which describes about impact of COVID 19 pandemic on financial statements.

Our report is not modified in respect of 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. We have determined the matters described below to be the Key Audit Matters to be communicated in our Report:-

Sr. No.	Key Audit Matter	Auditor's Response
1	Refer to note no. 21 to the financial statements which includes undisputed IGST payable for the F.Y. 2017-18, 2018-19 and 2019-20 aggregating to Rs. 6656990.00 as per books of account and it is subject to reconciliation.	<p>Principal Audit Procedures</p> <p>Our audit procedures in this regard is as under:-</p> <ul style="list-style-type: none"> - Assessed and tested controls in respect of accounting and payment of Goods and Service Tax. - On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> - assessed the IGST payable on invoices. - evaluated computation of IGST payable.
2	Refer to note no. 21 to the financial statements which includes undisputed GST payable for the F.Y. 2017-18, 2018-19 and 2019-20 aggregating to Rs. 867772.00 as per books of account and it is subject to reconciliation.	<p>Principal Audit Procedures</p> <p>Our audit procedures in this regard is as under:-</p> <ul style="list-style-type: none"> - Assessed and tested controls in respect of accounting and payment of Goods and Service Tax. - On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> - assessed the GST payable on invoices. - evaluated computation of GST payable.

3.	Impact of Covid-19 on Standalone Financial Statements	Principal Audit Procedures
	<p>Coronavirus disease 2019 (COVID19), was declared a global pandemic by World Health Organisation. In line with the directions on lockdown issued by the State Government of Gujarat, the Company temporarily suspended the operations of its manufacturing units at two locations from 23 March 2020 till 31 March 2020; and subsequently upto further dates as instructed by the State Government.</p> <p>COVID-19 has resulted in restriction in movement of goods during the period from 23 March 2020 till 31 March 2020 impacting normal business operations for the Company including revenues, receivables, purchases including services and inventories at the year-end and hence considered key audit matter.</p>	<p>We have performed the following procedures to assess and evaluate the impact on financial statements because of business decisions, government actions or economic environment developments:-</p> <ul style="list-style-type: none"> - Enquired with the Company on the manner of financial support (if any) provided to the vendors and service providers; and their recognition in the financial statements. - Enquired with the Company on any information on the liquidity position of any vendors; and ascertained the need for any additional provisioning for impairment/credit loss in the financial statements. - We assessed the disclosures on COVID-19 made in the financial statements. - Our ability to perform regular audit procedures has been impacted which has required us in certain cases to perform alternative audit procedures and exercise significant judgment in respect of the following: <ul style="list-style-type: none"> a) Audit and quality control procedures which were earlier performed in person could not be performed; and hence alternative procedures have been performed based on inquiries (through phone calls, video calls and e-mail communications) and review of scanned documentation sent through e-mails, followed up with sighting with original documents. b) Year-end observation of inventory counts could not be performed. However, inventory counts were observed subsequent to year-end; and rolled back to year-end.

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 Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Responsibilities of Management and Those Charged with Governance 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 Ind AS Financial Statement that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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 SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing 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 estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Other Matter

The Company has availed moratorium for principal as well as interest on term loans from Bajaj Finance Limited in terms of RBI Circular No. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020. The Company has not paid principal of Rs. 124161.00 and interest of Rs. 15894.00 for the month of March,2020 on account of moratorium availed. Our report is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order,2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “Annexure A” statement on the matters specified in paragraphs 3 and 4 of the Order,to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statement comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7of the Companies (Accounts) Rules, 2014.

- (e) On the basis of written representation received from directors as on march 31, 2020 taken on the record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending Litigations during the Year.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR P SINGHVI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN 113602W

sd/-

(PRAVEEN SINGHVI)
 PARTNER

M. NO. 071608

UDIN:20071608AAAADT1930

Place : GANDHINAGAR

Date : 29th June, 2020

ANNEXURE A"TO INDEPENDENT AUDITORS' REPORT

The annexure referred to in paragraph under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to Standalone Ind AS financial statements of **UMIYA TUBES LIMITED**, for the year ended on 31st March, 2020, we report that:

1. FIXED ASSETS:

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, company has regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed.
- (c) According to information and explanation given to us and on the basis of our examination of record of the Company, the title deeds of immovable properties are held in the name of the company.

2. INVENTORIES:

The Management has conducted physical verification of inventory at reasonable intervals during the Year. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business. No discrepancies on physical verification of inventories were noticed.

3. LOANS & ADVANCES:

The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii)(a) and (iii)(b) of paragraph 3 of the Order is not applicable to the Company.

4. LOANS, INVESTMENT & GUARANTEES:

According to information & explanation given to us, company has complied with the provisions of section 185 and 186 of the companies Act, 2013 in respect of Loans, investments, guarantees and security.

5. FIXED DEPOSITS:

According to the information and explanations given to us, the Company has not accepted any deposits therefore directive issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, clause (v) of paragraph 3 of the Order is not applicable to the Company

6. COST AUDIT RECORDS:

AS informed to us maintenance of cost records have not been specified by the Central Government under sub section (1) of section 148 of the Act, in respect of activities carried on by the Company.



7. (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income – tax, sales tax, service tax, excise duty, Value Added Tax, GST and other material statutory dues applicable to it, however small amount of TDS and Provident Fund has not been paid and unpaid GST is subject to reconciliation, Details of unpaid undisputed dues as per books of accounts as on 31.03.2020 which is subject to reconciliation are as under:-

S.No	Particulars	Amount (Rs.)	Period for which outstanding
1	Provident Fund	82533.00	April- September,2019
2	GST	867772.00	Above six months
3	IGST	5180650.00	FY 2017-18, 2018-19.
4	IGST	1476340.00	F.Y. 2019-20
5	TDS	107285.00	April,2019- March,2020

- (b) According to the information and explanation given to us there are no disputed amounts payable in respect of income tax, sales tax, service tax, duty of excise, value added tax, GST, cess.

8. DEFAULT IN PAYMENT OF DUES:

According to the information and explanations given to us, the Company has not defaulted in the repayment of Loans and Borrowings to financial institutions, banks government or dues to debenture holders during the year. The Company has availed moratorium for principal as well as interest on term loans from Bajaj Finance Limited in terms of RBI Circular No. RBI/2019-20/220DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020. The Company has not paid principal of Rs. 124161.00 and interest of Rs. 15894.00 for the month of March, 2020 on account of moratorium availed.

9 FUND RAISED BY PUBLIC ISSUE/ FOLLOW ON OFFER/ TERM LOAN:

The company has not raised money by way of IPO or FPO (including debts instruments) during the Year.

10 FRAUD:

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud on or by the Company by it's officers / employees has been noticed or reported during the year.

11 MANAGERIAL REMUNERATION:

According to the information given to us, the company has provided for managerial remuneration in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

12 NIDHI COMPANY:

The Company is not a Nidhi Company as defined under section 406 of Companies Act 2013. Therefore, clause (xii) of paragraph 3 of the order is not applicable to the company.

13 TRANSACTION WITH RELATED PARTY:

According to information and explanations given to us and examination of records of the company, all transactions with related parties in compliance with section 177 and 188 of Companies Act 2013 wherever applicable and details of transactions have been duly disclosed in the financial statement as required by the applicable accounting standards.

14 PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT OF SHARE/ ISSUE OF DEBENTURE:

During the year company has not made any preferential allotment or private placement of shares nor have issued any full or partly convertible debenture as required under section 42 of the Companies Act 2013. Therefore, clause (xiv) of paragraph 3 of the order is not applicable to the company.

15 NON CASH TRANSACTION WITH DIRECTORS:

As per the information and explanation given to us, company has not entered in to any non-cash transaction with directors or persons connected with him. Therefore, clause (xv) of paragraph 3 of order is not applicable to the Company.

16 NBFC REGISTRATION:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as NBFC. Therefore, clause (xvi) of paragraph 3 of order is not applicable to the company.

FOR P SINGHVI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN 113602W
 sd/-

(PRAVEEN SINGHVI)
 PARTNER
M. NO. 071608

UDIN: 20071608AAAADT1930

Place : GANDHINAGAR
 Date : 29th June, 2020

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of UMIYA TUBES LIMITED, GANDHINAGAR.

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

We have audited the internal financial controls over financial reporting of **UMIYA TUBES LIMITED** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR P SINGHVI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN 113602W
 sd/-

(PRAVEEN SINGHVI)
 PARTNER

Place : GANDHINAGAR
Date : 29th June, 2020

M. NO. 071608

UDIN: 20071608AAAADT1930