



ADVİK LABORATORIES LIMITED

ALL/BSE/ASE/AUD-RES/Q4/20-21

Dated: 30th June, 2021

To,
The Manager (Listing)
BSE Limited
1st Floor, P.J. Towers
Dalal Street, Mumbai – 400001

Sub: Outcome of the Board Meeting and Submission of Audited Financial Results for the quarter and year ended 31st March, 2021 as required u/r 33 of the SEBI (LODR) Regulations, 2015.

Ref: BSE Scrip Code 531686; ASE Scrip Code- 01638 (ADVİK LABO)

Dear Sir,

This is to inform you that pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company in its meeting held on Wednesday, 30th June, 2021 at the corporate office of the company at 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi – 110001 and concluded just now has, inter-alia, transacted the following businesses:

1. Considered and Approved the Standalone Audited Financial Results of the Company for the quarter and year ended 31st March, 2021.
2. Considered and Approved the Auditor's Report for the Audited Financial Results of the Company for the quarter and year ended 31st March, 2021.
3. Considered and taken on record Statement of Impact of Audit Qualification (for audit report with modified opinion) for the Financial Year ended March 31, 2021 in 'Annexure 1' of SEBI Circular dated May 27, 2016 bearing Circular reference No. CIR/CFD/CMD/56/2016.
4. Considered and appointed M/s Kundan Agrawal & Associates, Company Secretaries as the Secretarial Auditor of the Company for the F.Y. 2021-2022.
5. Considered and appointed M/s Sanghi & Co., Chartered Accountants as the Internal Auditor of the Company for the F.Y. 2021-2022.
6. Considered and took note of the One Time Settlement (OTS) extension letter received from India Overseas Bank, wherein the said Bank has permitted the extension of due date for payment of balance OTS amount till 19.07.2021 pursuant to request letter sent by the company to the said Bank to extend the time limit for payment of balance OTS amount by three months due to the sudden outbreak of second wave of COVID-19 Pandemic and consequent restrictions/lockdown imposed by the Government.



Cont.....2

CIN No. : L74899HR1994PLC038300

Corporate Office : 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi - 110001

Phones : 011-42424884, 43571040-45, Fax : 011-43571047

Regd. Office & Factory : 138, ROZ-Ka Meo, Industrial Area, Sohna - 122103 (Distt. Mewat), Haryana

Phones : 0124-2362471 **E-mail :** mail@advikindia.com **Website :** www.advikindia.com

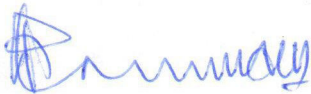
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Further pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, a copy of the aforesaid Financial Results for the quarter and year ended 31st March, 2021 along with Auditor's Report and the aforesaid Statement of Impact of Audit Qualification for modified opinion in 'Annexure-1' are enclosed herewith for your kind perusal.

Kindly take the aforesaid information in your records.

Thanking you.

Yours Truly,
For Advik Laboratories Limited



(Peeyush Kumar Aggarwal)
Managing Director
DIN: 00090423



Encl: As above

CC:
The Manager (Listing)
Ahmedabad Stock Exchange Limited
1st Floor, Kamdhenu Complex
Opp. Sahajanand College,
Panjara Pole, Ambawadi, Ahmedabad - 380015

ADVIK LABORATORIES LIMITED

Regd. Off. :138, Roz Ka Meo Industrial Area, Sohna, Distt. Mewat Haryana - 122103

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED
MARCH 31, 2021
CIN : L74899HR1994PLC038300

Sr No	Particulars	(Rs in Lacs except EPS)				
		Quarter Ended			Year Ended	
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 Audited	31.03.2020
	Income from Operation					
	(a) Net Sales/Revenue from Operations	-	-	-	-	-
1	(b) Other Operating Income	-	-	-	-	0.44
	(c) Other Income	18.19	0.48	0.10	19.52	1.06
	Total Income	18.19	0.48	0.10	19.52	1.50
	Expenses					
	a) Cost of Materials consumed	0.24	-	0.08	0.24	0.08
	b) Purchase of Stock-in-trade	-	-	-	-	-
	c) Changes in Inventory of Finished goods, Work-in-progress and Stock-in-	-	-	-	-	-
2	d) Employee Benefits Expenses	11.17	9.81	12.54	40.16	45.05
	e) Finance Costs	0.01	0.02	(0.08)	0.05	0.02
	f) Depreciation and Amortisation expense	13.14	14.17	13.33	55.63	57.26
	g) Bad Debts	-	346.92	-	346.92	-
	h) Other expenses	10.61	4.98	10.12	25.93	22.74
	Total Expenses	35.17	375.90	35.99	468.93	125.15
3	Profit/(Loss) before Exceptional Items and tax (1-2)	(16.98)	(375.42)	(35.89)	(449.41)	(123.65)
4	Exceptional Items	-	-	-	-	-
5	Profit/(Loss) before tax (3 + 4)	(16.98)	(375.42)	(35.89)	(449.41)	(123.65)
6	Tax Expense					
	- Current tax	-	-	-	-	-
	- Deferred tax	(1.67)	(2.03)	(0.16)	(7.76)	(6.96)
	Total Tax Expenses	(1.67)	(2.03)	(0.16)	(7.76)	(6.96)
7	Profit/(Loss) for the period (5-6)	(15.31)	(373.39)	(35.73)	(441.65)	(116.69)
8	Other Comprehensive Income (net of tax)	0.18	0.08	(0.71)	0.42	0.28
9	Total Comprehensive Income for the period (7+8)	(15.13)	(373.31)	(36.44)	(441.23)	(116.41)
10	Paid-up equity share capital (face value of Rs 10/- per share)	1,911.14	1,911.14	1,911.14	1,911.14	1,911.14
11	Earning per share (EPS) of Rs 10/- each (not annualized)					
	(1) Basic	(0.08)	(1.95)	(0.19)	(2.31)	(0.61)
	(2) Diluted	(0.08)	(1.95)	(0.19)	(2.31)	(0.61)

NOTES:-

1	The above Financial Results for the quarter & year ended March 31, 2021 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors & taken on record at its meeting held on June 30, 2021. The Statutory Auditors have carried out the audit for the year ended 31st March, 2021.
2	The Company operates in a single segment viz pharmaceuticals formulations and the results pertain to a single segment in accordance with IND AS 108-Operating Segment.
3	The format for audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016. IND AS and Schedule III (Division II) to the Companies Act, 2013 applicable to the companies that are required to comply with IND AS.
4	The amount of Rs. 24108/- shown in Cost of material consumed column in the quarter ended March 31, 2021 is due to expire the shelf life of some raw materials.
5	In the absence of any orders during the quarter under review, there is a decline in the operating activities of the company. The company is trying to find the prospective buyers & believes that the new deals would be finalized soon.
6	The Figures for the quarter ended March 31, 2021 and March 31, 2020 represents the balancing Figures between the audited figures for the full financial years and the published figures for the 9 months ended December 31, 2020 and December 31, 2019 respectively.
7	Auditor's Observation :- a) Due to default in payments of bank loans, the company's accounts have been classified as Non-Performing Assets (NPA) by the Indian Overseas bank (IOB). IOB has not charged any interest on Cash credit & Term Loan Limits. During the period under review no provision has been made for such interest in the books of account of the company and to that extent bank's loan liability and total loss is understated by Rs.924.63 lacs plus penal charges that the bank may charge. The amount disclosed in the Financial Statements is subject to confirmation adjustments, if any.



8	<p>b) The company had recorded the cost of investment at the face value of the equity shares issued and had not determines the fair value as required by IND-AS. The shares were not made available for physical verification. Hence we are unable to comment.</p> <p>c) The stock of raw material and work in progress has been valued at cost price. In the current year there has been no production, it may have impact on profitability to the exten of its cost less realizable amount if any.</p> <p>d) The Capital work in Progress has been stalled. The physical conditions of these assets under construction require technical evaluation to determine impairments or write offs, if any. However in view of the management the suspension is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in near future and accordingly no provision is required.</p>
9	<p>Our explanation to Auditor's Observation:-</p> <p>a. The Company's accounts had become Non-Performing Assets (NPA) with Indian Overseas Bank (IOB) and due to this reason, IOB has stopped charging interest from the company on its outstanding debts. In view of the above, the company has not charged to statement of Profit & Loss account Interest expenses of Rs. 52.01 Lacs and related penal interest & other charges, if any, for the reported period, in respect of delay of repayments of borrowings from the bank. Further liability for interest expenses of Rs. 872.62 lacs till 31/12/2020 has not been accounted for. The company has made necessary efforts to reach One Time Settlement with IOB & had accordingly again sent the One Time Settlement proposal with IOB which had been approved by the Bank. As per terms of the OTS, company is supposed to clear the OTS amount on or before 19/07/2021. Accordingly, our company has made the partial payments towards the settlement of the aforesaid loan as per the terms and conditions mentioned in said OTS.</p> <p>b. The company has misplaced/lost the share certificates of the Investment made by it in unquoted equity shares of other companies during the shifting of its records. Hence these share certificates are not physically held by the company. The Company has sent various request letters to the companies in which it has made investments for issue of duplicate share certificates. However, till date the company has not received any reply from these companies. In order to ensure the compliance of IND AS in true letter and spirits, the company is also trying to ascertain the fair market value of its investments.</p> <p>c. In the absence of any orders in the recent past, there is a decline in the operating activities of the company. Hence, the stock of raw material which remained unused is left with the company and is accordingly, reflected in its books of Accounts. The management of the Company is making necessary efforts to find the perspective buyers and to procure the new orders. The Company's management strongly believes that the new deals would be finalized soon. The unused stock of raw material would be utilized in manufacturing finished goods, once the new orders would be procured by the Company. Therefore, the company has valued its stock of raw material at cost price and not at its realizable amount because the Company intends to carry on its operations in near future and to use the stock of raw materials available with it in manufacturing activities as soon as the company will procure new orders.</p> <p>d. In order to expand its business operations, the Company had released some funds to contractors to construct an additional block in the factory. However, for the time being and due to some technical and other reasons, the management had to suspend the said construction activity. But, the management of the company believes that the suspension is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in near future and accordingly no provision is required. Further company is also receiving its advances back from some vendors due to non execution of deal.</p>
10	<p>Consequent to the COVID- 19 pandemic throughout the world, nationwide lockdown was implemented from 25th March 2020 in India and accordingly operations of the company were totally suspended from that date. The company reopened its office partially with minimum capacity after the lockdown was lifted, considering social distancing norms and other protocols related to COVID-19. The Company's operations and financial results for the year ended March 31, 2021 have been adversely impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by the Government of India in 2020. Presently, the company is facing many problems such as liquidity crunch etc. to meet its day to day business operational expenses. The management of the Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets based on internal and external information. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions. The impact of COVID-19, including current wave may be different from that estimated as at the date of approval of these standalone financial results. The Management has continuously been evaluating the present evolving pandemic situation and taking all measures to safeguard well-being of all employees and financial health of the Company.</p>
11	<p>The company had arranged the necessary funds during the quarter and year under review and paid its outstanding annual listing fees of BSE for the Financial Years 2019-2020 and 2020-2021 on 04/02/2021. Hence, BSE has defrozeed the demat accounts of its promoters and promoter group as well as suspension of the trading of company's scrips on BSE web portal has also been revoked by BSE.</p>
12	<p>Previous year/period figures have been regrouped/arranged, wherever necessary to make them comparable with the current period figure.</p>

Place: New Delhi
Date : 30.06.2021

For and on behalf of Board of Directors of Advik
Laboratories Ltd.


(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423



Statement of Assets & Liabilities

(Rs. In lacs)

	Particulars	As at 31.03.21 (Audited)	As at 31.03.20 (Audited)
A. ASSETS			
1	Non Current Assets		
	Property Plant & Equipment	467.50	525.86
	Capital Work in progress	389.52	502.19
	Other Intangible Assets	-	-
	Non Current Assets	857.02	1,028.05
	Non Current Financial Assets		
	Investments	53.80	92.30
	Other Non Current Assets	0.65	0.90
	Total-Non current assets	911.47	1,121.25
2	Current Assets		
	Inventories	56.79	57.03
	Current Financial Assets		
	Trade receivables	59.45	253.34
	Cash & cash equivalents	1.26	1.22
	Loans and advances	100.80	208.06
	Other current assets	0.53	0.27
	Total Current Assets	218.83	519.92
	TOTAL ASSETS	1,130.30	1,641.17
B. EQUITY & LIABILITIES			
1	EQUITY		
	Equity Share Capital	1,911.14	1,911.14
	Other Equity	(1,516.06)	(1,074.82)
	Total Equity	395.08	836.32
2	LIABILITIES		
	Non-Current Liabilities		
	Non-Current Financial Liabilities	-	-
	Other Financial Liabilities	15.10	12.91
	Long Term Provisions	53.79	61.55
	Deferred tax liabilities	68.89	74.46
	Total-Non Current Liabilities	68.89	74.46
	Current Liabilities		
	Current Financial Liabilities		
	Borrowings	192.84	253.53
	Trade payables	9.36	14.73
	Other current financial liabilities	464.13	462.13
	Total Current Financial Liabilities	666.33	730.39
	TOTAL EQUITY & LIABILITIES	1,130.30	1,641.17

For and on behalf of Board of Directors of Advik
Laboratories Ltd.

(Peeyush Kumar Aggarwal)
Chairman
DIN :0090423



Place: New Delhi
Date 30.06.2021



Statement of Cash Flows for the year ended 31st March, 2021

(Rs. In lacs)

	Particulars	As at 31.03.21 (Audited)	As at 31.03.20 (Audited)
A.	Cash Flow from operating activities		
	Net profit before tax and extraordinary items	(449.41)	(123.65)
	Add: Adjustment for Depreciation	55.63	57.25
	Provision for Gratuity	2.28	2.10
	Provision for Leave Encashment	0.57	0.56
	Interest Received	-	(0.75)
	Finance Cost	0.05	0.02
	Loss/(Profit) on Sale of Assets	(0.03)	0.26
	Operating profit before working capital changes	(390.91)	(64.21)
	Adjustment for:		
	Increase / (Decrease) in Trade Payables	(5.38)	(1.57)
	Increase / (Decrease) in other Current Liabilities	1.76	5.02
	(Increase) / Decrease in Trade Receivables	193.88	8.00
	(Increase) / Decrease in Loans & Advances	107.27	3.45
	(Increase) / Decrease in Non Current Assets	0.25	(0.42)
	(Increase) / Decrease in Other Current Assets	(0.26)	0.19
	(Increase) / Decrease in Inventories	0.24	0.08
	Net Cash generated/(used in) from operating activities	(93.15)	(49.46)
B.	Cash flow from investing activities		
	Proceeds from change in Capital Advances	112.67	40.47
	Proceeds from sale of Property, Plant & Equipments	2.76	4.90
	Proceeds from sale of Investment	38.50	-
	Interest Received	-	0.76
	Net cash outflow from investing activities	153.93	46.14
C.	Cash Flow from financing activities		
	Proceeds from/ (Repayment of) current borrowings	(60.69)	3.00
	Finance Cost	(0.05)	(0.02)
	Net cash used in financial Activities	(60.74)	2.98
	Net Increase/ (Decrease) in cash & cash equivalents (A+B+C)	0.04	(0.35)
	Cash & Cash Equivalents (Opening balance)	1.22	1.57
	Cash & Cash Equivalents (Closing balance)	1.26	1.22

Place: New Delhi
Date : 30.06.2021

For and on behalf of Board of Directors of Advik Laboratories Ltd.


(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423





RMA & ASSOCIATES LLP

Chartered Accountants

(ISO 9001:2015)

LLPIN: AAI-9419

Address: Plot No -75, LGF,
Patparganj Industrial Area, Delhi-110092

Phone: 011- 45261214

E-Mail: rma.ca12@gmail.com

Website: www.rma-ca.com

Independent Auditor's Report on Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**TO THE BOARD OF DIRECTORS OF
ADVIK LABORATORIES LIMITED**

Opinion

We have audited the accompanying standalone Audited Financial results of Advik Laboratories Limited for the quarter and year ended 31st March, 2021 and the year to date results for the period from 1st April, 2020 to 31st March, 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 these standalone 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 accounting standards and other accounting principles generally accepted in India of the net profit/loss and other comprehensive income and other financial information for the quarter and year ended 31st March, 2021 as well as the year to date results for the period from 1st April, 2020 to 31st March, 2021 except for the effects of the matters described below.

Basis of Qualified Opinion

- a) Due to default in payments of bank loans, the company's accounts have been classified as Non-Performing Assets (NPA) by the bank. Indian Overseas Bank has not charged interest on Cash credit & Term Loan Limits. During the period under review no provision has been made for such interest in the books of account of the company and to that extent bank's loan liability and total loss is understated by Rs. 924.63 lacs plus penal charges that the bank may charge. The amount disclosed in the Financial Statements is subject to confirmation, reconciliation and adjustments, if any.
- b) The company had recorded the cost of the investment at the face value of the equity shares issued and had not determined the fair value as required by Ind AS. The shares were not made available for physical verification. Hence, we are unable to comment upon the physical existence and express an opinion on the value of investment recorded.
- c) The stock of raw material and work in progress has been valued at cost price. In the current year there has been no production, it may have impact on profitability to the extent of its cost less realizable amount if any.
- d) The Capital work in Progress has been stalled. The physical conditions of these assets under construction require technical evaluation to determine impairments or write offs, if any. However in view of the management the suspension is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in near future and accordingly no provision is required.

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 Standalone 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 opinion.

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the standalone 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.

- ii. 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- iv. 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.
- v. Evaluate the overall presentation, structure and content of the standalone 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 figure 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 a limited review by us, as required under the Listing Regulations.

**For RMA & Associates, LLP
Chartered Accountants**

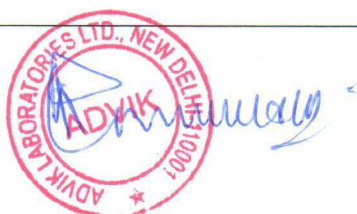
Firm Registration No. 000978N/N500062


(Amit Jain)
Partner
Membership no. 503109

**Place: New Delhi
Date :30.06.2021**

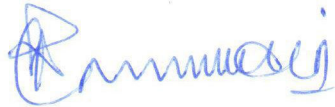

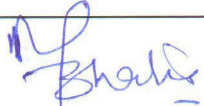


UDIN : 21503109AAAAABM6834

ANNEXURE – I				
Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - (Standalone and Consolidated separately)				
Statement of Impact of Audit Qualifications for the Financial year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
(Amount in Lakhs)				
I	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualification)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	19.52	19.52
	2	Total Expenditure	468.93	667.09
	3	Net Profit / (Loss)(After Tax)	(441.65)	(639.81)
	4	Earnings Per Share	(2.31)	(3.35)
	5	Total Assets	1130.30	1130.30
	6	Total Liabilities	1130.30	1130.30
	7	Net Worth	395.08	(529.55)
	8	Any other financial item(s) felt appropriate by the management	-	-
II	Audit Qualification (each audit qualification separately)			
	1	Details of Audit Qualification: <p>a) Due to default in payments of bank loans, the company's accounts have been classified as Non-Performing Assets (NPA) by the bank. Indian Overseas Bank has not charged interest on Cash credit & Term Loan Limits. During the period under review no provision has been made for such interest in the books of account of the company and to that extent bank's loan liability and total loss is understated by Rs 924.63 lacs plus penal charges that the bank may charge. The amount disclosed in the Financial Statements is subject to confirmation, reconciliation and adjustments, if any.</p> <p>b) The company had recorded the cost of the investment at the face value of the equity shares issued and had not determined the fair value as required by Ind AS. The shares were not made available for physical verification. Hence, we are unable to comment upon the physical existence and express an opinion on the value of investment recorded.</p> <p>c) The stock of raw material and work in progress has been valued at cost price. In the current year there has been no production, it may have impact on profitability to the extent of its cost less realizable amount if any.</p> <p>d) The Capital work in Progress has been stalled. The physical conditions of these assets under construction require technical evaluation to determine impairments or write offs, if any. However in view of the management the suspension is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in near future and accordingly no provision is required.</p>		
	2	Type of Audit Qualification : Qualified / Disclaimer of Opinion / Adverse Opinion: Qualified		



3	Frequency of Qualification(s) : Whether appeared for first time / repetitive / since how long continuing Repetitive/ since 2017-2018
4	<p>For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</p> <p>a) The Company's accounts had become Non-Performing Assets (NPA) with Indian Overseas Bank (IOB) and due to this reason, IOB has stopped charging interest from the company on its outstanding debts. In view of the above, the company has not charged to statement of Profit & Loss account Interest expenses of Rs. 52.01 Lacs and related penal interest & other charges, if any, for the reported period, in respect of delay of repayments of borrowings from the bank. Further liability for interest expenses of Rs. 872.62 lacs till 31/12/2020 has not been accounted for. The company has made necessary efforts to reach One Time Settlement with IOB & had accordingly again sent the One Time Settlement proposal with IOB which had been approved by the Bank. As per terms of the OTS, company is supposed to clear the OTS amount on or before 19/07/2021. Accordingly, our company has made the partial payments towards the settlement of the aforesaid loan as per the terms and conditions mentioned in said OTS.</p> <p>b) The company has misplaced/lost the share certificates of the Investment made by it in unquoted equity shares of other companies during the shifting of its records. Hence these share certificates are not physically held by the company. The Company has sent various request letters to the companies in which it has made investments for issue of duplicate share certificates. However, till date the company has not received any reply from the companies in order to ensure the compliance of IND AS in true letter and spirits to ascertain the fair market value of its investments.</p> <p>c) In the absence of any orders in the recent past, there is a decline in the operating activities of the company. Hence, the stock of raw material which remained unused is left with the company and is accordingly, reflected in its books of Accounts. The management of the Company is making necessary efforts to find the perspective buyers and to procure the new orders. The Company's management strongly believes that the new deals would be finalized soon. The unused stock of raw material would be utilized in manufacturing finished goods, once the new orders would be procured by the Company. Therefore, the company has valued its stock of raw material at cost price and not at its realizable amount because the Company intends to carry on its operations in near future and to use the stock of raw materials available with it in manufacturing activities as soon as the company will procure new orders.</p> <p>d) In order to expand its business operations, the Company had released some funds to contractors to construct an additional block in the factory. However, for the time being and due to some technical and other reasons, the management had to suspend the said construction activity. But, the management of the company believes that the suspension is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in near future and accordingly no provision is required. Further company is also receiving its advances back from some vendors due to non-execution of deal.</p>
5	For Audit Qualification(s) where the impact is not quantified by the auditor: N.A.



		(i) Management's estimation on the impact of audit qualification:
		(ii) If Management is unable to estimate the impact, reasons for the same:
		(iii) Auditor's comments on (i) or (ii) above
II	Signatories	
I		
	Director	 Peeyush Kumar Aggarwal Managing Director DIN: 00090423
	Chief Financial Officer	  Manoj Kumar Bhatia PAN: AAZPB5897R
	Audit Committee Chairman	 Manoj Kumar Jain Director DIN : 02573858
	Statutory Auditor	For M/s. RMA & Associates, LLP Chartered Accountants Firm Regn. No. 000978N/N500062  (Amit Jain) Partner M.No. 503109
	Place:	New Delhi
	Date:	30.06.2021