

Dept. of Corporate Service
Scrp Code No. 526901

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001

Sub: Outcome of the Board Meeting held on 30th May, 2017

Dear Sir,

This is to inform you that pursuant to Regulation 30 and 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the Board of Directors of the Company at its Meeting held on today i.e. Tuesday, the 30th May, 2017 have approved and taken on record the Audited Financial Results for the 4th Quarter and year ended 31st March, 2017.

Attached herewith following pursuant to Regulation 33(3)(d) of the SEBI(Listing Obligation and Disclosure Requirements) Regulation 2015.

- 1) Audited Financial Results for the 4th Quarter ended and year ended 31st March, 2017 along with the statement of Assets and Liabilities as at the half year ended 31st March, 2017.
- 2) The Auditors' Report on Financial Result and
- 3) Statement on Impact of Audit Qualifications (for audit report with modified opinion)

The meeting of the Board of Directors commenced at 4.00 p.m. and concluded at 5.00 p.m.

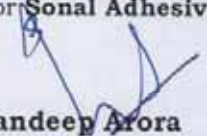
This is for your information and for the information of members of your exchange.

Kindly take the same on record and acknowledge the receipt

Thanking you

Yours faithfully

For **Sonal Adhesives Limited**


Sandeep Arora
Managing Director and
Compliance Officer



Encl: As Above

SONAL ADHESIVES LIMITED

Regd. Off. : Plot No. 28/1A, Village Dheku, Takai Adoshi Road, Off. Khopoli-Pen Road, Taluka - Khalapur, Dist. - Raigad, P. O. Khopoli - 410 203.
CIN No.L02004MH1991PLC064045 Email : info@sonal.co.in Tel No.+91 2192 262620 Fax : +91 2192 268478 Tel No. +91 22 61316131

www.sonal.co.in

SONAL ADHESIVES LIMITED

CIN NO. L02004MH1991PLC064045

REG. OFFICE: Plot No.28/1A, Village Dheku, Takal Adoshi Road, Off. Khopoli Pen Road, Tal. Khalapur, Dist.Raigad - 410203 Maharashtra

Phone: +912192262620

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PART I STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017

(Rs. In Lakhs)

S. No.	Particulars	Standalone				
		Quarter ended 31 st March, 2017	Quarter ended 31 st December, 2016	Quarter ended 31 st March, 2016	Year ended 31 st March, 2017	Year ended 31 st March, 2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations					
	(a) Net sales / income from operations (Net)	909.75	688.50	484.05	2,711.53	2,444.27
	(b) Other operating income	(2.48)	4.30	68.82	12.11	72.36
	Total income from operation (net)	907.27	692.80	552.87	2,723.64	2,516.63
2	Expenses					
	(a) Cost of Materials consumed	892.49	632.54	63.63	2,523.11	1,839.34
	(b) Purchase of stock-in-trade	0.41	0.65	49.79	6.18	117.14
	(c) Changes in inventories	55.86	(7.47)	292.04	207.51	528.65
	(d) Employee benefits expense (Net)	13.90	12.66	12.56	51.66	55.23
	(e) Depreciation and amortisation expense (Net)	20.56	18.66	19.70	76.23	75.14
	(f) Other expenses (Net)	90.76	98.10	92.25	295.96	246.00
	Total expenses	1,073.98	755.14	529.97	3,160.65	2,861.50
3	Profit from operations before other income and finance costs and exceptional items (1-2)	(166.71)	(62.34)	22.90	(437.01)	(344.87)
4	Other income	-	-	-	-	-
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	(166.71)	(62.34)	22.90	(437.01)	(344.87)
6	Finance costs (Net)	1.02	1.42	(28.03)	3.38	25.57
7	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5+6)	(167.73)	(63.76)	50.93	(440.39)	(370.44)
8	Exceptional items (Net)	-	-	-	-	-
9	Profit/ (Loss) from ordinary activities before tax (7+8)	(167.73)	(63.76)	50.93	(440.39)	(370.44)
10	Tax expenses (Net)	-	-	(107.04)	(91.54)	(107.04)
11	Net Profit / (Loss) from ordinary activities after tax (9 + 10)	(167.73)	(63.76)	157.97	(348.85)	(263.40)
12	Extraordinary items (net of tax * expense) Lakhs	-	-	-	-	-
13	Net Profit/ (Loss) for the period (11 + 12)	(167.73)	(63.76)	157.97	(348.85)	(263.40)
14	Paid-up Equity Share Capital (Face Value Rs. 10/-)	606.10	606.10	606.10	606.10	606.10
15	Reserves excluding revaluation reserves	-	-	-	(251.29)	97.57
16	Earnings per share (of Rs.10/- each) (not annualised)					
	(a) Basic	(2.77)	(1.05)	2.61	(5.76)	(4.35)
	(b) Diluted	(2.77)	(1.05)	2.61	(5.76)	(4.35)
	See accompanying notes to the financial results					



2. STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

	Particulars	Standalone	
		As at	As at
		31 st March, 2017	31 st March, 2016
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	SHAREHOLDERS' FUNDS		
	(a) Share Capital	606.100	606.100
	(b) Reserves and Surplus	(251.250)	97.570
	(c) Money received against share warrants	-	-
	Share Holders' Funds	354.810	703.670
2	Share application money pending allotment	-	-
3	NON-CURRENT LIABILITIES		
	(a) Long-term borrowings	2.880	4.800
	(b) Long term provisions	13.870	13.420
	Non-Current Liabilities	16.750	18.220
4	CURRENT LIABILITIES		
	(a) Short-term borrowings	2,041.830	2,035.670
	(b) Trade payables	723.410	722.150
	(c) Other Current Liabilities	143.520	149.140
	(d) Short term provisions	-	-
	Current Liabilities	2,908.760	2,906.960
	TOTAL - EQUITY AND LIABILITIES	3,280.320	3,628.850
B	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Fixed assets		
	- Tangible assets	619.170	664.740
	(b) Deferred tax assets (net)	123.240	17.130
	(c) Long term loans and advances	90.330	77.000
	(d) Other non-current Assets	571.980	196.260
	Non-Current Assets	1,404.720	955.130
2	CURRENT ASSETS		
	(a) Current investments	-	-
	(b) Inventories	276.610	564.460
	(c) Trade Receivables	1,352.600	1,775.660
	(d) Cash and cash equivalents	81.810	96.060
	(e) Short-term loans and advances	154.580	247.540
	(f) Other current assets	-	-
	Current Assets	1,875.600	2,673.720
	TOTAL - ASSETS	3,280.320	3,628.850
C	Contingent Liabilities to the extent not provided for	382.630	382.630

Notes :

- The above Results for the year ended 31st March, 2017 have been Audited by the Auditor and reviewed by the Audit Committee & taken on record by the Board of Directors at its meeting held on 30th May 2017.
- In the opinion of the Board Of Directors, there is only one Major segment, hence, no separate segments are reported as prescribed under AS - 17, "Segment Reporting".
- As intimated by the company's Registrars, the investor's complaints pending as on 31 March 2017 and as at 31 December 2016 were Nil.
- As told by management Rs. 88,79,575 Worth of Debtors are more than 3 years old, the same being time barred should have been written off, but no provision for the same had been provided in books of accounts. The same is the case with Sundry creditors, as per management the same is under settlement process.
- The banking facility availed from SBI have become NPA as per RBI guidelines and consequently the said bank has stopped charging interest. During the year under audit no provisions have been made for unapplied interest on account of NPA, not charged by the bank. Accordingly Interest for the year is understated resulting in total loss of the Company.
- The balance of SBI Term Loan, Cash Credit and other credit facilities appearing in the books of accounts are not in accordance with the bank statement and are subject to reconciliation process.
- One of its creditors had filed Winding up petition, which is pending with High Court, Mumbai. Also creditors have given winding up notices to the company against recovery of their dues which poses a question on the going concern assumption.
- The Company has received notice under section 13(2) of the SARFAESI Act, for attachment of its assets from State Bank of India. Pursuant to this, the Company has been intimated of the symbolic possession taken by the State Bank of India on 22nd Feb, 2016. Matter is pending in Debts Recovery Tribunal, Pune and Debt Recovery Appellate Tribunal, Mumbai.
- As informed to me, the Company had given corporate guarantee of Rs. 3,82,62,938/- for credit facilities availed by M/S Sonal Impex Ltd. The same has been classified as NPA by the bank, the guarantee been has invoked and company has been called upon by the bank to repay the entire amount.
- The company has provided for depreciation as per the provision of Schedule II of the Companies Act 2013. The difference between the total depreciation and depreciation charged in first three quarters are reflected in quarter under audit.
- The figures of the last quarter are the balancing figures between Audited figures in respect of the full financial year 2016-17 and the published year to date figures upto the third quarter of the current financial year 2016-17.
- Previous year figures have been regrouped wherever necessary.

Place : Khopoli
Date : May 30, 2017



For SONAL ADHESIVES LIMITED

Sandeep Arora
Managing Director
DIN No: 00176939



ROHAN AGRAWAL & CO.

CHARTERED ACCOUNTANTS

Rohan Agrawal
B.Com, A.C.A.
M.No. 123127
Tel. : 2766699
Cell : 9967606687

304, Mahalaxmi Apartments, Next to Hyundai Service Centre, Shastri Nagar, Nagpur-440 008.
Ph. : 0712-2766699 E-mail : agr.rohan@gmail.com

INDEPENDENT AUDITOR'S REPORT

To The Members of Sonal Adhesives Limited

Report on the Financial Statements

I have audited the accompanying financial statements of **Sonal Adhesives Limited**, ('the Company'), which comprise the Balance Sheet as at 31 Mar 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. I conducted my audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.



Basis of Qualified Opinion

- i. The banking facility availed from SBI have become NPA as per RBI guidelines and consequently the said bank has stopped charging interest. During the year under review no provisions have been made for unapplied interest on account of NPA, not charged by the bank, which is not in accordance with the generally accepted accounting principles.
- ii. The balance of SBI Term Loan, Cash Credit and other credit facilities appearing in the books of accounts are not in accordance with the bank statement and are subject to reconciliation process.
- iii. One of its creditors had filed Winding up petition, which is pending with High Court, Mumbai. Also creditors have given winding up notices to the company against recovery of their dues which poses a question on the going concern assumption.
- iv. The Company has received notice under section 13(2) of the SARFAESI Act, for attachment of its assets from State Bank of India. Pursuant to this, the Company has been intimated of the symbolic possession taken by the State Bank of India on 22nd Feb, 2016. Matter is pending in Debts Recovery Tribunal, Pune and Debt Recovery Appellate Tribunal, Mumbai. .
- v. As informed to me, the Company had given corporate guarantee of Rs. 3,82,62,938/- for credit facilities availed by M/S Sonal Impex Ltd. The same has been classified as NPA by the bank, the guarantee been has invoked and company has been called upon by the bank to repay the entire amount.
- vi. As told by management Rs. 88,79,575 Worth of Debtors are more than 3 years old, the same being time barred should have been written off, but no provision for the same had been provided in books of accounts. The same is the case with Sundry creditors, as per management the same is under settlement process.

Qualified Opinion

In my opinion and to the best of the information and according to the explanations given to me, except for the effects/possible effects of the matter described in the Basis for Qualification of Opinion paragraph above, the aforesaid Financial Statements give the information required the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i. In the case of Balance Sheet, of the state of affairs of the company as at March 31, 2017;
- ii. In the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- i. Note No. 5.3, 6.1 to the Financial Statements which inter-alia describes the uncertainty related to the outcome of the cases/notices filed/given against the Company.
- ii. The accumulated losses of the Company exceed its net worth as at the financial year end. Also, the Company has incurred cash losses during the year.
- iii. Considering the overall financial health of the Company, it may require further fund infusion for growth and expansion.



Report on other legal and regulatory requirements

- i. As required by The Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection(11) of section 143 of the Act, I give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said order.
- ii. As required by section 143(3) of the Companies Act 2013, I report that:
 - a. As described in the Basis of Qualification of Opinion Paragraph, I was unable to obtain all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. Except for the effects of the matter described in the Basis for Qualified / Disclaimer Opinion / Emphasis of Matter paragraphs in my opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. 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 separate report in "Annexure B", and
 - g. 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 my opinion and to the best of my information and according to the explanations given to me:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 24.5 to the financial statements;
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses,
 - iii. The amounts which were required to be transferred to the Investor Education and Protection Fund by the Company have been transferred.



Place: Khopoli
Date: 30th May, 2017

Rohan Agrawal & Co
Chartered Accountants
FRN :137136W


RohanAgrawal
Proprietor
M. No. 123127

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to my Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March 2017, I report that:

1.
 - 1) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - 2) Physical verification of the same has been carried out by the management.
 - 3) Title deeds of Immovable properties are held in the name of the company.
2. The inventory of the company has been physically verified by the management during the year at reasonable intervals.
3. As per the information and explanations given to me and the records produced before me for my verification, the Company has not granted unsecured loan to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3 (iii) (a) & (b) of the Order is not applicable to the Company.
4. The Company has not given any loans, guarantees or made any investments under section 185 of the Companies Act, 2013. However it had given guarantee against loan to M/s Sonal Impex Ltd., the same has been classified as NPA by the bank during the year and the company has been called upon to discharge in full the liability by paying to the bank. The guarantee amount does not exceeds the limit as per provisions of section 186.
5. The company has not accepted loans & deposits u/s 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 hence this clause is not applicable.
7.
 - 1) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance dues, income-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable have been paid on timely basis. Except for the following :-

Particulars of Statutory dues	Amount	Date of Order
CST (FY 2011-12)	Rs. 321,695	28 th May, 2015

- 2) According to the information and explanations given to me and the records of the Company as examined by me, there are no disputed dues of income-tax, sales-tax, VAT, service tax, customs duty, excise duty, wealth tax and cess, which have not been deposited.
8. The Company has defaulted in payment of loans to banks during the year the previous financial period. The details of such default are as under:

Bank Name	Total Amount Defaulted	Date default started
State Bank of India	Rs. 23,41,91,956	Feb 2015

Rs. 23,41,91,956.00 does not include unapplied interest for FY. 2016-17.



9. During the year no money was raised by way of initial public offer (including debt instrument) and no fresh loans have been raised by the company. The term loans raised in the past by the Company were applied for the purpose for which they had been raised.
10. Based upon the audit procedures performed and information and explanations given by the management, I report that no fraud on or by the company has been noticed or reported by its officers or employees during the year.
11. Managerial Remuneration has been paid in accordance with section 197 of schedule V of Companies Act, 2013.
12. This clause is not applicable since the company is not a NIDHI company.
13. 1) Transactions with related parties are in accordance with the provisions of section 177 & 188.
2) Details of the same have been disclosed in the financial statements.
14. The company has not made any preferential allotment or private placement of shares or convertible debentures; hence this clause is not applicable.
15. The Company has not entered into any non-cash transactions with directors or connected persons; hence this clause is not applicable.
16. The company is not required get registration u/s 45-IA of RBI Act, 1934.



Place: Khopoli
Date: 30th May, 2017

Rohan Agrawal & Co
Chartered Accountants
FRN :137136W

Rohan Agrawal
Proprietor
M. No. 123127

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of **Sonal Adhesives Limited** ("the Company") as of 31 March 2017 in conjunction with my audit of the standalone 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 ('ICAI'). 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 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 Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 I 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.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 my 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 31 March 2017, 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.



Rohan Agrawal & Co
Chartered Accountants
FRN :137136W

Place: Khopoli
Date: 30th May, 2017

Rohan Agrawal
Proprietor
M. No. 123127

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



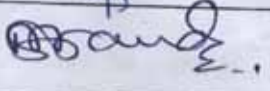

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	27,23,64,197	27,23,64,197
2	Total Expenditure	31,64,03,916	31,64,03,916
3	Net Profit/(Loss)	(3,48,85,896)	(3,48,85,896)
4	Earnings Per Share	(5.76)	(5.76)
5	Total Assets	32,80,32,646	32,80,32,646
6	Total Liabilities	32,80,32,646	32,80,32,646
7	Net Worth	3,54,81,042	3,54,81,042
8	Any other financial item(s) (as felt appropriate by the management)		

ii Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

- i As told by management Rs. 88, 79,575 worth of Debtors are more than 3 years old, the same being time barred should have been written off, but no provision for the same had been provided in books of accounts. The same is the case with Sundry creditors, as per management the same is under settlement process.
- ii The banking facility availed from SBI have become NPA as per RBI guidelines and consequently the said bank has stopped charging interest. During the year under review no provisions have been made for unapplied interest on account of NPA, not charged by the bank, which is not in accordance with the generally accepted accounting principles.
- iii The balance of SBI Term Loan, Cash Credit and other credit facilities appearing in the books of accounts are not in accordance with the bank statement and are subject to reconciliation process.
- iv One of its creditors had filed Winding up petition, which is pending with High Court, Mumbai. Also creditors have given winding up notices to the company against recovery of their dues which poses a question on the going concern assumption.
- v The Company has received notice under section 13(2) of the SARFAESI Act, for attachment of its assets from State Bank of India. Pursuant to this, the Company has been intimated of the symbolic possession taken by the State Bank of India on 22nd Feb, 2016. Matter is pending in Debts Recovery Tribunal, Pune and Debt Recovery Appellate Tribunal, Mumbai.
- vi As informed to me, the Company had given corporate guarantee of Rs. 3,82,62,938/- for credit facilities availed by M/s Sonal Impex Ltd. The same has been classified as NPA by the bank, the guarantee been has invoked and company has been called upon by the bank to repay the entire amount.
- vii Note No. 5.3, 6.1 to the Financial Statements which inter-alia describes the uncertainty related to the outcome of the cases/notices filed/given against the Company.
- viii The accumulated losses of the Company exceed its net worth as at the financial year. Also, the Company has incurred cash losses during the year.
- ix Considering the overall financial health of the Company, it may require further infusion for growth and expansion.
- x The Company has defaulted in payment of loans to banks during the year the previous financial period.

b. Type of Audit Qualification : Qualification no. i to vi and x are Qualified Opinion Qualification no. vii, viii and ix are Emphasis on Matter	
c. Frequency of qualification: Qualification No. i & iii - appeared first time Qualification No. ii, iv, v to viii & x - repetitive (second time) Qualification No. ix - repetitive (third time)	
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact not quantified by the auditor	
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification: N.A.	
(ii) If management is unable to estimate the impact, reasons for the same: <ul style="list-style-type: none"> ➤ With reference to qualifications no. i - Continuous follow up are going on and the same in settlement process, hence not treated as Bad Debts. ➤ With reference to qualifications no. ii - As bank has not charged interest it is not feasible for management to estimate the impact. ➤ With reference to qualifications no. iii - As bank as not provided the Bank Statements owing to NPA, it is not feasible for management to reconcile the same. ➤ With reference to qualifications no. iv, v & vi - the matters are under dispute and pending before the different courts ➤ With reference to qualifications no. vii - matter is pending before High Court and / or Debt Recovery Tribunal ➤ With reference to qualifications no. viii & ix - The Company is in process of identifying various opportunities to generate funds for growth and expansions ➤ With reference to qualifications no. x - matter is pending under Debt Recovery Tribunal 	
(iii) Auditors' Comments on (i) or (ii) above: N.A.	
III Signatories:	
Sandeep Arora Managing Director	
Shivcharan Girker CFO	
Manish Nanda Audit Committee Chairman	
Rohan Agarwal Proprietor M/s. Rohan Agarwal & Co., Statutory Auditor	
Place:	Khopoli
Date:	30.05.2017

