

SPLENDID METAL PRODUCTS LIMITED

(Formerly Known as Sujana Metal Products Ltd)

Date: 15.06.2019

To

The Department of Corporate Services – CRD, BSE Limited, P.J.Towers, Dalal Street, MUMBAI – 400 001. Scrip Code: 513414	National Stock Exchange of India Ltd, 5 th Floor, Exchange Plaza, Bandra (E), MUMBAI – 400 051 Scrip Symbol: SMPL
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Dear Sir/Madam,

Sub: Audited Financial Results for the Quarter and Year ended 31.03.2019-Reg

This is to inform you that the Directors of the Company have adopted the Audited financial results of the company for the Quarter and Year ended 31.03.2019 and the Resolution Professional – Shri T.Sathisan has authenticated with suitable disclaimer at their meeting held today at its Registered Office of the Company.

In this connection, please find attached herewith a copy of the Audited Financial Results for the Quarter and Year ended 31.03.2019 alongwith the along with the Audit Reports and Statement of Assets and Liabilities for the financial year ended:31.03.2019 and a disclaimer from the Resolution Professional also attached herewith.

This is for your information and record.

Kindly acknowledge the same.

Thanking You,

Yours faithfully,

For Splendid Metal Products Limited


Shaik Ibraheem
Company Secretary

(A Company under Corporate Insolvency Resolution Process by NCLT order No. CP(IB)No. 666/7/HDB/2018)

SPLENDID METAL PRODUCTS LIMITED

(Formerly Known as Sujana Metal Products Ltd)

Statement of Audited Financial Results For the Quarter and Year ended March 31, 2019.

Rs.in lakhs

Rs.in lakhs

Particulars	Standalone					Consolidated	
	Quarter ended			Year Ended		Year Ended	
	31-Mar-19 (Audited)	31-Dec-18 (Un Audited)	31-Mar-18 (Audited)	31-Mar-19 (Audited)	31-Mar-18 (Audited)	31-Mar-19 (Audited)	31-Mar-18 (Audited)
Part - I							
1 Revenue from operations							
(a) Gross Sales/Income from Operation	8,628.81	11,464.55	21,584.43	43,849.22	51,495.04	43,849.22	53,743.23
(b) Other operating income	945.26		(6.75)	1,988.46		1,988.46	-
Total income from operations (net)	9,574.07	11,464.55	21,577.68	45,817.68	51,495.04	45,817.68	53,743.23
2 Other income	(20.37)	(1,575.55)	103.86	53.42	252.37	73.42	297.99
3 Total Income (1+2)	9,553.70	9,889.00	21,681.54	45,871.10	51,747.41	45,891.10	54,041.22
4 Expenses							
a) Cost of materials consumed	6,406.46	9,042.25	12,483.70	38,106.48	40,139.89	38,106.48	42,363.56
b) Changes in inventories of finished goods, work in process and stock-in-trade	(53.48)	1,605.91	19,391.06	1,512.41	20,376.51	1,512.41	20,376.51
c) Employee benefits expense	537.30	310.06	136.67	1,331.24	1,030.23	1,331.24	1,030.83
d) Finance costs	45.29	83.50	(13,230.22)	179.60	247.24	179.76	250.77
e) Depreciation and amortisation expense	779.66	783.36	820.12	3,137.95	3,328.77	3,197.49	3,392.62
f) Other expenses	24,713.79	5,133.96	41,613.93	90,490.08	68,353.63	107,609.11	82,022.93
Total expenses	42,429.02	16,959.04	61,195.26	134,757.76	133,476.27	151,936.49	149,437.22
5 Profit before exceptional items & tax (3-4)	(32,875.32)	(7,070.04)	(39,513.72)	(88,886.66)	(81,728.86)	(106,045.39)	(95,396.00)
6 Exceptional Items							
7 Profit/(Loss) before tax (5+6)	(32,875.32)	(7,070.04)	(39,513.72)	(88,886.66)	(81,728.86)	(106,045.39)	(95,396.00)
8 Tax Expense							
(a) Current Tax	-	-	-	-	(211.57)	-	(211.57)
(b) Deferred Tax	8,211.00	(1,903.83)	9,695.99	19,933.75	8,741.78	19,935.19	8,739.27
Total Tax expense	8,211.00	(1,903.83)	9,695.99	19,933.75	8,530.21	19,935.19	8,527.70
9 Net Profit after tax (7-8)	(24,664.32)	(8,973.86)	(29,817.73)	(68,952.91)	(73,198.65)	(86,110.20)	(86,868.30)
10 Minority Interest						(26.64)	(28.15)
11 Other Comprehensive income/(expense) net of taxes							
12 Total Comprehensive income as per Ind AS (9+11)	(24,664.32)	(8,973.86)	(29,817.73)	(68,952.91)	(73,198.65)	(86,083.56)	(86,840.15)
13 Total Profit/(Loss) for the year attributable to :							
-- Owners of the Company	(24,664.32)	(8,973.86)	(29,817.73)	(68,952.91)	(73,198.65)	(86,083.56)	(86,840.15)
-- Non controlling Interests							
14 Other Comprehensive Income/(Loss)							
-- Owners of the Company							
-- Non controlling Interests							
15 Total Comprehensive income/(Loss) for the year attributable to :							
-- Owners of the Company	(24,664.32)	(8,973.86)	(29,817.73)	(68,952.91)	(73,198.65)	(86,083.56)	(86,840.15)
-- Non controlling Interests							
16 Paid-up equity share capital (Face value - Rs. 5 per equity share)				15,050.54	15,050.54	15,050.54	15,050.54
17 Other Equity excluding Revaluation Reserves				(128,537.54)	(59,819.93)	(134,076.48)	(42,682.92)
18 Earnings per share (of Rs. 5 each) (before extraordinary items) (not annualised)							
- Basic (Rs.)	(8.19)	(2.98)	(9.91)	(22.91)	(24.32)	(28.60)	(28.85)
- Diluted (Rs.)	(8.19)	(2.98)	(9.91)	(22.91)	(24.32)	(28.60)	(28.85)
19 Earnings per share (of Rs. 5 each) (after extraordinary items) (not annualised)							
- Basic (Rs.)	(8.19)	(2.98)	(9.91)	(22.91)	(24.32)	(28.60)	(28.85)
- Diluted (Rs.)	(8.19)	(2.98)	(9.91)	(22.91)	(24.32)	(28.60)	(28.85)



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SPLENDID METAL PRODUCTS LIMITED

(Formerly Known as Sujana Metal Products Ltd)

Statement of Assets and Liabilities

Rs. in lakhs

SL No	Particulars	Standalone (Audited)		Consolidated(Audited)	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
A	ASSETS				
(1)	Non- Current Assets				
	(a) Property, Plant and Equipment	39,537.46	42,634.67	40,507.77	43,664.52
	(b) Capital work - in - progress	5,946.97	8,807.09	5,946.94	8,807.09
	(c) Goodwill on Consolidation	-	-	326.96	326.98
	(c) Deferred tax Asset(Net)	34,337.21	14,403.50	34,333.49	14,398.31
	(d) Financial Assets				
	(i) Investments	5,048.93	8,776.60	-	-
	(ii) Loans	998.85	997.52	1,125.60	1,329.59
	(iii) Other non-current assets	547.50	255.57	547.50	255.57
	Total Non current assets	86,414.92	73,874.95	82,788.26	66,782.04
(2)	Current Assets				
	(a) Inventories	2,297.92	5,012.79	2,297.92	5,012.80
	(b) Financial Assets				
	(i) Investments	5.00	5.00	5.00	5.00
	(ii) Trade receivables	42,115.39	122,279.54	46,570.95	154,756.16
	(iii) Cash and cash equivalents	6.03	43.86	6.04	43.87
	(iv) Bank balances other than (iii) above	114.75	172.68	127.62	185.31
	(v) Loans	8,370.01	17,037.39	8,890.27	17,672.86
	(c) Other current assets	14.28	35.91	54.59	35.92
	TOTAL - ASSETS	50,923.38	144,587.17	55,952.39	177,711.72
		137,338.30	218,462.12	138,740.65	244,493.76
B	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity Share Capital	15,050.54	15,050.54	15,050.54	15,050.54
	(b) Other Equity	(128,537.54)	(59,619.93)	(134,076.47)	(42,662.81)
	Equity attributable to owners of the company	(113,487.00)	(44,569.39)	(119,025.93)	(27,632.27)
	Non Controlling Interest	-	-	626.30	652.94
	Total Equity	(113,487.00)	(44,569.39)	(118,399.63)	(26,979.33)
2	Liabilities				
	Non- Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	-	61,387.89	-	61,387.89
	(ii) Deferred Tax Liability(Net)	-	-	-	-
	(b) Provisions	205.03	205.03	205.03	205.03
	(c) Deferred tax liabilities (Net)	-	-	-	-
	(d) Other non - current liabilities	247.33	297.46	247.33	297.46
	Total Non-current liabilities	452.36	61,890.38	452.36	61,890.38
3	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	243,008.72	181,120.02	243,008.72	124,819.29
	(ii) Trade payables	2,450.48	12,677.12	8,723.34	17,421.94
	(b) Other current liabilities	3,030.11	5,442.99	3,076.53	65,440.48
	(c) Provisions	120.47	46.10	120.47	46.10
	(d) Current Tax Liabilities (Net)	1,763.16	1,854.90	1,758.86	1,854.90
	Total Current liabilities	250,372.94	201,141.13	256,687.92	209,582.71
	Total Equity and Liabilities	137,338.30	218,462.12	138,740.65	244,493.76



S. Sathishan

SPLENDID METAL PRODUCTS LIMITED

(Formerly Known as Sujana Metal Products Ltd)

Notes:

- 1 The above results have been reviewed and recommended by the Resolution Professional along with erstwhile Directors at their meeting held on 15th June 2019.
- 2 The figures for the 4th quarter are the balancing figures between the year ended figures and the cumulative published figures of 3rd quarter of the respective financial years.
- 3 The company primarily engaged in the manufacturing and trading of steel and steel products business, which in the context of IND AS 108, is considered as a single segment in the above disclosures.
- 4 Figures of the previous quarters/year have been regrouped and reclassified wherever necessary.
- 5 Interest Rs. 26,723.26 lakhs on borrowings from Banks, FIS was not provided during the financial year 2018-19, had this provided the loss for the year increased from Rs.88,886.66lakhs to 1,15,609.92 lakhs, for earlier years Rs28355.50laksh and cumulative loss upto 31th March 2019 will be increased from Rs.1,75,545.97 lakhs to 2,30,624.72lakhs
- 6 All Banks have cancelled their limits and demanded repayment. Punjab National Bank Filed before DRT-II, Chennai for recovery of their dues. All Units except unit at Sanivada Village, Visakhapatnam, Andhra Pradesh are taken possession by the DRT-II, Chennai. Further to above Punjab National Bank also filed before NCLT, Hyderabad bench, Hyderabad, is admitted and the commencement of the Corporate Insolvency Resolution Process against the company is ordered which ordinarily shall get completed with in 180days, reckoning from the day this order is passed i.e 04-April-2019.
- 7 The above results will be placed on www.sujana.com

Place : Hyderabad
Date : 15 June 2019



R.K. Birla

R.K Birla
Managing Director
(DIN:00118776)

T. Sathisan, FCA, FCMA, LLB
Insolvency Professional

Resolution Professional Report

In the matter of Splendid Metal Products Limited (CIN No: L28120TG1988PLC008610) before the Hon'ble National Company Law Tribunal, Hyderabad vide CP (IB) No. 666/7/HDB/2018. – signing of financial statements for the period ended 31 March 2019

The members are informed that pursuant to the order of the Hon'ble National Company Law Tribunal, Hyderabad Bench dated 04 April 2019 (order received on 16 April 2019) ("NCLT order") Corporate Insolvency Resolution Process ("CIRP") has been initiated for the Splendid Metal Products Limited with CIN No: L28120TG1988PLC008610 ("the Company") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the related rules and regulations issued thereunder ("Code").

I, T. Sathisan was appointed as Interim Resolution Professional (IRP) in terms of the NCLT order and, subsequently, I was appointed as the Resolution Professional by the Committee of Creditors on 15 May 2019 as per the provisions of the Code ("Resolution Professional"). On appointment of IRP under the Code, the powers of the Board of Directors of the company were suspended.

The enclosed standalone and consolidated financial statements comprising Balance Sheet as at 31 March 2019, Profit & Loss accounts, Cash Flow statement and Statement of Changes in Equity for the year ended 31 March 2019 and a summary of the Significant Accounting Policies and other explanatory information of the Company have been prepared by the Directors of the Company. The Resolution Professional has relied upon the representations and statements made by the Directors and the audit carried out by the statutory auditors T. Raghavendra, Chartered Accountants of the Company while reviewing the financial statements. The accuracy and completeness of the information contained in these statements may be liable to correction or modification in the light of any new information that may be revealed by a special or forensic audit that may be carried out in future.

It is to be noted that the CIRP has commenced from 04 April 2019, and accordingly the Resolution Professional has relied on the Directors for the financial transactions prior to his engagement. Accordingly, prior to the appointment of the Resolution Professional, the liability to authenticate all transactions rested solely on the erstwhile Board of Directors and not on the Resolution Professional and the Resolution Professional specifically repudiates any liability arising out of the foregoing.

The Resolution Professional has signed the accompanying Financial Statements as "Identified Documents" for submission to various statutory authorities, which have been prepared, submitted and approved by the Directors of the Company.

Place: Hyderabad
Date: 15 June 2019





INDEPENDENT AUDITORS' REPORT

TO Mr. SATHISAN, RESOLUTION PROFESSIONAL,
SPLENDID METAL PRODUCTS LIMITED

1. We have audited the accompanying Statement of Audited Consolidated Financial Results of SPLENDID METAL PRODUCTS LIMITED ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as ("the Group") for the quarter and year ended March 31, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent's Management and approved by Mr. Sathisan, Resolution Professional, appointed by NCLT, Hyderabad Bench, Hyderabad vide order dated 04/04/2019 and Managing Director of the Company,, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under ("IND AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Parent's preparation and fair presentation of the Statement 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 Parent's internal financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our audit opinion.
5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements referred to in paragraph 5 below, the Statement:
 - a. includes the results of the subsidiaries as per annexure-A:





- b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIRICFDIFACI62I2016 dated July 5, 2016; and
- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2019.
6. We did not audit the financial statements of One subsidiary out of the Three included in the consolidated financial results, whose financial statements reflect total assets of Rs.1,402.36 Lakhs as at March 31, 2019, total revenues of Rs.20.00 Lakhs, total losses of Rs.17,158.73 for the year ended on that date, as considered in the consolidated financial results. These financial statements financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the Management. Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Basis for Qualified Opinion

The Holding Company has defaulted in repayment of dues to Banks/Financial Institutions and all loans outstanding were classified as NPA's and were recalled by all the Banks. Provision for interest (excluding penal interest) amounting to Rs. 104.31 Crores and Rs. 267.23 Crores for the quarter ended 31st March 2019 and the year ended on that date respectively on its Working Capital Loans and Term Loans has not been made in the books of the Company, as those Loan Accounts were classified as NPA's by the Lending Banks and Financial Institutions. The loss of the Company has been understated by Rs. 104.31 Crores for the quarter ended 31st March 2019 and by Rs.267.23 Crores for the year ended on that date due to non-provision of interest.

Emphasis of Matters

We draw attention to the following matters

- A The Trade receivable of the Holding Company could not be verified as the confirmation of balances have not been received and made available to us. The Holding Company has made a provision of Rs. 878.55 Crores towards bad and doubtful receivables and Rs. 70.92 Crores towards bad and doubtful advances during the year ended 31st March 2019. The Company has Rs.428.08 Crores as Trade Receivables and Rs. 52.81 Crores of Advances which are long overdue and not provided for. We are unable to form an opinion on the uncertainty regarding the collection of these long outstanding and other receivables.





T. RAGHAVENDRA & ASSOCIATES

Chartered Accountants

No. 22, Krishna Apartments, 5th Floor,
Tilak Road, Abids, Hyderabad - 500 001.

Phones : 2475 2031, 2475 2032

- B. The Holding Company is not regular in payment of undisputed statutory dues towards ESI, TDS, Service Tax and Income Tax during the year ended 31st March 2019.
- C. The Holding Company's Net Worth has been eroded on account of losses incurred continuously during the previous years, which is negative. The Current Liabilities of the Company exceeded the Current Assets as at 31st March 2019 by Rs.2007.35 Crores and the Company's ability to continue a going concern is in doubt.
- D. A winding up petition filed by Standard Bank (Mauritius) Ltd., in the High Court of Telangana & Andhra Pradesh against the Holding Company for giving corporate guarantee for loan extended by the said bank to the step down subsidiary Optimix Enterprises Limited for Rs. 4,087.50 lakhs. We are unable to form an opinion on the uncertainty regarding the outcome of Andhra Pradesh High Court decision
- E. The Holding Company has adjusted certain Trade Payables amount with Trade Receivables to the tune Rs.157.01 Crores during the year with the consent of both the parties according to the management. However the tripartite agreement if any was not made available for our verification.
- G. Bank Statements were not available with the Holding Company for all the Banks except that of Vizag Branch. Interest calculations are on the basis of the last interest rates on the outstanding balances.
- H. The GST Returns are yet to be reconciled for all the Branches and that of the Telangana State were not made available. We are unable to form an opinion on the veracity of the sales figures of the Holding Company
- I. The Net Worth of the Subsidiary Company Asian Tide Enterprises along with the Sub Subsidiary Company Optimix Enterprises Limited in the Group has eroded on account of losses incurred by the Company during the year ended 31st March 2019 and the previous year which is negative. The current liabilities of the Subsidiary Company exceeded the Current Assets by Rs.59.71 crores as at 31st March 2019 and as such the ability to continue as going concern is doubtful.

Our opinion is not modified in respect of these matters





T. RAGHAVENDRA & ASSOCIATES

Chartered Accountants

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7. The Statement includes the results for the Quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For T.Raghavendra & Associates

Chartered Accountants

FRN 003329S

T. Raghavendra

T.Raghavendra
Mem No 023806



Place: Hyderabad

Date: 15-06-2019

Annexure A

List of Entities included in the Statement.

(I) Subsidiaries

1. Alpha Ventures Limited, Cayman Islands
2. Asian Tide Enterprises Ltd, Hong Kong
3. Glade Steel Pvt Ltd, India

(II) Step down Subsidiaries

1. Optimix Enterprises Limited, Mauritius



INDEPENDENT AUDITOR'S REPORT

**TO Mr. SATHISAN, RESOLUTION PROFESSIONAL,
SPLENDID METAL PRODUCTS LIMITED**

1. We have audited the accompanying Statement of Audited Standalone Financial Results of SPLENDID METAL PRODUCTS LIMITED ("the Company"), for the quarter and year ended March 31, 2019, ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 except the disclosures regarding the Public Shareholding and Promoters and Promoter Group Shareholdings which have been traced from the disclosures made by the management and have not been audited by us.
2. This Statement, which is the responsibility of the Company's Management and approved by Mr. Sathisan, Resolution Professional, appointed by NCLT, Hyderabad Bench, Hyderabad vide order dated 04/04/2019 and Managing Director of the Company, has been compiled from the related standalone IND AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under ('IND AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and fair presentation of the Statement 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 financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement: (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and (ii)





(ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2019.

Basis for Qualified Opinion

The Company has defaulted in repayment of dues to Banks/Financial Institutions and all loans outstanding were classified as NPA's and were recalled by all the Banks. Provision for interest (excluding penal interest) amounting to Rs. 104.31 Crores and Rs. 267.23 Crores for the quarter ended 31st March 2019 and the year ended on that date respectively on its Working Capital Loans and Term Loans has not been made in the books of the Company, as those Loan Accounts were classified as NPA's by the Lending Banks and Financial Institutions. The loss of the Company has been understated by Rs. 104.31 Crores for the quarter ended 31st March 2019 and by Rs.267.23 Crores for the year ended on that date due to non provision of interest.

Emphasis of Matters

We draw attention to the following matters

- A The Trade receivable could not be verified as the confirmation of balances have not been received and made available to us. The Company has made a provision of Rs.707.65 Crores towards bad and doubtful receivables and Rs. 70.92 Crores towards bad and doubtful advances during the year ended 31st March 2019. The Company has Rs.428.08 Crores as Trade Receivables and Rs. 52.81 Crores of Advances which are long overdue and not provided for. We are unable to form an opinion on the uncertainty regarding the collection of these long outstanding and other receivables.
- B The Company is not regular in payment of undisputed statutory dues towards ESI, TDS, Service Tax and Income Tax during the year ended 31st March 2019.
- C The Company's Net Worth has been eroded on account of losses incurred continuously during the previous years, which is negative. The Current Liabilities of the Company exceeded the Current Assets as at 31st March 2019 by Rs.1994.50 Crores and the Company's ability to continue a going concern is in doubt.
- D A winding up petition filed by Standard Bank (Mauritius) Ltd., in the High Court of Telangana & Andhra Pradesh against the company for giving corporate guarantee for loan extended by the said bank to the step down subsidiary Optimix Enterprises Limited for Rs. 4,087.50 lakhs. We are unable to form an opinion on the uncertainty regarding the outcome of Andhra Pradesh High Court decision





T. RAGHAVENDRA & ASSOCIATES

Chartered Accountants

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Phones : 2475 2031, 2475 2032

- E The Company has adjusted certain Trade Payables amount with Trade Receivables to the tune Rs.157.01 Crores during the year with the consent of both the parties according to the management. However the tripartite agreement if any was not made available for our verification.
- G Bank Statements were not available with the Company for all the Banks except that of Vizag Branch. Interest calculations are on the basis of the last interest rates on the outstanding balances.
- H. The GST Returns are yet to be reconciled for all the Branches and that of the Telangana State were not made available. We are unable to form an opinion on the veracity of the sales figures of the Company

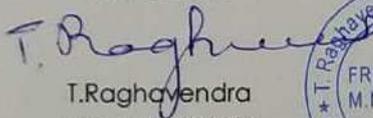
Our opinion is not modified in respect of these matters

5. The Statement includes the results for the Quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For T.Raghavendra & Associates

Chartered Accountants

FRN 003329S


T.Raghavendra

Mem No 023806

Place: Hyderabad

Date: 15-06-2019

