

17th June, 2021

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 17th June, 2021

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. 17th June, 2021 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 31st March, 2021.

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 31st March, 2021 along with the Statement of Assets and Liabilities as at 31st March, 2021 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 31st March, 2021.
- c) Declaration in relation to qualified Auditors Report on financial statements with modified opinion.

The meeting of the Board of Directors commenced at 7:30 P.M. and concluded at 8:45 P.M. Kindly take a note of the same and acknowledge.

Thanking you,

Yours faithfully,
For Soma Papers and Industries Limited



Ajay Kumar Kabra,
Company Secretary and Compliance Officer
M. No.: A50321
Encl: A/a

Registered Office: 3rd 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



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, 2021 and for the year ended March 31, 2021, 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 profit and other comprehensive income and other financial information for the quarter ended March 31, 2021 as well as for the year ended March 31, 2021.

Basis for Qualified Opinion

- i. The Company had other receivables amounting to RS. 1,49,343/-. During the year, management on the basis of internal evaluation has written off other receivables amounting to RS. 1,49,343/-. However, in the absence of any documentary evidence and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and

are unable to comment on such write offs provided for in these results and other receivable amounting to RS. Nil carried in these results.

- ii. The Company had given Loans and Advance to a related party amounting to RS. 14,33,983/- which is outstanding from a long time. During the year, management on the basis of internal evaluation has fully written off the loans and advance amounting to RS. 14,33,983/-. However, in the absence of any documentary evidence and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on such write off provided for in these results and Loans and Advance to related party amounting to RS. Nil carried in these results.
- iii. The Company had outstanding interest accruals amounting to Rs. 27,86,879/-. During the year, management on the basis of internal evaluation has fully written back the interest accrual amounting to RS. 27,86,879/-. However, in the absence of any documentary evidence/confirmation and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on such write back by the management in these results and the RS. Nil liability carried in these results.
- iv. The Company had an Advance received from customer amounting to Rs. 4,38,332/- which is subject to confirmation and reconciliation from a party. During the year, management on the basis of internal evaluation has fully written back the advance amounting to RS. 4,38,332/-. However, in the absence of any documentary evidence/confirmation and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on such write back by the management in these results and the RS. Nil liability carried in these results.
- v. The Company had statutory liabilities w.r.t. sales tax, water tax etc amounting to Rs. 17,67,233/-for the previous financial years. During the year, management on the basis of internal evaluation has written back the statutory liabilities amounting to RS. 17,67,233/-. Due to write back of statutory liabilities, the company could be liable for penal consequences. In the absence of complete documentary evidence and limited information provided to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on the completeness, accuracy and impact of non-compliances, if any, on the amount of Rs. NIL carried in these results related to statutory liabilities of previous financial years.
- vi. The Company had other liability for expense amounting to RS. 54,000/-. During the year, management on the basis of internal evaluation has fully written back the other liability for expenses amounting to RS. 54,000/. However, in the absence of any documentary evidence/confirmation and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on such write back by the management in these results and the RS. Nil liability carried in these results.
- vii. The Company had also written back certain long aged Trade payables and Deposit payables in the previous financial years. However in absence of any confirmation from the parties, we are unable to obtain sufficient appropriate audit evidence for the same and are unable to comment on such write back by the management.

- viii. 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

- i. The Company has accumulated losses and has incurred cash losses in the current financial year. 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 revival of the company. Hence, the financial statements of the Company have been prepared on a going concern basis.
- ii. 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.

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, 2021 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 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 Sonia Didwania

Partner

Membership No.: 410461

UDIN : 21410461AAAAAW5158

Place : Mumbai

Date : 17th June, 2021

SOMA PAPERS & INDUSTRIES LIMITED
CIN: L21093MH1991PLC064085 | BSE Script 516038 | ISIN: INE737E01011
Statement of Assets and Liabilities as at March 31, 2021

(Amount in INR)

| Sr. No. | Particulars | (Audited) | |
|---------|---|-------------------------|-------------------------|
| | | As at March 31, 2021 | As at March 31, 2020 |
| | ASSETS | | |
| 1 | Non - Current Assets | | |
| | (a) Financial Assets | | |
| | (i) Investments | 4,863,649 | 3,174,628 |
| 2 | Current Assets | | |
| | (a) Financial Assets | | |
| | (i) Trade Receivables | - | 6,000 |
| | (ii) Cash and Cash Equivalents | 1,048,594 | 864,147 |
| | (iii) Other Financial Assets | - | 149,343 |
| | (b) Other Current Assets | 11,167 | 1,433,983 |
| | Total Assets | 5,923,410 | 5,628,101 |
| | Equity and Liabilities | | |
| 1 | Equity | | |
| | (a) Equity Share Capital | 14,021,500 | 14,021,500 |
| | (b) Other Equity | (8,169,715) | (13,439,843) |
| 2 | Liabilities | | |
| | (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 | - | - |
| | (ii) Other Financial Liabilities | - | 2,786,879 |
| | (b) Other Current Liabilities | 2,625 | 2,259,565 |
| | (c) Current Tax Liabilities (Net) | 69,000 | - |
| | Total Equity and Liabilities | 5,923,410 | 5,628,101 |

For Soma Papers & Industries Limited



Vikram Somani
Executive Director
DIN: 00054310

Place: Mumbai
Date: 17th June, 2021

SOMA PAPERS & INDUSTRIES LIMITED

CIN: L21093MH1991PLC064085 | BSE Script 516038 | ISIN: INE737E01011

Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2021

(Amounts in INR)

| Sr. No. | Particulars | Quarter Ended | | | Year Ended | |
|-----------|---|-------------------|-------------------|-------------------|--------------------|---------------------|
| | | 31/03/2021 | 31/12/2020 | 31/03/2020 | 31/03/2021 | 31/03/2020 |
| | | (Audited) | (Un - audited) | (Audited) | (Audited) | (Audited) |
| 1 | Income | | | | | |
| | a) Revenue from operations | - | - | - | - | - |
| | b) Other Income | 5,509,668 | - | 444,814 | 8,092,530 | 502,721 |
| | Total Income (a+b) | 5,509,668 | - | 444,814 | 8,092,530 | 502,721 |
| 2 | Expenses | | | | | |
| | a) Employee benefits expense | 105,000 | 105,000 | - | 315,000 | - |
| | b) Other expenses | 1,690,926 | 474,177 | 923,199 | 2,438,402 | 1,664,773 |
| | Total Expenses (a+b+c+d+e+f+g) | 1,795,926 | 579,177 | 923,199 | 2,753,402 | 1,664,773 |
| 3 | Profit Before Tax (1-2) | 3,713,742 | (579,177) | (478,385) | 5,339,128 | (1,162,052) |
| 4 | Tax expense | | | | | |
| | (i) Current Tax | 69,000 | - | - | 69,000 | - |
| | (ii) Excess provision for Tax of earlier periods written back | - | - | - | - | - |
| | (iii) Deferred Tax | - | - | - | - | - |
| | Total Tax Expense ((i)+(ii)+(iii)) | 69,000 | - | - | 69,000 | - |
| 5 | Profit for the period (3-4) | 3,644,742 | (579,177) | (478,385) | 5,270,128 | (1,162,052) |
| 6 | Other Comprehensive Income | | | | | |
| | (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 | - | - | - | - | - |
| 7 | Total Other comprehensive income (net of tax) ((i)+(ii)+(iii)+(iv)) | - | - | - | - | - |
| 8 | Total Comprehensive income for the period (5+7) (comprising income for the period) | 3,644,742 | (579,177) | (478,385) | 5,270,128 | (1,162,052) |
| 9 | Paid-up Equity Share Capital - Face Value of Rs. 10/- each | 14,021,500 | 14,021,500 | 14,021,500 | 14,021,500 | 14,021,500 |
| 10 | Reserves Excluding Revaluation Reserve as per balance sheet of previous accounting year | - | - | - | (8,169,715) | (13,439,843) |
| 11 | Earnings Per Share (EPS) (Rs.) | | | | | |
| | Basic | 2.60 | (0.41) | (0.34) | 3.76 | (0.83) |
| | Diluted | 2.60 | (0.41) | (0.34) | 3.76 | (0.83) |
| | Notes: | | | | | |
| 1 | The financial results for the quarter and year ended March 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the company at its meeting held on 17th June, 2021. 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 above financial results have been prepared in accordance with 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 relevant amendments. | | | | | |
| 4 | The figures of the quarter ended March 31, 2021 are the balancing figures between the audited figures for the full financial year and the unaudited published year to date figures upto the third quarter of the financial year. | | | | | |
| 5 | Figures of previous periods/years' have been regrouped/ rearranged, wherever considered necessary. | | | | | |

For **Soma Papers & Industries Limited**


Vikram Soman
 Executive Director
 DIN: 00054310

Place: Mumbai

Date: 17th June, 2021

SOMA PAPERS AND INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in INR)

| Particulars | Notes | 2020-21 | 2019-20 |
|--|-------|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Profit/ Loss before income tax : | | 5,339,128 | (1,162,052) |
| Adjustments for: | | | |
| (Gain)/Loss on sale of investments | | (354,960) | 23,446 |
| Changes in fair value of financial assets at fair value through profit or loss | | - | 752,924 |
| Dividend and interest income classified as investing cash flows | | (6,838) | (61,345) |
| Sundry balances written back | | (4,879,101) | (464,822) |
| Sundry balances written off | | 1,433,983 | - |
| Finance costs | | - | - |
| Change in operating assets and liabilities: | | | |
| (Increase)/Decrease in trade receivables | | 4,885,101 | 464,822 |
| Increase/(decrease) in trade payables | | (1,433,983) | (420,822) |
| (Increase)/decrease in other financial assets | | 149,343 | (783,936) |
| (Increase)/decrease in other current assets | | 1,422,816 | (295) |
| (Increase)/decrease in other bank balance | | - | - |
| Increase/(decrease) in other financial liabilities | | (2,786,879) | (44,000) |
| Increase/(decrease) in other current liabilities | | (2,256,940) | 54,000 |
| Cash generated from operations | | 1,511,670 | (1,642,080) |
| Less: Income taxes paid | | - | - |
| Net cash inflow from operating activities | | 1,511,670 | (1,642,080) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Payments for purchase of investments | | - | - |
| Proceeds from sale of investments | | (1,334,061) | 1,020,148 |
| Dividends received | | 6,838 | 61,345 |
| Net cash outflow from investing activities | | (1,327,223) | 1,081,492 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Repayment of borrowings | | - | - |
| Interest paid | | - | - |
| Net cash inflow (outflow) from financing activities | | - | - |
| Net increase (decrease) in cash and cash equivalents | | 184,447 | (560,587) |
| Cash and Cash Equivalents at the beginning of the financial year | | 864,147 | 1,424,734 |
| Cash and Cash Equivalents at end of the year | | 1,048,594 | 864,147 |
| Reconciliation of cash and cash equivalents as per the cash flow statement: | | | |
| Cash and cash equivalents as per above comprise of the following: | | | |
| Cash and cash equivalents | | 1,048,594 | 864,147 |
| Balance as per statement of cash flows | | 1,048,594 | 864,147 |

For Soma Papers & Industries Limited


 Vikram Somani
 Executive Director
 DIN: 00054310

Place: Mumbai
 Date: 17th June, 2021

17th June, 2021

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 31st March, 2021

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 25th May, 2016 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th 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 31st March, 2021.

Kindly take a note of the same and acknowledge.

Thanking you,

Yours faithfully,

For Soma Papers and Industries Limited



Ajay Kumar Kabra,
Company Secretary and Compliance Officer
M. No.: A50321

SOMA PAPERS AND INDUSTRIES LIMITED (CIN NO L21093MH1991PLC064085)

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] | | | | |
|--|---|---|---|---|
| I. | Sl. No | Particulars | Audited Figures | Adjusted Figures |
| | | | (as reported before adjusting for qualifications) | (audited figures after adjusting for qualifications)* |
| | | | Rs in INR | Rs in INR |
| | 1. | Turnover / Total income | 80,92,530 | 80,92,530 |
| | 2. | Total Expenditure | 27,53,402 | 27,53,402 |
| | 3. | Net Profit/(Loss) After Tax | 52,70,128 | 52,70,128 |
| | 4. | Earnings Per Share | 3.76 | 3.76 |
| | 5. | Total Assets | 59,23,410 | 59,23,410 |
| | 6. | Total Liabilities | 71,625 | 71,625 |
| | 7. | Net Worth | 58,51,785 | 58,51,785 |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | - | - |
| *Not Quantified by the auditor | | | | |
| II. | Audit Qualification (each audit qualification separately): | | | |
| | 1. Details of Audit Qualification: | | | |
| | <u>Point no. a</u> | | | |
| | The Company had other receivables amounting to INR 1,49,343/-. During the year, management on the basis of internal evaluation has written off other receivables amounting to INR 1,49,343/-. However, in the absence of any documentary evidence and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on such write offs provided for in these results and other receivable amounting to INR Nil carried in these results. | | | |
| | <u>Point no. b</u> | | | |
| | The Company had given Loans and Advance to a related party amounting to INR 14,33,983/- which is outstanding from a long time. During the year, management on the basis of internal evaluation has fully written off the loans and advance amounting to INR 14,33,983/-. However, in the absence of any documentary evidence and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on such write off provided for in these results and Loans and Advance to related party amounting to INR Nil carried in these results. | | | |
| | <u>Point no. c</u> | | | |
| | The Company had outstanding interest accruals amounting to Rs. 27,86,879/-. During the year, management on the basis of internal evaluation has fully written back the interest accrual amounting to INR 27,86,879/-. However, in the absence of any documentary evidence/confirmation and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on such write back by the management in these results and the INR Nil liability carried in these results. | | | |
| | <u>Point no. d</u> | | | |

The Company had an Advance received from customer amounting to Rs. 4,38,332/- which is subject to confirmation and reconciliation from a party. During the year, management on the basis of internal evaluation has fully written back the advance amounting to INR 4,38,332/-. However, in the absence of any documentary evidence/confirmation and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on such write back by the management in these results and the INR Nil liability carried in these results.

Point no. e

The Company had statutory liabilities w.r.t. sales tax, water tax etc amounting to Rs. 17,67,233/-for the previous financial years. During the year, management on the basis of internal evaluation has written back the statutory liabilities amounting to INR 17,67,233/-. Due to write back of statutory liabilities, the company could be liable for penal consequences. In the absence of complete documentary evidence and limited information provided to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on the completeness, accuracy and impact of non-compliances, if any, on the amount of NIL carried in these results related to statutory liabilities of previous financial years.

Point no. f

The Company had other liability for expense amounting to INR 54,000/-. During the year, management on the basis of internal evaluation has fully written back the other liability for expenses amounting to INR 54,000/-. However, in the absence of any documentary evidence/confirmation and limited information available to us, we are unable to obtain sufficient appropriate audit evidence and are unable to comment on such write back by the management in these results and the INR Nil liability carried in these results.

Point no. g

The Company had also written back certain long aged Trade payables and Deposit payables in the previous financial years. However in absence of any confirmation from the parties, we are unable to obtain sufficient appropriate audit evidence for the same and are unable to comment on such write back by the management.

Point no. h

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.

2. Type of Audit Qualification : Qualified Opinion

3. Frequency of qualification:

Point no. a: First time
Point no. b: First time
Point no. c: First time
Point no. d: First time
Point no. e: First time
Point no. f: First time
Point no. g: Repeat
Point no. h: 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:**

Based on the management analysis and assumptions, we believe that the Profit and Loss Account and Cash Flow Statement for the year ended 31 March 2021 and the Balance Sheet as at 31 March 2021 are materially correct. Hence, management do not believe there is any material financial impact of the audit qualification.

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

Not Ascertainable

Auditors' Comments on (i) to (ii) above:

We have not been able to obtain sufficient and appropriate audit evidence on the matters specified in the 'Basis for Qualified Opinion' section of our audit report dated 17 June 2021. In the absence of any documentary evidence/ confirmation and limited information available to us, we are unable to comment on the above matters.

III. **Signatories:**

- Executive Director

- CFO

- Audit Committee Chairman

- Statutory Auditor

CA Sonia Didwania
GMJ & Co.



Mumbai
June 17, 2021