

**SOMA PAPERS AND INDUSTRIES LIMITED (CIN NO L21093MH1991PLC064085)**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			Rs.	Rs.
	1.	Turnover / Total income	37,25,687	<b>Not ascertainable</b>
	2.	Total Expenditure	78,00,960	
	3.	Net Profit/(Loss) After Tax	(40,75,273)	
	4.	Earnings Per Share	(2.91)	
	5.	Total Assets	72,00,975	
	6.	Total Liabilities	54,57,266	
	7.	Net Worth	17,43,709	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	

**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**

The long outstanding balances as at March 31, 2019 in respect of certain balances of Trade Payables amounting to Rs.4,20,822/-, Advance received from Customers amounting to Rs.4,38,332/- and other payables of Rs.44,000/- 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 has been completely eroded. 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.

**Point no. d**

The Company has written back certain long aged Trade payables amounting to Rs.25,15,038/- and Deposit payables amounting to Rs.10,42,160/-. 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 utilized 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 year 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:** 1<sup>st</sup> time – in 2019  
**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, 2019 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, 2019 in respect of payables are subject to confirmation from respective parties. The management expects to release 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 c:**

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



**Point No d:**

The Company has been communicating to its Creditors / parties the financial condition of the company. The inability to pay these parties has been communicated.

**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 :**

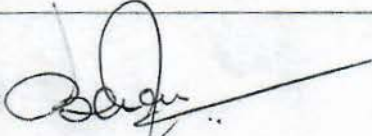

We have not received any appropriate audit evidence for the same.

**Point No.e :**

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

III.

**Signatories:**

- Managing Director 
- CFO 
- Audit Committee Chairman
- Statutory Auditor

CA Sanjeev Maheshwari  
GMJ & Co.



Mumbai  
May 25, 2019