



**AMTEK**  
DRIVEN BY EXCELLENCE

Ref No.: AAL/BSE/2020-2021

DATE: 08.02.2021

To,  
The Manager  
Listing Department  
The BSE Limited  
Phiroze Jee Jee Bhoy Towers,  
Dalal Street, Mumbai – 400001

Scripcode: 520077

**Sub: Clarification regarding Discrepancies in Audited Standalone Financial Results for the Quarter and Year 31<sup>st</sup> March 2020 submitted to the Exchange dated 15-01-2021**

Dear Sir/Madam,

This is with reference to your mail dated January 25, 2021 related to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding submission of Audited Standalone Financial Results for the quarter and year ended 31<sup>st</sup> March 2020. In this regard, we would like to clarify that the deficiencies which have been observed by Exchange in our Financial Results:

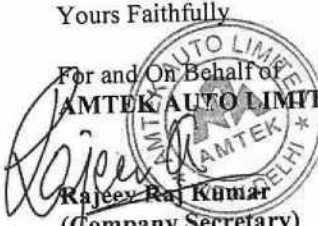
**Discrepancy: Declaration or Statement of Impact of Audit Qualifications not submitted**

**Reply:** In continuation to our earlier announcement dated 15.01.2021, Please find herewith attached the Statement of impact of Audit Qualification for the Financial Year ended March 31<sup>st</sup>, 2020 on Audited Standalone Financial Results for the Quarter and Year ended 31<sup>st</sup> March 2020.

Please consider our submission and take on records.

Thanking you.  
Yours Faithfully

For and On Behalf of  
**AMTEK AUTO LIMITED**

  
Rajeev Raj Kumar  
(Company Secretary)

Issued with Approval of Mr. Dinkar Tiruvannadapuram Venkatasubramanian  
(Insolvency Professional)  
IP Registration No. IBBI/IPA-001/IP-P00003/2016-17/10011

(Amtek Auto Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Dinkar T. Venkatasubramanian, appointed as Interim Resolution Professional (IRP) by the National Company Law Tribunal, Chandigarh Bench order dated 27<sup>th</sup> July, 2017 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 22<sup>nd</sup> August 2017 under the provisions of the Code. Mr. Dinkar T. Venkatasubramanian appointed as Insolvency Professional as per the Resolution Plan approved by Hon'ble National Company Law Tribunal by order dated 09<sup>th</sup> July, 2020 under the directions of Implementation and Monitoring Committee of the Corporate Debtor.)

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### ANNEXURE I

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Standalone**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1.	Total income	74,836	74,836
	2.	Total Expenditure (including Exceptional	1,83,175	1,83,175
	3.	Net Profit/(Loss)	(1,08,339)	(1,08,339)
	4.	Earnings Per Share	(43.64)	(43.64)
	5.	Total Assets	2,49,844	2,49,844
	6.	Total Liabilities	13,00,786	13,00,786
	7.	Net Worth	(10,50,942)	(10,50,942)
II.	<b>Audit Qualification (each audit qualification separately):</b>			
(i)	a.	<b>Details of Audit Qualification:</b> The provision for impairment has currently been worked out on the basis of value of assets referred to in the Valuation reports [of approved valuers, who valued Company's entire assets pursuant to the requirements of Corporate Insolvency Resolution Process ("CIRP")]; without any reference to determination of 'value-in-use'. This is contrary to the requirements of Ind AS 36 'Impairment of Assets'. The monetary impact of the same has not been ascertained.		
	b.	<b>Type of Audit Qualification :</b> Qualified Opinion		
	c.	<b>Frequency of qualification:</b> Repetitive from previous year(s)		



	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not Estimated by the management
	(ii) If management is unable to estimate the impact, reasons for the same: During the financial year 2017-18, under the CIRP, the Resolution Professional and the lenders obtained valuation(s) of its entire assets from approved valuers. Based on such valuations obtained, the Company assessed the need to carry out an impairment / diminution in the carrying value of all of its assets (i.e. Property, Plant and Equipment, Capital work-in-progress, Investments, Inventories, Trade Receivables, and Other Financial Assets). Company has recorded impairment / diminution in its books of account as 'exceptional items' in the financials of 2017-18. The Company had recorded further impairment/ diminution in its books of accounts during the Financial Year 2018-19, owing to there being no operations in few of its plants due to lack of orders from OEMs. . The provision for impairment has currently been worked out on the basis of valuation referred to in valuation reports and the Resolution Plan without any reference to determination of 'value-in-use'. The company is in the process of determining the 'value-in-use'.
	(iii) Auditors' Comments on (i) or (ii) above: Auditor would be able to quantify the impact in their audit report, post the estimation / determination of 'value-in-use' by the management of the company.
(ii)	a. Details of Audit Qualification: Note No. 12 of the Standalone Financial Results relating to excess managerial remuneration under Companies Act, 2013 aggregating to Rs. 3.31 Lakhs of the Vice Chairman and Managing Director for the period April 1, 2017 to June 23, 2017. The note explains for excess remuneration paid/charges and resignation in FY 2017-18 and the subsequent adjustment in FY 2019-20. However, in light of pendency of filing application with the Ministry of Corporate Affairs for seeking condonation of time being default, with consequential penalty and compounding fees, if any, as per provisions of Companies Act,2013, no adjustments have been made for the consequential penalty and compounding fees, if any. In the absence of the decision of the Ministry of Corporate Affairs pursuant to the application to be made by the Company we are unable to ascertain the impact on loss and retained earnings on this account for the year ended March 31, 2020.
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of qualification: Repetitive from last year with slight amendment
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not Estimated by the management



	<p>(ii) <b>If management is unable to estimate the impact, reasons for the same:</b> The Vice Chairman and Managing Director of the Company was reappointed by the shareholders in the extra ordinary meeting held on March 25, 2017 for a period of two years effective from August 14, 2016. The Company based upon the legal opinion is of the view that for the purpose of the calculation of the minimum remuneration effective capital of the Company prescribed as per provisions of Schedule V of the Companies Act, 2013 would be based on the latest available audited financial statements at the date of meeting which was March 31, 2016 and same would be applicable for calculation of the minimum remuneration as per provisions of Schedule V of the Companies Act, 2013 for the year ended March 31, 2018. The Company has accordingly calculated excess remuneration of Vice Chairman and Managing Director of the Company during the period from April 1, 2017 to June 23, 2017 as Rs.3.31 Lakhs. The Vice Chairman and Managing Director of the Company has resigned during the (previous) financial year 2017-18 and therefore the excess remuneration paid/charged to the statement of profit and loss account for the above-mentioned period could not be recovered from him during the (previous) financial year 2017-18.</p> <p>Subsequent to the aforesaid, in the current financial year, the Company has adjusted the above-stated excess remuneration from the Vice Chairman and Managing Director against reimbursement of expenses.</p> <p>For the aforesaid time being default in the provisions related to managerial remuneration, the Company will seek approval from the Ministry of Corporate Affairs for condonation, with consequential penalty and compounding fees, if any as per provisions of Companies Act, 2013. However in the absence of exact quantum of penalty and compounding fees, no adjustments for excess remuneration paid and provision for penalty and compounding fees have been made in the financials of previous year(s) as well as these financials which shall be accounted in the year when the same is determined by the Ministry of Corporate Affairs.</p>
	<p>(iii) <b>Auditors' Comments on (i) or (ii) above:</b> Auditor would be able to quantify the impact in their audit report, post the company seeking requisite approvals from the Ministry of Corporate Affairs and on determination of the amount of compounding fees and penalties, if any, by the Ministry of Corporate Affairs.</p>
(iii)	<p>a. <b>Details of Audit Qualification:</b> Note no. 1 of the Standalone Financial Results stating therein that the Final Resolution Plan submitted by Deccan Value investors, considered and approved by CoC, and further approved by the adjudicating authority, however, DVI filed an appeal against the order of adjudicating authority. We have been informed that the details on the aforesaid plan would be made available to us only after the conclusion of above-mentioned appeal and accordingly we are unable to comment on the impact, if any, on loss and on reserves on this account for the year ended March 31, 2020.</p>
	<p>b. <b>Type of Audit Qualification :</b> Qualified Opinion</p>
	<p>c. <b>Frequency of qualification:</b> First Time</p>



	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</b>
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	<b>(i) Management's estimation on the impact of audit qualification: Not estimated by the management</b>
	<p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b> The Resolution Plan submitted by Deccan Value Investors LLP. together in consortium with Deccan Value P.E. Mauritius ("Successful Resolution Applicant") was approved by the CoC on February 11, 2020. The Hon'ble Supreme Court vide Order dated June 8, 2020 relegated the Resolution Plan to the NCLT for its approval. In terms of said Order dated June 8, 2020, the RP filed the application for approval of the Resolution Plan of the Successful Resolution Applicant with the NCLT. The Resolution Plan submitted by the Successful Resolution Applicant was approved by NCLT vide Order dated July 09, 2020 and subsequently, an Implementation &amp; Monitoring Committee (IMC) has been formed as per the terms of the Resolution Plan for its implementation. However, the Successful Resolution Applicant has preferred an appeal in NCLAT against the order dated July 09, 2020.</p> <p>The lenders of the Company who formed the CoC have filed an application before the Hon'ble Supreme Court seeking immediate implementation of the NCLT approved Resolution Plan by the Successful Resolution Applicant. Thus, the implementation of the Resolution Plan is dependent on the outcome of these litigations filed by the Successful Resolution Applicant and other stakeholders.</p>
	<b>(iii) Auditors' Comments on (i) or (ii) above:</b> Auditor would be able to quantify the impact in their audit report, only when the company will provide the details of the Resolution Plan submitted by the Successful Resolution Applicant.
<b>(iv)</b>	<p><b>a. Details of Audit Qualification:</b> Note No. 11 of the Standalone Financial Results relating to recording of certain additional bank accounts of ICICI bank aggregating to Rs. 18.78 lacs with a corresponding credit to "Other Financial Liabilities". As explained in the said note, the management's assessment towards the nature &amp; periodicity of those balances relating to the acceptance of public deposits in past years and reconciling the corresponding depositors details and applicable compliances arising therefrom (including consequential penalty) under Companies Act, 2013 is pending on the date of approval of these results, and thus cannot be commented.</p> <p>The note further explains the outcome of similar exercise being undertaken with all existing bankers, to ensure that there are no further such type of unrecorded bank accounts in the name of the Company, is pending on the date of approval of these results, and thus cannot be commented.</p>

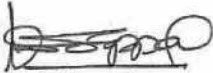


	<p>The sufficient appropriate audit evidence by way of back up documents to confirm details of adjustment accorded above were not made available for our audit and accordingly we are unable to comment on the correctness or otherwise of the aforesaid adjustment and whether there are any further such type of unrecorded bank accounts cannot be commented presently in light of pending conclusion by the management. The monetary impact of the same on the standalone financial results is not ascertainable.</p>
	<p><b>b. Type of Audit Qualification : Qualified Opinion</b></p>
	<p><b>c. Frequency of qualification: First Time</b></p>
	<p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</b></p>
	<p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>
	<p><b>(i) Management's estimation on the impact of audit qualification: Not estimated by the management</b></p>
	<p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b> The management has come across certain additional bank accounts with ICICI Bank in the name of Company, stamped non-operative by the Bank. This matter was immediately enquired with the Bank on 8th October 2020.</p> <p>The above-mentioned enquiry revealed the accounts pertain to public deposits received by the Company prior to FY 2008-09 and thus the balance could be related to repayment of deposits or related interest payment or expense payment etc. and there were no movement [except few insignificant transactions] in these accounts since past many years.</p> <p>Owing to internal issues towards data migration in FY 2008-09, these bank accounts (&amp; related liability accounts) were omitted to be included in the Company's books of account in past years. Further, all communication / quarterly balance confirmation requests by the company have also not been responded by relevant bank in the past years and could not be identified any sooner.</p> <p>Balance existing in these accounts as on March 31, 2020 aggregating to Rs.18.78 Lakhs, which came to the notice of management on 8th October 2020, have been recorded in the books of account as on March 31, 2020 with a corresponding credit to "Other Financial Liabilities" in the interim while the management is in the process of reconciling the corresponding depositors' details and will pursue with MCA (in the ensuing year) for the applicable compliances, including depositing the captioned amount with Investor Protection Fund, along with consequential penalty etc.</p> <p>The management has also taken up a detailed exercise with all its existing bankers, to ensure that there are no further such type of unrecorded bank accounts in the name of company and the outcome of such exercise is pending on the date of approval of these results.</p>

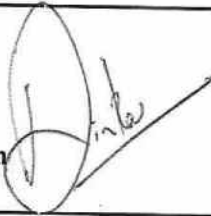


(iii) **Auditors' Comments on (i) or (ii) above:** Auditor would be able to quantify the impact in their audit report, only when the company will provide back up documents to confirm details of the adjustment made.

**III. Signatories:**



**Vinod Uppal**  
**(Chief Financial Officer)**



**Dinkar T. Venkatasubramanian**  
**(Insolvency Professional)**



**Abhinav Khosla**  
**(Statutory Auditor)**



Place: Delhi

Date : 15<sup>th</sup> January, 2021