

Date: 31.07.2024

BSE Limited
P. J. Towers, Dalal Street
Mumbai-400 001.

Dear Sir/Madam,

Sub: Outcome of Board Meeting under Regulation 30 read with 33 (3) (c) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

Unit: Vijay Textiles Limited (Script Code: 530151).

With reference to the subject cited, this is to inform the Exchange that at the Board meeting of Vijay Textiles Limited held on Wednesday, the 31st day of July, 2024 at 12.00 NOON through Video Conference (VC), the following were duly considered and approved by the Board.

1. Audited Financial Results and Auditors Report for the Quarter & Financial Year ended 31st March, 2024.
2. Statement of Impact of Auditor Qualification on Financial Results of the Company for the Financial Year ended 31st March, 2024.
3. Re-Appointment of M/s RKR & Associates, Chartered Accountants as Internal Auditors of the Company for the Financial Year 2024-2025.
4. Re-Appointment of M/s Nishant Darak & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the Financial Year 2024-2025.

The Meeting of the Board of Directors commenced was concluded at 5.30 P.M

This is for the information and records of the Exchange, please.

Thanking you.

Yours faithfully,
For VIJAY TEXTILES LIMITED



RAKESH MALHOTRA
WHOLE-TIME DIRECTOR & CFO
(DIN: 05242639)

RAKESH Digitally signed
by RAKESH
MALHOTRA MALHOTRA
TRA Date: 2024.07.31
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**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED
31st MARCH, 2024**

Sl. No	Particulars	Rs. In Lakhs				
		Quarter Ended			Year Ended	
		31.03.24 Audited	31.12.23 Un-Audited	31.03.23 Audited	31.03.24 Audited	31.03.23 Audited
1.	INCOME:					
a)	Revenue From Operations	305.36	308.70	395.78	1342.07	2573.02
b)	Other Income	2.79	17.82	31.57	56.89	53.51
	Total Income from operations	308.15	326.52	427.35	1398.96	2626.53
2	EXPENSES					
a)	Cost of materials consumed	0.38	0.43	57.17	20.46	345.46
b)	Purchase of Stock-in-trade	44.83	187.30	36.32	747.79	218.42
c)	Packing material consumed	0.19	0.48	0.33	2.39	7.89
d)	Changes in inventories of finished goods work-in-progress and stock-in-trade	522.56	(256.13)	(119.73)	(105.26)	524.83
e)	Employee benefits expense	81.58	54.33	125.99	266.50	459.85
f)	Finance costs	215.81	221.29	59.74	867.39	774.05
g)	Depreciation and amortization expense	119.13	120.00	117.76	482.83	502.54
h)	Other expenses					
i)	Manufacturing expenses	7.19	15.76	48.22	95.54	359.34
ii)	Other Expenses	155.44	75.34	113.65	365.88	340.14
	Total Expenses	1147.11	418.80	439.45	2743.52	3532.52
3	Profit/(loss) before exceptional and extraordinary items and tax (1-2)	(838.96)	(92.28)	(12.10)	(1344.56)	(905.99)
4	Exceptional Items	-	-	-	-	-
5	Profit/(loss) before extraordinary items and tax (3-4)	(838.96)	(92.28)	(12.10)	(1344.56)	(905.99)
6	Extraordinary items	-	-	-	-	-
7	Profit/(loss) before taxation (5-6)	(838.96)	(92.28)	(12.10)	(1344.56)	(905.99)
8	Income Tax expenses					
	(a) Deferred tax Charge/ (Credit)	1078.94	(96.05)	(56.61)	1007.68	(253.47)
	Total tax expenses	1078.94	(96.05)	(56.61)	1007.68	(253.47)
9	Profit/(Loss) for the period (7-8)	(1917.90)	3.77	44.51	(2352.24)	(652.52)
10	Other Comprehensive Income					
	(i) Items that will not be reclassified subsequently to profit or loss	-	-	-	-	-
	Re-measurement of the net defined benefit liability/assets	30.52	-	13.59	30.52	13.59
	Deferred Tax	(7.68)	-	(3.42)	(7.68)	(3.42)
	(ii) Items that will be reclassified subsequently to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of taxes	22.84	-	10.17	22.84	10.17
11	Total comprehensive income for the period (9+10)	(1895.06)	3.77	54.68	(2329.40)	(642.35)
12	Earnings per Equity Share					
a)	Basic (Rs.)	(10.48)	0.02	0.24	(12.85)	(3.56)
b)	Diluted (Rs.)	(10.48)	0.02	0.24	(12.85)	(3.56)



Statement of Assets and Liabilities
Rs. In Lakhs

S.NO	Particulars	As at	As at
		31 st March,2024	31 st March,2023
		Audited	Audited
ASSETS			
NON-CURRENT ASSETS			
(a)	Property, plant and equipment	4506.61	4784.25
(b)	Capital work-in-progress	-	28.55
(c)	Right of use of asset	219.19	379.86
(d)	Intangible assets	0.76	0.76
(e)	Deferred tax liabilities (net)	-	1015.36
(f)	Other non-current assets	221.41	215.91
TOTAL NON- CURRENT ASSETS		4947.97	6424.69
CURRENT ASSETS			
(a)	Inventories	10427.30	10361.58
(b)	Financial Assets		
	(i)Trade receivables	15228.40	15688.47
	(ii)Cash and cash equivalents	1188.31	726.41
	(iii)Bank balances other than (ii) above	17.48	16.69
	(iv)Other financial assets	645.58	1556.92
(c)	Other current assets	1926.65	500.41
TOTAL CURRENT ASSETS		29433.72	28850.48
TOTAL ASSETS		34381.69	35275.17
EQUITY AND LIABILITIES			
EQUITY			
(a)	Equity share capital	1830.53	1830.53
(b)	Other equity	2685.37	5014.77
TOTAL EQUITY		4515.90	6845.30
LIABILITIES			
NON-CURRENT LIABILITIES			
(a)	Financial Liabilities		
	(i)Borrowings	15291.78	14841.62
	(ia) Lease Liability	346.71	470.60
TOTAL NON - CURRENT LIABILITIES		15638.49	15312.22
CURRENT LIABILITIES			
(a)	Financial Liabilities		
	(i)Borrowings	6199.94	6199.94
	(ia) Lease Liability	30.68	49.57
	(ii)Trade payables		
	Dues to micro and small enterprises	134.06	137.57
	Dues to others	2281.46	2121.87
	(iii)Other financial liabilities	4206.15	3811.98
(b)	Other current liabilities	977.43	342.72
(c)	Provisions	397.58	454.00
TOTAL CURRENT LIABILITIES		14227.30	13117.65
TOTAL EQUITY AND LIABILITIES		34381.69	35275.17



Particulars	Rs. In Lakhs	
	For the year ended	For the year ended
	31.03.2024 (Audited)	31.03.2023 (Audited)
A. Cash Flow from Operating Activities		
Net Profit before tax		
Adjusted for	(1344.56)	(905.99)
Depreciation	482.83	502.54
Finance Costs	856.03	765.92
Re-measurement gains/(losses) on employee defined benefit plans	30.52	13.59
Loss / (Profit) on sale of fixed assets (net)	-	5.54
Lease modification	(41.34)	(20.98)
Interest Income	(8.99)	(7.21)
Excess provision written off	-	(23.80)
Operating Profit Before Working Capital Changes	(25.51)	329.61
Working Capital changes adjusted for		
Trade Receivables	460.07	(406.86)
Other financial and non- financial assets	(520.40)	(44.08)
Short Term provision	(56.42)	(3.77)
Inventories	(65.72)	662.96
Trade Payables	156.09	189.65
Other financial and non- financial liabilities	634.73	263.47
Cash Generated From Operations	582.84	990.97
Direct Taxes Paid	-	-
Net Cash Flow From Operating Activities (A)	582.84	990.97
B. Cash Flow From Investing Activities		
Purchase Of Fixed Assets	(4.69)	(15.04)
Proceeds from sale of fixed assets	-	25.93
Interest income received	8.99	9.68
Net Cash Used In Investing Activities (B)	4.30	20.57
C. Cash Flow From Financing Activities		
Net Working Capital Borrowings	-	(179.94)
Net proceeds from long term borrowings	450.16	172.34
Interest Paid	(413.36)	(175.07)
Payment of Lease Liability	(161.25)	(229.49)
Net Cash Used In Financing Activities (C)	(124.45)	(412.15)
Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)	462.69	599.39
Opening Cash And Cash Equivalents	743.11	143.72
Closing Cash And Cash Equivalents	1205.80	743.11



Notes:

1. This statement has been reviewed by the Audit Committee and approved by the Board of Directors as its Meeting held on 31st July, 2024.
2. The Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3. Post classification of accounts with State Bank of India & Axis Bank Limited, the Company submitted its compromise proposal for one time settlement of dues of Rs.79.60 Crore to the consortium banks on 10 November 2022, which was approved by State Bank of India on 25 January 2023 and Axis Bank Limited on 27 January 2023 to be paid by 31 March 2023. However, Company was unsuccessful to honor the compromise agreement by 31 March 2023. Consequently SBI & Axis revoked the compromise agreement as on 29 April 2023 and 03 May 2023 respectively.
4. Application filed by State bank of India before Hon'ble National Company Law Tribunal [NCLT] Hyderabad bench -1[The Bench] under section 7 of Insolvency and Bankruptcy Code, 2016 in respect of dues payable to State bank of India & Axis Bank Limited, was rejected by the Hon'ble tribunal on 08 May 2024 without costs.
5. State Bank of India has also filed suit for recovery before Debt Recovery Tribunal under SARFAESI Act, 2002, proceedings for which are in progress and next date of hearing is fixed for 21 August 2024.
6. The Company has received warrant of attachment of immovable property in respect of its Surya Towers, Secunderabad property, vide RC no. 175/ 2023 dated 13 March 2024 under Rule 48 of the second schedule to the Income Tax Act, 1961 read with the Recovery of Debts & Bankruptcy Act, 1993 which is listed for hearing before the Debt Recovery Tribunal for 21 August 2024.
7. Advocate Commissioner appointed by the court of Chief Judicial Magistrate, Mahbubnagar had served warrant of commission dated 24 April 2024 issued u/s 24 of the SARFAESI Act, 2002 giving therein 15 days' notice & has taken possession of factory unit on 06 June 2024 in compliance of the said order of the court.
8. The Company is taking appropriate legal steps in the matters listed at S. No. 5 & 6 above.
9. Deferred Tax Asset (DTA) of Rs. 1007.68 Lakhs has been derecognised in accordance with IND AS-12
10. Presently the Company has income from operations from only one segment i.e. "Textiles".
11. Figures of the previous quarters/year have been re-grouped and re-classified wherever necessary to correspond with current year's presentation.



Rakesh Malhotra
Whole Time Director & CFO

Place: Secunderabad
Date : 31/07/2024



Independent Auditor's Report on the Financial Results of Vijay Textiles Limited for the quarter and year ended March 31, 2024 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**To the Board of directors of
Vijay Textiles Limited**

1. Qualified Opinion

We have audited the accompanying annual financial results of Vijay Textiles Limited for the quarter and year ended 31st March, 24. being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (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 possible effect of the matters described in the basis of Qualified opinion paragraph, these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. 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 loss after tax and other comprehensive income and other financial information for the quarter and year ended March 31, 2024.

2. Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act 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 on the financial statements.

- A. The company's trade receivables as at balance sheet date amounts to Rs. 152.28 crores (as on March 31, 2023 - Rs.156.88 crores) wherein the debtor's receivable overdue for period exceeding three years amounts to Rs. 150.11 crores (as on March 31, 2023 -Rs. 147.77 crores). We draw attention to Note 5A OF the financial results, Explanations of management regards to collections of overdue trade receivables and recognition of expected credit loss. We further noted that the collections of trade receivables were made only for the dues ageing less than one year and balance ageing more than one year are accumulated since 31st March 2022.

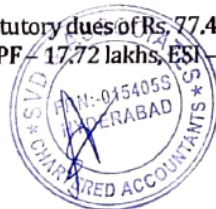


- B. The company's loan accounts with State Bank of India ("SBI") and Axis Bank Limited ("Axis") have become Non Performing asset. Post which regular business transactions were conducted through trust & retention account ("TRA") managed by SBI on behalf of company for both SBI & Axis. Validity of such operation was permitted up to 31st July 2022 after which all the banking transactions were freezed by the banks. Subsequent to the above event company has been issued demand notices by SBI and Axis under letter dated August 17, 2022 and September 09, 2022 respectively under section 13 (2) of Securitisation and Reconstruction of Financial Assets & Enforcement of Securities Interest Act, 2002 ("SARFAESI Act") giving company a sixty days' time period to deposit the amounts due to the banks amounting to Rs. 72.84 Crores & Rs. 20.04 Crores (amounts specified are per the notices issued by respective banks after application of interest and penal charges upto the date of these notices).

Pursuant to the above, the company has submitted a proposal for compromise on November 10, 2022 for one time settlement of dues by making a payment of Rs.79.60 Crore (SBI: Rs.61.00 Crore & Axis: Rs.18.60 Crore) as stipulated in the offer letter to be completed by March 15, 2023. Wherein Company has received approval from the consortium banks viz. State Bank of India and Axis Bank Limited vide their letters dated January 25, 2023 and January 27, 2023 respectively to its compromise proposal submitted on November 10, 2022 for one time settlement of bank dues of Rs.79.60 Crore to be paid by March 31, 2023. However, Company was unsuccessful to honor the compromise agreement as on March 31, 2023. Subsequently SBI & Axis has revoked the compromise agreement as on April 29, 2023 and May 03, 2023. Company has submitted request for revival of the compromise agreement to banks but same is yet to confirmed by the respective banks.

As the TRA Account is freezed the company is managing its daily operations with the support of Promoter Directors.

- C. We draw attention to Note No.4 wherein the application filed by State Bank of India before Hon'ble National Company Law Tribunal [NCLT] Hyderabad bench under section 7 of Insolvency and Bankruptcy Code, 2016 in respect of dues payable to State bank of India & Axis Bank Limited, was rejected by the Hon'ble tribunal on 08th May 2024 without costs since same petition cannot be filed with two different authorities simultaneously and other grounds.
- D. We draw attention to Note No.5 wherein State Bank of India has also sued for recovery before Debt Recovery Tribunal under SARFAESI Act, 2002, proceedings for which are in progress and next date of hearing is fixed for 21st August 2024.
- E. We draw attention to Note No.6 wherein the company has received The Company has received warrant of attachment of immovable property vide RC no. 175/ 2023 dated 13 March 2024 under Rule 48 of the second schedule to the Income Tax Act,1961 read with the Recovery of Debts & Bankruptcy Act, 1993 which is listed for hearing before the Debt Recovery Tribunal for 21st August 2024.
- F. We draw attention to Note No.7 wherein company has received notice dated 24th April 2024 from the Advocate Commissioner appointed by the court of chief Judicial Magistrate has served warrant of commission issued u/s 24 of the SARFAESI Act, 2002 giving therein 15 days' notice & has taken possession of factory unit on 06 June 2024 in compliance of the said order of the court.
- G. The company has outstanding statutory dues of Rs. 77.46 lakhs as on 31st March 2024 (Customs - 20.14 lakhs, TDS - 37.67 lakhs, PF - 17.72 lakhs, ESI - 1.93 lakhs)



H. The Company has outstanding payables to vendors of Rs. 24.15 crores out of which a total of Rs. 22.03 Crores is overdue for more than 180 days in payments to vendors against which input tax credit (ITC) has been claimed. These outstanding amounts are subject to reversal with an 18% interest charge due to non-compliance with ITC rules.

I. Material uncertainty related to going concern

We draw attention to the accompanying financial results, which indicates that the company has incurred a net loss for the year ended March 31, 2024 - Rs.23.29 crores (for the year ended March 31, 2023 -Rs. 6.42 crores). The company has outstanding amount due to vendors for more than three years as on March 31, 2023 amounting to Rs.5.53 crores (as on March 31, 2023 - Rs. 6.09 crore) and repayment of loans due to banks of principal amounting to Rs.72.5 crores, further the withdrawal of support from Banks and other indicators as listed above in the qualification paragraphs, indicate existence of material uncertainty on the company's ability to continue as a going concern.

Emphasis of Matters

J. We draw attention to Note No. 8 wherein the company has derecognized available balance in deferred tax asset of Rs. 10.07 crore in accordance with IND AS 12 which states that deferred tax asset should be derecognized when it no longer probable that future taxable profits will be available against which DTA can be utilised.

3. Management's Responsibilities for the Financial Results

These financial results have been prepared on the basis of the financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are 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.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

4. Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with 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 results.

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 results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results 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.

For SVD & Associates
Chartered Accountants
Firm Registration No.: 015405S

Avinash Doba
Partner

Membership No.: 232340

UDIN: 24232340BKETJNS814

Date: 31-07-2024

Place: Hyderabad



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted Along with-Annual Audited Financial Results

1. Audit Qualifications

a. Details of Audit Qualification:	The company's trade receivables as at balance sheet date amounts to Rs. 152.28 crores (as on March 31, 2023 – Rs.156.88 crores) wherein the debtor's receivable overdue for period exceeding three years amounts to Rs. 150.11 crores (as on March 31, 2023-Rs. 147.77 crores). We draw attention to Note 5A OF the financial results, Explanations of management regards to collections of overdue trade receivables and recognition of expected credit loss. We further noted that the collections of trade receivables were made only for the dues ageing less than one year and balance ageing more than one year are accumulating since 31 st March 2022.
b. Type of Audit Qualification :	Qualified Opinion
c. Frequency of qualification:	Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	(i) NA
(ii) If management is unable to estimate the impact, reasons for the same:	(ii) Management has performed a detailed review and reached out to all its debtors with regards to the long outstanding balances. Considering the long association debtors have given their assurance that the amount owed to the company will be surely repaid. As a result management is of the opinion that there is no requirement of provision for expected credit loss towards the recovery from debtors. Further efforts are being made for expediting recovery from long overdue debtors. As a result the management is of the opinion there is no significant credit loss for the existing debtors out-standing and accordingly provisions are not made for the same.
(iii) Auditors' Comments on (i) or (ii) above:	(iii) NA



2.

a. Details of Audit Qualification:

The company's loan accounts with State Bank of India ("SBI") and Axis Bank Limited ("Axis") have become Non Performing asset. Post which regular business transactions were conducted through trust & retention account ("TRA") managed by SBI on behalf of company for both SBI & Axis. Validity of such operation was permitted up to 31st July 2022 after which all the banking transactions were freezed by the banks. Subsequent to the above event company has been issued demand notices by SBI and Axis under letter dated August 17, 2022 and September 09, 2022 respectively under section 13 (2) of Securitisation and Reconstruction of Financial Assets & Enforcement of Securities Interest Act, 2002 ("SARFAESI Act") giving company a sixty days' time period to deposit the amounts due to the banks amounting to Rs. 72.84 Crores & Rs. 20.04 Crores (amounts specified are per the notices issued by respective banks after application of interest and penal charges up to the date of these notices).

Pursuant to the above, the company has submitted a proposal for compromise on November 10, 2022 for one time settlement of dues by making a payment of Rs.79.60 Crore (SBI: Rs.61.00 Crore & Axis: Rs.18.60 Crore) as stipulated in the offer letter to be completed by March 15, 2023. Wherein Company has received approval from the consortium banks viz. State Bank of India and Axis Bank Limited vide their letters dated January 25, 2023 and January 27, 2023 respectively to its compromise proposal submitted on November 10, 2022 for one time settlement of bank dues of Rs.79.60 Crore to be paid by March 31, 2023. However, Company was unsuccessful to honour the compromise agreement as on March 31, 2023. Subsequently SBI & Axis has revoked the compromise agreement as on April 29, 2023 and May 03, 2023. Company has submitted request for revival of the compromise agreement to banks but same is yet to confirmed by the respective banks.

As the TRA Account is under freeze, the company is managing its daily operations with the support of Promoter Directors.



b. Type of Audit Qualification :	Qualified Opinion
c. Frequency of qualification:	First Time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	Not Applicable
(i) Management's estimation on the impact of audit qualification:	
(ii) If management is unable to estimate the impact, reasons for the same:	
(iii) Auditors' Comments on (i) or (ii) above:	Nil

3.

a. Details of Audit Qualification:	We draw attention to Note No.4 wherein the application filed by State Bank of India before Hon'ble National Company Law Tribunal [NCLT] Hyderabad bench under section 7 of Insolvency and Bankruptcy Code, 2016 in respect of dues payable to State bank of India & Axis Bank Limited, was rejected by the Hon'ble tribunal on 08th May 2024 without costs since same petition cannot be filed with two different authorities simultaneously and other grounds.
b. Type of Audit Qualification :	Qualified Opinion
c. Frequency of qualification:	First Time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Nothing to comment
(ii) If management is unable to estimate the impact, reasons for the same:	
(iii) Auditors' Comments on (i) or (ii) above:	Nil



4.

a. Details of Audit Qualification:	We draw attention to Note No.5 wherein State Bank of India has also sued for recovery before Debt Recovery Tribunal under SARFAESI Act, 2002, proceedings for which are in progress and next date of hearing is fixed for 21 st August 2024.
b. Type of Audit Qualification :	Qualified Opinion
c. Frequency of qualification:	First Time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:	The company is taking appropriate steps through its legal counsel for necessary action. Nil

5.

a. Details of Audit Qualification:	We draw attention to Note No.6 wherein the company has received has received warrant of attachment of immovable property at Surya Towers, Secunderabad, vide RC no. 175/ 2023 dated 13 March 2024 under Rule 48 of the second schedule to the Income Tax Act,1961 read with the Recovery of Debts & Bankruptcy Act, 1993 which is listed for hearing before the Debt Recovery Tribunal for 21 st August 2024.
b. Type of Audit Qualification :	Qualified Opinion
c. Frequency of qualification:	First Time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:	The company is taking appropriate steps through its legal counsel for necessary action. Nil



6.

a. Details of Audit Qualification:	We draw attention to Note No.7 wherein company has received notice dated 24 th April 2024 from the Advocate Commissioner appointed by the court of chief Judicial Magistrate has served warrant of commission issued u/s 24 of the SARFAESI Act, 2002 giving therein 15 days' notice & has taken possession of factory unit on 06 June 2024 in compliance of the said order of the court..
b. Type of Audit Qualification :	Qualified Opinion
c. Frequency of qualification:	First Time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	The company is taking appropriate steps through its legal counsel for necessary action.
(ii) If management is unable to estimate the impact, reasons for the same:	
(iii) Auditors' Comments on (i) or (ii) above:	Nil

7.

a. Details of Audit Qualification:	The Company has outstanding payables to vendors of Rs. 24.15 crores out of which a total of Rs. 22.03 Crores is overdue for more than 180 days in payments to vendors against which input tax credit (ITC) has been claimed. These outstanding amounts are subject to reversal with an 18% interest charge due to non-compliance with ITC rules.
b. Type of Audit Qualification :	Qualified Opinion
c. Frequency of qualification:	First Time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable






e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	The company has taken note of this for necessary compliance.
(ii) If management is unable to estimate the impact, reasons for the same:	
(iii) Auditors' Comments on (i) or (ii) above:	Nil

8.

a. Details of Audit Qualification:	We draw attention to the accompanying financial results, which indicates that the company has incurred a net loss for the year ended March 31, 2024 - Rs.23.29 crores (for the year ended March 31, 2023 -Rs. 6.42 crores). The company has outstanding amount due to vendors for more than three years as on March 31, 2023 amounting to Rs.5.53 crores (as on March 31, 2023 - Rs. 6.09 crore) and repayment of loans due to banks of principal amounting to Rs.72.5 crores, further the withdrawal of support from Banks and other indicators as listed above in the qualification paragraphs, indicate existence of material uncertainty on the company's ability to continue as a going concern.
b. Type of Audit Qualification :	Qualified Opinion
c. Frequency of qualification:	First Time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	
(ii) If management is unable to estimate the impact, reasons for the same:	The management is fully committed to pay off the dues to the vendors & banks and also striving to restore its operations to back to normal
(iii) Auditors' Comments on (i) or (ii) above:	Nil



Mr .Vijay Kumar Gupta	Managing Director	
Mr. Rakesh Malhotra	Chief Financial Officer	
Mr. Ravi Prasad Muthyam	Chairman of Audit Committee	
Mr. Avinash Doba	Statutory Auditor	Digitally signed by AVINASH DOBA Date: 2024.07.31 16:33:59 +05'30'



Date : 31/07/2024

Place : Secunderabad