

29<sup>th</sup> June, 2020



To,  
**BSE Limited**  
Corporate Relations Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**Ref: Security Code: 516038**

**Security Id: SOMAPPR**

**Sub: Outcome of the Board Meeting held on 29<sup>th</sup> June, 2020**

Dear Sir/ Ma'am,

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we wish to inform you that the Board of Directors of the Company at its meeting held today i.e. 29<sup>th</sup> June, 2020 inter-alia, considered the following matters:

1. Approved the Audited Financial Results of the Company along with the Statement of Assets and Liabilities for the Quarter and Year ended on 31<sup>st</sup> March, 2020.

Pursuant to the provisions of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

- a) Audited Financial Results for the Quarter and Year ended 31<sup>st</sup> March, 2020 along with the Statement of Assets and Liabilities as at 31<sup>st</sup> March, 2020 and Statement of Cash Flow for the year ended on that date.
  - b) Auditors Report on the Financial Results for the Quarter and Year ended 31<sup>st</sup> March, 2020.
  - c) Declaration in relation to qualified Auditors Report on financial statements with modified opinion.
2. Considered and approved the resignation of Mr. Rajesh Babarao Kadu from the post of Company Secretary and Compliance Officer of the Company w.e.f. the close of business hours of 29<sup>th</sup> June, 2020.

Registered Office: 3<sup>rd</sup> Floor, Indian Mercantile Chambers, 14 Ramji Kamani Marg, Ballard Estate, Mumbai 400001 | T: (022) 22626262 | E: contactus@somapapers.in

CIN: L21093MH1991PLCo64085 | PAN: AAACS6835Q | TAN: NSKS01833G  
BSE Script Code: 516038 | ISIN: INE737E01011



3. Considered and approved the appointment of Mr. Ajay Kumar Naresh Kumar Kabra as Company Secretary who will be also designated as Compliance Officer in terms of Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. 1<sup>st</sup> July, 2020.

The meeting of the Board of Directors commenced at 7:00 P.M. and concluded at 8:20 P.M.

Further, pursuant to the guidelines issued by BSE Limited for submissions of documents on respective portals in the wake of COVID-19 and following the Work from Home Policy, we are submitting the disclosure in “Sd mode” to the Exchange.

Kindly take a note of the same and acknowledge.

Thanking you,

Yours faithfully,

For **Soma Papers And Industries Limited**

**Sd/-**

**Rajesh Babarao Kadu**

**Company Secretary & Compliance Officer**

**M. No.: A55503**

**Encl: As above**

**Independent Auditor's Report on Quarterly Financial Results and Audited Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****TO THE BOARD OF DIRECTORS OF SOMA PAPERS & INDUSTRIES LIMITED****Report on the audit of the Financial Results****Qualified Opinion**

We have audited the accompanying financial results of **SOMA PAPERS & INDUSTRIES LIMITED** (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020, attached herewith, 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 effects of matters described in the 'Basis for Qualified Opinion' section of our report*, 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 and other comprehensive income and other financial information for the quarter ended March 31, 2020 as well as for the year ended March 31, 2020.

**Basis for Qualified Opinion**

- a) The Company had given Loans and Advances amounting to Rs. 14,33,983/- which are outstanding from long time. In the absence of recovery and confirmation/communication from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable.
- b) Advance received from customers amounting to Rs. 4,38,332/- are subject to confirmation from respective parties and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable.
- c) The Company has accumulated losses and net worth of the Company is continuously eroding. The Company has incurred a net loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the



Company's ability to continue as a going concern. However the management is expecting improved results in coming years and have plans to improve revenue & other financial parameters. Hence, the financial statements of the Company have been prepared on a going concern basis.

- d) The Company has written back certain long aged Trade payables amounting to Rs. 4,64,822/- during the year. The Company had also written back certain long aged Trade payables amounting to Rs. 25,15,038/- and Deposit payables amounting to Rs. 10,42,160/- in the previous financial year 2018-19. However in absence of any confirmation from the parties, we are unable to obtain appropriate audit evidence for the same.
- e) The bank has auctioned the Land, Factory Premises, Plant and Machinery, inventory and other assets lying at Nasik in Financial Year 2007-08 which was approved by the Debt Recovery Tribunal. Auction proceeds received by bank has been utilised to repay Bank Cash Credit Liabilities, Debentures with interest, Electricity charges, deposit given to Labour court for Labour settlement, SICOM Loans and other related expenses. The accounting of the above transaction has been done in previous years on the basis of communication from bank. No confirmation from banks, debenture holders, electricity department Sales Tax Authority or Labour court have been received against the proceeds distributed by Bank.

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, 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 qualified opinion.

#### **Emphasis of Matter**

- a) The Company has long outstanding statutory dues such as Sales Tax, Income Tax Deducted at Source, etc. amounting to Rs. 17,67,233/- due to which the company may be liable for interest and penal consequences under the respective laws.
- b) We have been informed that the Company's borrowings from various lenders have been settled in 2009-10. However, as per records in MCA, the charges are still outstanding.
- c) We draw attention to Note 4 to the Financial Results of the Company, wherein financial impact of COVID-19 on the operations of the Company has been disclosed. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of these matters.

#### **Management's Responsibilities for the Financial Results**

The year ended financial results have been prepared on the basis of the audited annual 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 Loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 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 are also responsible for overseeing the Company's financial reporting process.

### **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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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.

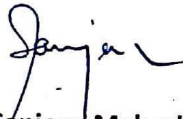
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

**Other Matter**

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to limited review by us, as required under the Listing Regulations.

For GMJ & Co  
Chartered Accountants  
FRN : 103429W



CA Sanjeev Maheshwari  
Partner  
Membership No.: 038755  
UDIN : 20038755AAAABU7064

Place : Mumbai  
Date : 29<sup>th</sup> June, 2020



**SOMA PAPERS & INDUSTRIES LIMITED**  
**CIN: L21093MH1991PLC064085 | BSE Script 516038 | ISIN: INE737E01011**  
**Statement of Assets and Liabilities as at 31st March, 2020**

(Amounts in INR)

Sr. No.	Particulars	(Audited)	
		As at March 31, 2020	As at March 31, 2019
	<b>ASSETS</b>		
1	<b>Non - Current Assets</b>		
	(a) Financial Assets		
	(i) Investment	31,74,628	42,18,222
2	<b>Current Assets</b>		
	(a) Financial Assets		
	(i) Trade Receivables	6,000	6,000
	(ii) Cash and Cash Equivalents	8,64,147	14,24,734
	(iii) Other Financial Assets	1,49,343	1,18,331
	(b) Other Current Assets	14,33,983	14,33,688
	<b>Total Assets</b>	<b>56,28,101</b>	<b>72,00,975</b>
	<b>Equity and Liabilities</b>		
1	<b>Equity</b>		
	(a) Equity Share Capital	1,40,21,500	1,40,21,500
	(b) Other Equity	(1,34,39,843)	(1,22,77,791)
2	<b>Liabilities</b>		
	(I) Current Liabilities		
	(a) Financial Liabilities		
	(i) Trade Payables		
	Total outstanding dues of Micro enterprises and Small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		4,20,822
	(ii) Other Financial Liabilities	27,86,879	28,30,879
	(b) Other Current Liabilities	22,59,565	22,05,565
	<b>Total Equity and Liabilities</b>	<b>56,28,101</b>	<b>72,00,975</b>



For Soma Papers & Industries Limited

Vikram Somani  
Executive Director  
DIN: 00054310

Place: Mumbai  
Date: 29th June, 2020

**SOMA PAPERS & INDUSTRIES LIMITED**

CIN: L21093MH1991PLC064085 | BSE Script 516038 | ISIN: INE737E01011

**Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2020**

(Amounts in INR)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
		(Audited)	(Un - audited)	(Audited)	(Audited)	(Audited)
1	<b>Income</b>					
	a) Revenue from operations	-	-	-	-	-
	b) Other Income	4,44,814	6,873	36,11,801	5,02,721	37,25,687
	<b>Total Income (a+b)</b>	<b>4,44,814</b>	<b>6,873</b>	<b>36,11,801</b>	<b>5,02,721</b>	<b>37,25,687</b>
2	<b>Expenses</b>					
	a) Finance Cost	-	-	1,21,253	-	1,21,253
	b) Other expenses	9,23,199	2,45,179	13,82,757	16,64,773	76,79,707
	<b>Total Expenses (a+b+c+d+e+f+g)</b>	<b>9,23,199</b>	<b>2,45,179</b>	<b>15,04,010</b>	<b>16,64,773</b>	<b>78,00,960</b>
3	<b>Profit Before Tax (1-2)</b>	<b>(4,78,385)</b>	<b>(2,38,306)</b>	<b>21,07,791</b>	<b>(11,62,052)</b>	<b>(40,75,273)</b>
4	<b>Tax expense</b>					
	(i) Current Tax	-	-	-	-	-
	(ii) Excess provision for Tax of earlier periods written back	-	-	-	-	-
	(iii) Deffered Tax	-	-	-	-	-
	<b>Total Tax Expense (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5	<b>Profit for the period (3-4)</b>	<b>(4,78,385)</b>	<b>(2,38,306)</b>	<b>21,07,791</b>	<b>(11,62,052)</b>	<b>(40,75,273)</b>
6	<b>Other Comprehensive Income</b>					
	(i) Items that will not be reclassified to statement of Profit and Loss	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to statement of Profit and loss	-	-	-	-	-
	(iii) Items that will be reclassified to statement of profit and loss	-	-	-	-	-
	(iv) Income tax relating to items that will be reclassified to statement of Profit and loss	-	-	-	-	-
	<b>Total Other comprehensive income (net of tax) (i+ii+iii+iv)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7	<b>Total Comprehensive income for the period (5+7) (comprising income for the period)</b>	<b>(4,78,385)</b>	<b>(2,38,306)</b>	<b>21,07,791</b>	<b>(11,62,052)</b>	<b>(40,75,273)</b>
9	Paid-up Equity Share Capital - Face Value of Rs. 10/- each	1,40,21,500	1,40,21,500	1,40,21,500	1,40,21,500	1,40,21,500
10	Reserves Excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	(1,34,39,843)	(1,22,77,791)
11	Basic and Diluted Earning Per Share (EPS) (Rs.)	(0.34)	(0.17)	1.50	(0.83)	(2.91)

**Notes:**

1	The above audited financial result for the quarter and year ended 31st March, 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors in their respective meeting held on 29th June, 2020. The statutory auditors have expressed an qualified opinion.
2	The company is engaged in only one reportable operating segment. Hence, disclosures required by Indian Accounting Standard - 108 "Operating Segment" are not applicable to the Company.
3	The Audited financial results are in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment Rules), 2016.
4	There has been no significant impact on the operations and financial position of the Company on account of the outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government.
5	Figures for the quarter ended 31st March, 2020 and corresponding quarter ended in the previous year as reported in these financial results are the balancing figures in respect of full financial and year to date figure upto end of third quarter of the relevant financial year. Also the figures upto the end of third quarter of the relevant financial year had only been reviewed and not subject to Audit.
6	The figures of previous period / year have been regrouped / rearranged wherever necessary / practicable to conform to current period/year presentation.



For Soma Papers & Industries Limited

  
 Vikram Somani  
 Executive Director  
 DIN: 00054310

Place: Mumbai  
Date: 29th June, 2020



**SOMA PAPERS AND INDUSTRIES LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in INR)

Particulars	Notes	2019-20	2018-19
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit/(Loss) before income tax from:		(11,62,052)	(40,75,273)
<b>Adjustments for:</b>			
(Gain)/Loss on sale of investments		23,446	(1,11,233)
Changes in fair value of financial assets at fair value through profit or loss		7,52,924	2,93,824
Dividend and interest income classified as investing cash flows		(61,345)	(57,254)
Sundry balances written back		(4,64,822)	(35,57,198)
Sundry balances written off		-	11,71,052
Finance costs		-	1,21,253
<b>Change in operating assets and liabilities:</b>			
(Increase)/Decrease in trade receivables		4,64,822	35,56,328
Increase/(decrease) in trade payables		(4,20,822)	(36,86,091)
(Increase)/decrease in other financial assets		(7,83,936)	8,50,035
(Increase)/decrease in other current assets		(295)	295
(Increase)/decrease in other bank balance		-	1,765
Increase/(decrease) in other financial liabilities		(44,000)	28,30,878
Increase/(decrease) in other current liabilities		54,000	(41,74,157)
<b>Cash generated from operations</b>		<b>(16,42,080)</b>	<b>(68,35,776)</b>
Less: Income taxes paid		-	-
<b>Net cash inflow from operating activities</b>		<b>(16,42,080)</b>	<b>(68,35,776)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for purchase of investments		-	-
Proceeds from sale of investments		10,20,148	73,50,825
Dividends received		61,345	57,256
<b>Net cash outflow from investing activities</b>		<b>10,81,492</b>	<b>74,08,082</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of borrowings		-	-
Interest paid		-	(1,21,253)
<b>Net cash inflow (outflow) from financing activities</b>		<b>-</b>	<b>(1,21,253)</b>
Net increase (decrease) in cash and cash equivalents		(5,60,588)	4,51,053
Cash and Cash Equivalents at the beginning of the financial year		14,24,734	9,73,681
<b>Cash and Cash Equivalents at end of the year</b>		<b>8,64,147</b>	<b>14,24,734</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>			
Cash and cash equivalents as per above comprise of the following:			
Cash and cash equivalents		8,64,147	14,24,734
<b>Balances per statement of cash flows</b>		<b>8,64,147</b>	<b>14,24,734</b>



For Soma Papers & Industries Limited

  
**Vikram Somani**  
 Executive Director  
 DIN: 00054310

Place: Mumbai  
 Date: 29th June, 2020

29<sup>th</sup> June, 2020



To  
**BSE Limited**  
Corporate Relations Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**Ref: Security Code: 516038**

**Security Id: SOMAPPR**

**Sub: Declaration in respect of Modified Opinion on the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2020**

Dear Sir/Ma'am,

Pursuant to the provisions of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI Notification No. SEBI/ LAD-NRO/GN/2016-17/001 dated 25<sup>th</sup> May, 2016 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016 we hereby confirm that the Statutory Auditor of the Company, M/s. GMJ & Co, Chartered Accountants, (FRN: 103429W) Mumbai, have issued a Modified Audit Report for the financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2020.

Further, pursuant to the guidelines issued by BSE Limited for submissions of documents on respective portals in the wake of COVID-19 and following the Work from Home Policy, we are submitting the disclosure in “Sd mode” to the Exchange.

Kindly take a note of the same and acknowledge.

Thanking you,

Yours faithfully,  
For **Soma Papers And Industries Limited**

**Sd/-**  
**Rajesh Babarao Kadu**  
**Company Secretary & Compliance Officer**  
**M. No.: A55503**

Registered Office: 3<sup>rd</sup> Floor, Indian Mercantile Chambers, 14 Ramji Kamani Marg, Ballard Estate, Mumbai 400001 | T: (022) 22626262 | E: contactus@somapapers.in

CIN: L21093MH1991PLCo64085 | PAN: AAACS6835Q | TAN: NSKS01833G  
BSE Script Code: 516038 | ISIN: INE737E01011



Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020  
 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
		Rs in INR	Rs in INR
1.	Turnover / Total income		
2.	Total Expenditure	5,02,721	
3.	Net Profit/(Loss) After Tax	16,64,773	
4.	Earnings Per Share	(0.83)	
5.	Total Assets	56,28,101	
6.	Total Liabilities	50,46,444	
7.	Net Worth	5,81,657	
8.	Any other financial item(s) (as felt appropriate by the management)	-	

Not ascertainable

II. Audit Qualification (each audit qualification separately):  
 1. Details of Audit Qualification:

Point no. a

The Company has given Loans and Advances amounting to Rs. 14,33,983/- which are outstanding from long time. In the absence of recovery and confirmation/communication from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable

Point no. b

Advance received from Customers amounting to Rs. 4,38,332/- are subject to confirmation from respective parties and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable

Point no. c

The Company has accumulated losses and net worth of the Company is continuously eroding. The Company has incurred a net loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the management is expecting improved results in coming years and have plans to improve revenue & other financial parameters. Hence, the financial statements of the Company have been prepared on a going concern basis.

Point no. d

The Company has written back certain long aged Trade payables amounting to Rs. 4,64,822/- during the year. The Company had also written back certain long aged Trade Payables amounting to Rs. 25,15,038/- and Deposit payables amounting to Rs. 10,42,160/- in the previous financial year 2018-19. However in absence of any confirmation from the parties, we are unable to obtain appropriate audit evidence for the same.



**Point no. e**

The bank has auctioned the Land, Factory Premises, Plant and Machinery, inventory and other assets lying at Nasik in Financial Year 2007-08 which was approved by the Debt Recovery Tribunal. Auction proceeds received by bank has been utilised to repay Bank Cash Credit Liabilities, Debentures with interest, Electricity charges, deposit given to Labour court for Labour settlement, SICOM Loans and other related expenses. The accounting of the above transaction has been done in previous years on the basis of communication from bank. No confirmations from banks, debenture holders, electricity department Sales Tax Authority or Labour court have been received against the proceeds distributed by Bank.

2. Type of Audit Qualification : Qualified Opinion

3. Frequency of qualification:

Point no. a: Repeat

Point no. b: Repeat

Point no. c: Repeat

Point no. d: Repeat

Point no. e: Repeat

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

Not applicable

5. For Audit Qualification(s) where the impact is not quantified by the auditor, Management's Views:

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

Management is unable to estimate the impact of audit qualifications on the financial results.

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

**Point No a:** The outstanding balances as at March 31, 2020 in respect of loans and advances are subject to confirmation from respective parties. The management expects to realize the balance dues. However, the Management does not expect any significant variation in the balances and if any, consequential impact on the financials results will not be material.

**Point No b:**

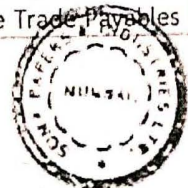
The outstanding balances as at March 31, 2020 in respect of advances from customers are subject to confirmation from respective parties. The management expects to refund the advance received. However, the Management does not expect any significant variation in the balances and if any, consequential impact on the financials results will not be material.

**Point No c:**

The management is expecting improved results in coming years and have plans to improve revenue & other financial parameters.

**Point No d:**

The Company had been communicating to its Creditors / parties the financial condition of the company. The inability to pay these parties had been communicated. Accordingly, the management has written back the Trade Payables



and the outstanding balance of Trade Payable is Nil.

**Point No e :**

The banks had taken over the responsibility of paying the secured creditors and the statutory payables. They have done so and have issued a letter to the company stating so.

**Auditors' Comments on (a) to (e) above:**

**Point No.a :**

The Company needs to obtain balance confirmation and do consequential reconciliation and adjustment arising therefrom, in respect of loans and advances given.

**Point No.b :**

We rely on management views subject to confirmation from Parties.

**Point No.c :**

The financial statements have been prepared on a Going concern basis by the Management and we have relied on the Management expectations.

**Point No.d :**

We have not received any appropriate audit evidence for the same.

**Point No.e :**

We have not received any confirmation from the respective parties against the proceeds distributed by the bank.

**III. Signatories:**

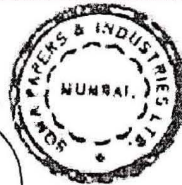
- Executive Director

- CFO

- Audit Committee Chairman

- Statutory Auditor

CA Sanjeev Maheshwari  
GMJ & Co.



Ashish Gupta



Mumbai  
June 29, 2020