

# Siel Financial Services Limited



Refer: SFSL/BSE/

23 May, 2019

BSE Limited  
P.J. Towers,  
Dalal Street  
Fort, Mumbai - 400001

**Sub : Standalone Audited Financial Results for the Quarter and Year ended on 31.03.2019**

Dear Sir,

The Board of Directors of the Company in its meeting held today, inter-alia considered, approved and taken on record the Standalone Audited Financial Results of the Company for the quarter and year ended on 31<sup>st</sup> March, 2019.

In terms of the Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the followings :

1. Standalone Audited Financial Results of the Company for the Quarter and Year ended on 31<sup>st</sup> March, 2019.
2. Audit Report of the Statutory Auditors and
3. Annexure I as a Statement on Impact of Audit Qualifications.

These results have been published in the newspapers.

Thanking you,

Yours faithfully,

( MADHU VRAT KAUSHIK )  
DIRECTOR  
DIN-07297518

Encl: as above.

A Subsidiary of MAWANA SUGARS LIMITED.  
DELHI OFFICE :- 5<sup>TH</sup> FLOOR, KIRTI MAHAL, 19, RAJENDRA PLACE, NEW DELHI - 110 008  
TELEPHONE :- 91-11-25739103 FAX :- 91-11-25743659  
REGD. OFFICE :- SONI MANSION, 12-B, RATLAM KOTHI, INDORE - 452 001 (M.P.)

CIN: L65999MP1990PLC007674

## Siel Financial Services Limited

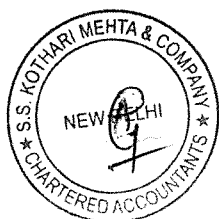
Regd. Office : Soni Mansion, 12-B, Ratlam Kothi, Indore - 452001(M.P.)

CIN NO. : L65999MP1990PLC007674

Audited Financial Results for the Quarter and Year ended on 31.03.2019

(Amount in  
Thousand)

S.No.	Particulars	Quarter Ended			Year Ended	
		Audited	Unaudited	Audited	Audited	
		March 31,2019	December 31,2018	March 31,2018	March 31,2019	March 31,2018
I	Revenue from Operations	-	-	-	-	-
II	Other Income	81.88	95.00	172.00	439.88	2,909.03
III	<b>Total Revenue (I + II)</b>	81.88	95.00	172.00	439.88	2,909.03
IV	<b>Expenses</b>					
	Cost of materials consumed	-	-	-	-	-
	Purchases of stock-in-trade	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	-	-	-	-	-
	Employee benefits expense	-	-	-	-	-
	Finance Cost	-	-	-	-	-
	Depreciation and amortisation expense	-	-	-	-	-
	Other expenditure	583.86	148.00	388.00	1,021.86	1,180.04
	<b>Total Expenses</b>	583.86	148.00	388.00	1,021.86	1,180.04
V	<b>Profit/(Loss) before exceptional items and tax(III - IV)</b>	(501.98)	(54.00)	(216.00)	(581.98)	1,728.99
VI	Exceptional Items - Income/ (Expense)	-	-	-	-	-
VII	<b>Profit/(Loss) before tax(V - VI)</b>	(501.98)	(54.00)	(216.00)	(581.98)	1,728.99
VIII	<b>Tax expenses</b>					
	(1) Current Tax	-	-	(172.00)	-	445.21
	(2) Deferred Tax Charge/(Credit)	-	-	-	-	-
	(3) Adjustment of Tax Relating to earlier years	-	-	-	-	-
IX	<b>Profit/(Loss) for the period from continuing operations (VII - VIII)</b>	(501.98)	(54.00)	(388.00)	(581.98)	1,283.78
X	<b>Profit / (Loss) for the Period</b>	(501.98)	(54.00)	(388.00)	(581.98)	1,283.78
XI	<b>Other Comprehensive Income</b>					
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XII	<b>Total Comprehensive Income for the period (X + XI) (Comprising profit/(loss) and other Comprehensive Income for the period)</b>	(501.98)	(54.00)	(388.00)	(581.98)	1,283.78
XIII	Paid-up Equity Share Capital (Face value of Rs.10/- each	113,229.89	113,229.89	113,229.89	113,229.89	113,229.89
XIV	Reserve excluding Revaluation Reserves as per balance sheet	-	-	-	(157,853.34)	(157,271.36)
XV	<b>(i) Earning Per Share (of Rs. 10/- each)</b>					
	(a) Basic	(0.04)	(0.00)	(0.03)	(0.05)	0.11
	(b) Diluted	(0.04)	(0.00)	(0.03)	(0.05)	0.11



**Notes:**

- 1 The above financial results for the year ended March 31, 2019, have been reviewed/recommended by the Audit Committee and approved and taken on record by the Board of Directors in their respective meetings held on May 23, 2019.
- 2 The Statutory Auditors have carried out statutory audit of the above financial results for the year ended 31st March, 2019.
- 3 The Figures for the Quarter ended March 31, 2018 and 2019 are the balancing figure between the audited figure for the full financial year and the unaudited figures up to the nine months ended December 31,2017 and 2018.
- 4 The figures of the previous period/year have been regrouped/recast, wherever considered necessary, to conform to the current year's classification.

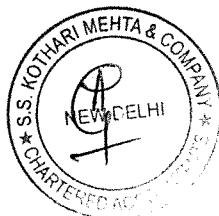
**For Siel Financial Services Limited**

Place : New Delhi  
Date: May 23,2019

  
M V Kaushik  
Director  
DIN:07297518



<b>Siel Financial Services Limited</b>		
<b>Statement of Assets and Liabilities</b>		
Disclosure as required under regulation 33 of SEBI (Listing obligation and disclosure requirement)		
(Rs In Thousand)		
	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Financial assets		
- Investments		
- Loans		
Income tax assets (net)	225.27	916.83
<b>Total Non-current assets</b>	<b>225.27</b>	<b>916.83</b>
<b>Current assets</b>		
Inventories	109.31	130.32
Financial assets		
- Cash and cash equivalents	1,628.25	1,725.40
-Other bank balances	5,666.73	5,000.00
-Other	210.03	535.77
<b>Total current assets</b>	<b>7,614.32</b>	<b>7,391.49</b>
<b>Total Assets</b>	<b>7,839.59</b>	<b>8,308.32</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Equity Share capital	113,229.90	113,229.90
Other Equity	(157,853.34)	(157,271.37)
<b>Total Equity</b>	<b>(44,623.45)</b>	<b>(44,041.47)</b>
<b>LIABILITIES</b>		
Non- current liabilities		
Financial Liabilities		
- Borrowings	36,587.61	36,587.61
<b>Total non- current liabilities</b>	<b>36,587.61</b>	<b>36,587.61</b>
<b>Current liabilities</b>		
Financial liabilities		
- Borrowings	15,700.00	15,700.00
- Other financial liabilities	158.50	56.16
Other current liabilities	16.93	6.02
<b>Total current liabilities</b>	<b>15,875.43</b>	<b>15,762.18</b>
<b>Total Equity and liabilities</b>	<b>7,839.59</b>	<b>8,308.32</b>



**Independent Auditor's Report**

**To the Members of SIEL Financial Services Limited**

**Report on the Ind AS Financial Statements**

**Qualified Opinion**

We have audited the accompanying Ind AS financial statements of **SIEL Financial Services Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information..

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March, 2019, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

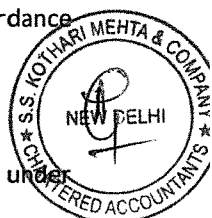
- (a) The Company is not allowed to carry Non-Banking Financial Business due rejection of its application by the Reserve Bank. However, Presently the operations of the Company are restricted to realization of debtors and advances and interest income on investments.
- (b) The Company has incurred a net loss of Rs 581.98 thousand for the year ended March 31, 2019 resulting in accumulated loss of 157,853.34 thousand as on that date which has completely eroded the net worth of the Company. Further, As on March 31, 2019, the Company's current liabilities exceeded its current assets by Rs 8,261.11 thousand. The Company had been reporting negative operating cash flows for few years which have also contributed to constraints of working capital. These conditions have resulted into acute working capital deficit and have casted material uncertainty on functioning of the Company.

As stated by the management, the accounts of the Company have been prepared on a "going concern" basis as the management is hopeful that adequate finance and opportunities would be available in the foreseeable future to enable the Company to start operating on a profitable basis. In view of the above, the accounts of the Company have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts or classification of liabilities that may be necessary if the Company is unable to continue as going concern. (Refer note 19 to the Ind AS financial statements).

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

**Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report except as reported under Basis for Qualified opinion paragraph above.



### Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

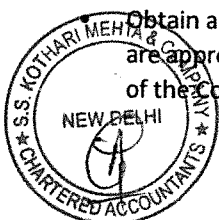
### Auditor's Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 Ind AS financial statements.

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 statements, 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 management.
- Conclude on the appropriateness of management's 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 statements 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements 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 financial statements of the Company for the year ended March 31, 2018 have been audited by predecessor auditor (SVTG & Co., Chartered Accountants having firm registration number 006935N) who have issued a modified audit opinion on the financial statements for the year ended March 31, 2018 vide their report dated May 23, 2018.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;
  - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - f) On the basis of the written representations received from the directors as on March 31, 2019 taken on



S S KOTHARI MEHTA  
& COMPANY  
CHARTERED ACCOUNTANTS

record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- h) In our opinion, and according to the information and explanations given to, the company has not paid any managerial remuneration during the year ended March 31, 2019. Hence, provisions of section 197 read with Schedule V to the Act are not applicable to the Company and has not commented upon; and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the matter described in the Basis for Qualified Opinion paragraph above, the Company does not have any pending litigations which would impact its financial position;
  - ii. Except for the matter described in the Basis for Qualified Opinion paragraph above, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For S.S. KOTHARI MEHTA & COMPANY  
Chartered Accountants

Firm's Registration No. 000756N

AMIT GOEL  
NEW DELHI

Partner

Membership No. 087294

Place: New Delhi

Date: May 23, 2019



**Annexure A to the Independent Auditor's Report to the members of SIEL Financial Services Limited dated May 23, 2019.**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section**

- (i) There are no fixed assets in the Company during the financial year ending March 31, 2019. Accordingly, provisions of clause 3 (i) of the Order are not applicable to the Company.
- (ii) The Company's operations does not give rise to inventories. However, the Company hold shares as stock in trade, which has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, provisions of clause 3 (iii) of the Order are not applicable to the Company.
- (iv) As per the information and explanation given to us and on the basis of our examination of the records, the Company has not granted any loan and advances or made any guarantees, investments or security as per the provisions of section 185 and 186 of the Act. Hence, provisions of clause 3 (iii) of the Order are not applicable to the Company.
- (v) The company has not accepted deposits, the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other provisions of the Act and Rules framed there under, are not applicable.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 148 of the Act for the activities undertaken by the Company. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods & services tax, customs duty, cess and other material statutory dues, as applicable, with the appropriate authorities. Further there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues in respect of income tax, goods & services tax, duty of custom and cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and as per the books and records examined by us, the Company has not taken any loan from any, financial institution or Government. The Company does not have any outstanding debentures. Hence, provisions of clause 3 (viii) of the Order are not applicable to the Company.
- (ix) According to the information and explanations given to us and as per the books and records examined by us, the Company has not taken any loan from any, financial institution or Government. The Company does not have any outstanding debentures. Hence, provisions of clause 3 (viii) of the Order are not applicable to the Company.
- (x) According to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer or further public offer during the financial year, and the Company has not raised any term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (xi) In our opinion and on the basis of information and explanations given to us, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xii) According to the information and explanations given to us, the Company has not paid any managerial remuneration during the year, hence the provisions of section 197 of the Act and reporting requirements of the Order are not applicable to the Company.



S S KOTHARI MEHTA  
& COMPANY  
CHARTERED ACCOUNTANTS

- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, therefore the provision of clause (xii) of the Order is not applicable to the Company and hence not commented upon.
- (xiv) In our opinion and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xv) As the Company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under review, the requirement of section 42 of the Act are not applicable.
- (xv) In our opinion and on the basis of information and explanations given to us, the Company has not entered into non-cash transactions with directors and persons connected with him. Hence, the provisions of section 192 of Act are not applicable.
- (xvi) In our opinion and on the basis of information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S.S. KOTHARI MEHTA & COMPANY  
Chartered Accountants

Firm's Registration No. 000756N

*Amit Goel*



AMIT GOEL

Partner

Membership No. 087294

Place: New Delhi  
Date: May 23, 2019

**Annexure B to the Independent Auditor's Report to the members of SIEL Financial Services Limited dated May 23, 2019**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of **SIEL Financial Services Limited** (the "Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

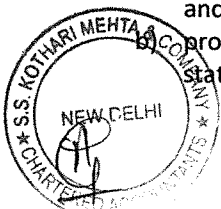
Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of



the company are being made only in accordance with authorizations of management and directors of the company; and

- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

For S.S. KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm's Registration No. 000756N

NEW DELHI

AMIT GOEL

Partner

Membership No. 087294

Place: New Delhi

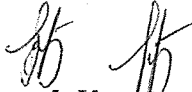
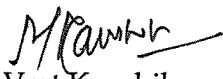
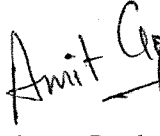
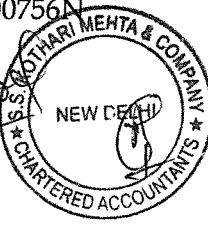

Date: May 23, 2019

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Ind AS Audited Financial Results - (Standalone and Consolidated separately)**

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 In thousand (as reported before adjusting for qualifications)	Adjusted Figures In thousand (audited figures after adjusting for qualifications)
	1	Turnover / Total income	439.88	439.88
	2	Total Expenditure	1021.86	1021.86
	3	Net Profit/(Loss)	(581.98)	(581.98)
	4	Earnings Per Share	(0.05)	(0.05)
	5	Total Assets	7,839.59	7,839.59
	6	Total Liabilities	52,463.04	52,463.04
	7	Net Worth	(44,623.45)	(44,623.44)
	8	Any other financial item(s) (as felt appropriate by the management)		
<b>II. Audit Qualification (each audit qualification separately):</b>				
	<b>a. Details of Audit Qualification:</b>		<p>(i) The Company is not allowed to carry Non-Banking Financial Business due rejection of its application by the Reserve Bank. However, Presently the operations of the Company are restricted to realization of debtors and advances and interest income on investments.</p> <p>(ii) <b>On Going Concern:</b></p> <p>The Company has incurred a net loss of Rs 581.98 thousand for the year ended March 31, 2019 resulting in accumulated loss of 157,853.34 thousand as on that date which has completely eroded the net worth of the Company. Further, As on March 31, 2019, the Company's current liabilities exceeded its current assets by Rs 8,261.11 thousand. The Company had been reporting negative operating cash flows for few years which have also contributed to constraints of working capital. These conditions have resulted into acute working capital deficit and have casted material uncertainty on functioning of the Company.</p>	

		As stated by the management, the accounts of the Company have been prepared on a "going concern" basis as the management is hopeful that adequate finance and opportunities would be available in the foreseeable future to enable the Company to start operating on a profitable basis. In view of the above, the accounts of the Company have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts or classification of liabilities that may be necessary if the Company is unable to continue as going concern. (Refer note 19 to the Ind AS financial statements).
	<b>b. Type of Audit Qualification :</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
	<b>c. Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing	Qualification (i) & (ii) are repeated.
	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>	Not Applicable
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	The observation/qualification made by Auditors' in their report read with the relevant notes to accounts are self-explanatory and therefore do not require further explanation.
	<b>(i) Management's estimation on the impact of audit qualification:</b>	Not Applicable
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>	N.A.
	<b>(iii) Auditors' Comments on (i) or (ii) above:</b>	N.A.

	III. Signatories	
	<ul style="list-style-type: none"> <li>• Director</li> </ul>	 Santosh Kumar Director Din No. 00994313
	<ul style="list-style-type: none"> <li>• Director</li> </ul>	 Madhu Vrat Kaushik Director Din No. 07297518
	<ul style="list-style-type: none"> <li>• Audit of the Company</li> </ul>	For S. S. Kothari Mehta & Company Chartered Accountants F. R. No. 000756N   Amit Goel Partner Membership No. 500607
	<ul style="list-style-type: none"> <li>• Auditor Committee Chairman</li> </ul>	 Santosh Kumar Director Din No. 00994313
	Place:	New Delhi
	Date:	May 23, 2019