

MADHYA BHARAT PAPERS LTD.

113, Park Street, 4th Floor, North Block, Kolkata - 700 016, West Bengal
☎ : (91-033) 2265 2274, E-mail : info@mbpl.in, Website : www.mbpl.in



June 30, 2021

The Secretary,
The Calcutta Stock Exchange Ltd
7, Lyons Range,
Kolkata-700 001

Script Code: 023013

Dear Sir,

Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

1. Audited financial results for the quarter and financial year ended 31st March, 2021 as approved by the Board of Directors of the Company in their meeting held on 30th June, 2021.
2. Audit Report in respect of Audited Financial Results, received from M/s G.P. Agrawal & Co, Statutory Auditors for the quarter and financial year ended on 31st March, 2021.
3. Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted alongwith Annual Audited Financial Results for the financial year ended on 31st March, 2021.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

Komal Dhruv

Komal Dhruv
Company Secretary

Encl: as above

Regd. Office & Mills :
Village : Birgahni
Rly. & P.O. : Champa - 495 671
Dist.: Janjgir - Champa, (Chhattisgarh)
E-mail : mbpcph@gmail.com
CIN : L21012CT1980PLC001682

Chartered Accountants
G. P. AGRAWAL & CO.

Head Office:

Unit No. 606, Diamond Heritage,
16, Strand Road, Kolkata 700001.
Ph. 66076831/46012771/46017361

Second Office:

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

**To The Board of Directors of
Madhya Bharat Papers Limited,
Kolkata**

Qualified Opinion

We have audited the accompanying quarterly and year to date financial results of **Madhya Bharat Papers Limited** ("the Company") for the quarter and year ended 31st March, 2021 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of 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, except for the possible effect of the matters described in the 'Basis of Qualified opinion' section of our report, these Financial Results:

- i. Are presented in accordance with the requirements of Regulations 33 of the Listing Regulations in this regard; and
- ii. Give a True and Fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the quarter and year ended 31st March, 2021.

Basis of Qualified Opinion

We draw attention to the following notes to the statement:

- (i) Note 3 to the Statement regarding the Company has been incurring significant operational losses since earlier years, whereby net worth of the Company has been completely eroded. We have not been able to corroborate the Management's contention of the steps taken for improvement in its future operational performance and preparation of the accounts of the Company on going concern basis in view of closer of production since July, 2019. Accordingly, we are unable to comment on the appropriateness of the going concern basis and its consequential impact on the financial results and the financial position of the Company as at and for the quarter and year ended 31st March, 2021.

**To The Board of Directors of
Madhya Bharat Papers Limited (Contd.)**

- (ii) Note 4 to the Statement regarding non-provision of interest on unsecured loans aggregating to Rs. 266.20 lakh for the year ended 31st March, 2021 which constitutes a departure from the Ind AS prescribed under section 133 of the Act.
- (iii) Note 5 to the Statement regarding non-provision of interest on dealer deposits aggregating to Rs. 45.27 lakh for the year ended 31st March, 2021 which constitutes a departure from the Ind AS prescribed under section 133 of the Act.
- (iv) Note 6 to the Statement regarding non-provision for interest, penalty for delay / default in payment of statutory liabilities (quantum unascertained) which constitutes a departure from the Ind AS prescribed under section 133 of the Act and the impact of which on loss for the quarter/year ended 31st March, 2021 could not be ascertained.
- (v) Note 7 to the Statement regarding actuarial valuation not being carried out in respect of employees of the company as on 31st March, 2021. In the absence of actuarial valuation as per Ind AS 19 on "Employee Benefits", accrued liability for gratuity and leave encashment has not been ascertained and necessary provision has not been made in the accounts.
- (vi) Note 8 to the Statement regarding non-provision for salary, wages and bonus payable to factory employees and workers, and in absence of employees wise working of the accrued liability in these respect, we are unable to comment on the impact of loss for the quarter/year ended 31st March, 2021.
- (vii) Note 9 to the Statement regarding non conduct of the physical verification of Fixed Asset and Inventory which constitutes a departure from the Company Auditor's Report Order (CARO), 2016 prescribed under para no. 1(b) and 2 respectively.
- (viii) Note 10 regarding non-ascertainment and non-provision for the impairment of assets in accordance with Ind AS-36 on "Impairment of assets", the impact of which is presently not ascertainable.
- (ix) Note 11 regarding non-ascertainment of realizable value and valuation of inventories of raw materials "at cost" it's not in accordance with Ind AS-2 on "Valuation of Inventories"- quantum of over valuation in this respect not ascertainable.
- (x) Note 12 to the Statement regarding not obtaining balance confirmations in respect of trade receivable, Loans and Advances, Deposits, Borrowings, Trade Payable and Other Liabilities not carrying out consequential reconciliation and adjustments, we are unable to comments on correctness of these balances and it's consequential impact which is presently not ascertainable.
- (xi) Note 13 to the statement regarding non-provision of interest on amount payable to MSME (quantum unascertained) for the quarter/year ended 31st March, 2021 which constitute a departure from the Ind AS prescribed under section 133 of the Act.

We have conducted our audit 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 Ind AS Financial Statements* section of

**To The Board of Directors of
Madhya Bharat Papers Limited (Contd.)**

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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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 qualified opinion.

Emphasis of Matter

We draw attention to Note 14 of the financial results which explains the management's assessment that there is no significant impact of COVID-19 pandemic on the financial statements for the year ended 31st March, 2021. Further, the company will continue to closely monitor any material changes arising from future economic conditions and impact on its business.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation of the Statement 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 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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 Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our qualified 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

**To The Board of Directors of
Madhya Bharat Papers Limited (Contd.)**

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

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 Statement, 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 qualified 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 qualified 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 the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- 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 qualified 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the Company to express an qualified opinion on the Financial Results

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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.

**To The Board of Directors of
Madhya Bharat Papers Limited (Contd.)**

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 Matters

- (i) Due to the COVID-19 pandemic, lockdown and other travel restrictions were imposed by the Government/local administration, hence, the audit process was carried out electronically by remote access. The necessary records were made available by the management through digital medium and were accepted as audit evidence while reporting for the current period.
- (ii) The Statement include the results for the quarter ended 31st March, 2021 being the balancing figure between the audited figures in respect of full financial year ended 31st March, 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 G. P. Agrawal & Co
Chartered Accountants
Firm Registration No. 302082E

**RAKESH
KUMAR SINGH**
(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421
UDIN: 21066421AAAAJU7666

Digitally signed by RAKESH KUMAR SINGH
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pseudoym=740665138b4dbce733604333211b06793f
048789552959a9a42415ac1f1e, postalCode=700084, st=West
Bengal,
serialNumber=c8b0c458b233c2c57734008b4c5f9920705600
50bc51db63b1b29c5b441f0, cn=RAKESH KUMAR SINGH
Date: 2021.06.30 19:10:14 +05'30'

Place: Kolkata

Date: The 30th day of June, 2021

MADHYA BHARAT PAPERS LIMITED

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STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH'2021

(Rs. in Lakh)

Sl. No.	Particulars	Quarter Ended			Year ended	
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
I.	Revenue from operations	-	-	2.62	-	6203.25
II.	Other Income	9.76	18.90	(60.11)	46.42	56.55
III.	Total Income (I + II)	9.76	18.90	(57.49)	46.42	6259.80
IV.	Expenses					
	Cost of materials consumed	13.98	-	(9.89)	13.98	641.55
	Purchase of Stock in Trade	-	-	-	-	4168.37
	Changes in inventories of finished goods and work-in-	22.66	-	4.15	22.66	167.26
	Employee benefits expense	(109.81)	1.51	85.91	15.76	412.27
	Finance costs	48.42	24.42	(225.02)	121.40	114.73
	Depreciation and amortization expense	25.01	25.01	25.43	100.04	102.43
	Other expenses	13.12	34.71	136.36	121.00	855.99
	Total Expenses	13.38	85.65	16.94	394.85	6482.60
V.	Profit/(loss) before tax (III - IV)	(3.62)	(66.75)	(74.43)	(348.43)	(202.80)
VI.	Tax Expenses					
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax	-	-	-	-	-
VII.	Net Profit/(Loss) after tax (V - VI)	(3.62)	(66.75)	(74.43)	(348.43)	(202.80)
VIII.	Exceptional item					
IX.	Net Profit/(Loss) after tax (VII - VIII)	(3.62)	(66.75)	(74.43)	(348.43)	(202.80)
X.	Other Comprehensive Income (net of tax)					
	I. Items that will not be reclassified to Profit or Loss	(21.28)	7.09	14.03	0.00	28.37
	II. Tax relating to items will not be reclassified to Profit or Loss	-	-	-	-	-
XI.	Total Comprehensive income (Net of tax) (IX + X)	(24.90)	(59.66)	(60.40)	(348.43)	(174.43)
XIV.	Paid-up Equity Share Capital of Rs. 10/- each	341.00	341.00	341.00	341.00	341.00
	Other equity	NA	NA	NA	(2429.81)	(2081.38)
XIII.	Earning per Share (of Rs.10/- each) (not annualised):					
	a) Basic	(0.11)	(1.96)	(2.18)	(10.22)	(5.95)
	b) Diluted	(0.11)	(1.96)	(2.18)	(10.22)	(5.95)

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Statement of Assets and Liabilities

(Rs. In Lakh)

Sl. No.	Particulars	As at 31st March'2021 (AUDITED)	As at 31st March,2020 (AUDITED)
A	ASSETS		
1	Non-current assets		
	a) Property, plant and equipment	5733.21	5833.25
	b) Non-current Investments	0.13	15.99
	Sub total- Non-current assets	5733.34	5849.24
2	Current assets		
	a) Inventories	452.61	475.26
	b) Financial assets		
	i) Trade and Other Receivables	14.65	14.65
	ii) Cash and cash equivalents	61.55	7.82
	iii) Bank balances other than cash and cash equivalents	17.03	17.03
	iv) Other financial assets	249.43	280.26
	c) Other Current Assets	159.87	150.77
	Sub total- Current assets	955.14	945.79
	TOTAL- ASSETS	6688.47	6795.03
B	EQUITY AND LIABILITIES		
1	Equity		
	a) Equity share capital	341.00	341.00
	b) Other equity	(2429.81)	(2081.38)
	Sub total- Equity	(2088.81)	(1740.38)
2	Liabilities		
	Non-current Liabilities		
	a) Financial liabilities		
	i) Borrowings	3441.31	2616.38
	ii) Other financial liabilities	1611.82	1611.82
	b) Provisions	30.67	30.67
	c) Other non-current liabilities	33.15	67.60
	Sub total- Non-Current liabilities	5116.96	4326.47
	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	0.00	481.15
	ii) Trade and Other Payables	1933.27	2056.93
	iii) Other financial liabilities	344.90	341.17
	b) Other Current Liabilities	1379.29	1326.84
	c) Provisions	2.85	2.85
	Sub total-Current Liabilities	3660.31	4208.94
	TOTAL-EQUITY AND LIABILITIES	6688.47	6795.03

Signature

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CASH FLOW STATEMENT

(Rs in Lakh)

Particulars	YEAR ENDED	
	31.03.2021	31.03.2020
	(AUDITED)	(AUDITED)
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss before exceptional items and extra ordinary items and tax	(348.43)	(202.80)
Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :		
Finance costs	121.40	114.73
Depreciation and amortisation expense	100.04	102.43
Loss on sale/discard of property, plant and equipment	-	22.09
Gain on sale of Investment	(10.02)	
Fair value loss/(gain) on financial instruments through profit or loss	-	30.15
Interest income	(35.75)	(34.79)
	<u>175.67</u>	<u>234.61</u>
Operating profit before working capital changes	(172.76)	31.81
<i>Adjustments to reconcile operating profit to cash flow provided by changes in working capital :</i>		
Increase /(decrease) in trade and other payables	(123.66)	436.90
Increase /(decrease) in non current other financial liabilities	0.00	(95.50)
Increase /(decrease) in other current financial liabilities	3.73	82.72
Increase /(decrease) in other non current liabilities	(34.45)	(34.35)
Increase /(decrease) in other current liabilities	52.45	124.35
Increase /(decrease) in provision for employee benefits	-	29.90
Decrease/(increase) in inventories	22.66	137.47
Decrease/(increase) in trade and other receivables	-	28.36
Decrease/(increase) in other financial assets	30.27	57.57
Decrease/(increase) in other current assets	(9.10)	93.86
	<u>(58.10)</u>	<u>861.28</u>
Cash (used in) / generated from operations	(230.85)	893.09
Tax expense	-	-
Cash flow before exceptional and extraordinary items	(230.85)	893.09
Exceptional item	-	-
Net cash generated from/(used in) operating activities	(230.85)	893.09
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition of fixed assets	-	61.52
Sale of Investment	25.89	
Fixed deposits redeemed from bank	-	15.95
Interest received	36.31	40.46
Net cash used in investing activities	62.20	117.93
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	824.93	(497.08)
Proceeds/(repayment) of short-term borrowings (net)	(481.15)	(399.83)
Interest expense	(121.40)	(113.20)
Other borrowing costs	0.00	(1.53)
Net cash (used in)/generated from financing activities	222.38	(1011.64)
Net decrease in cash and cash equivalents	53.72	(0.62)
Opening cash and cash equivalents	7.82	8.44
Closing cash and cash equivalents for the purpose of Cash Flow Statement	61.54	7.82

Note:

The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in the Indian Accounting Standard (IND AS) 7 on statement of Cash Flows.

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Segment wise revenue, Results, Segment Assets and Segment Liabilities for the quarter and year ended 31st March 2021.

(Rs. in Lakh)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Segment Revenue (Net sales/Income from each segment)					
	a)Paper	-	-	2.62	0.00	1201.81
	b)Trading-Others	-	-	-	0.00	5001.43
	Total	0.00	-	2.62	0.00	6203.25
	Less :Inter Segment Revenue	-	-	-	-	-
	Net Sales/Income from Operations	0.00	-	2.62	0.00	6203.25
2	Segment Results					
	a)Paper	44.80	(42.33)	(298.80)	(227.02)	(920.49)
	b)Trading-Others	0.00	-	0.64	0.00	832.42
	Total	44.80	(42.33)	(299.44)	(227.02)	(88.07)
	Less : (i)Interest & Finance charges	48.41	24.42	(225.01)	121.40	114.73
	(ii) Other Unallocable expenditure net of unallocable income	-	-	-	-	-
	Total Profit/(Loss) before Tax	(3.61)	(66.75)	(74.43)	(348.43)	(202.80)
3	Segment Assets					
	a)Paper	6,687.69	6689.80	6794.26	6,687.69	6794.26
	b)Trading-Others	0.78	0.78	0.78	0.78	0.78
	Total	6688.47	6690.58	6795.04	6688.47	6795.04
4	Segment Liabilities					
	a)Paper	8776.50	8754.49	8534.64	8776.50	8534.64
	b)Trading-Others	0.78	0.78	0.78	0.78	0.78
	Total	8777.28	8755.27	8535.42	8777.28	8535.42

Notes:

- The above audited financial results for the quarter and year ended 31st March, 2021 were reviewed by the Audit Committee and thereafter the Board of directors has approved the above results at their respective meetings held on 30th June, 2021.
- These audited standalone financial results will be made available on Company's website viz., www.mbpl.in. and on stock exchange website i.e. www.cse-india.com.
- The financial statements indicates that the Company has accumulated losses and its net worth has been fully eroded. It is felt that the status of the Company will improve in the following years. The Management is in the process of rationalizing the expenses as well as considering the measures to generate revenue and it is expected that the overall financial health of the Company would improve considerably. Accordingly, the Company continues to prepare its accounts on a "Going Concern" basis.
- Interest accrued upto 31st March, 2021 aggregating to Rs. 266.20 lakh on unsecured loans as estimated by the management (without considering additional interest, if any, on non-payment of principal interest) has not been provided for and the same will be accounted for as and when paid/settled.
- Interest accrued upto 31st March, 2021 aggregating to Rs. 45.27 lakh on deposit from dealer as estimated by the management (without considering additional interest, if any, on non-payment of principal interest) has not been provided for and the same will be accounted for as and when paid/settled.
- Pending ascertainment of the amounts, no provision has been made in these financial statements for interest, penalty for delay / default in payment of statutory liabilities including in respect of provident fund and TDS. Due to huge losses and non - availability of sufficient cash, the company is in the process of making payment of statutory dues as and when the sufficient funds will be available.
- Actuarial valuation has not been carried out in respect of employees existing as on 31st March, 2021. In absence of actuarial valuation as per Ind AS - 19, Employees Benefits which could not be obtained in view of the ongoing lockdown due to Covid' 19, liability in respect of gratuity and leave encashment has not been ascertained and necessary provision has not been made in this respect.



- 8 The provision for salary, wages and bonus payable to factory employees and workers, has not been done. Necessary adjustment in respect of such portion will be made after working and ascertaining out the actual liabilities in these respect.
- 9 Due to COVID' 19 restrictions imposed in the country, the management was unable to carry out the physical verification of Fixed Assets and Inventory during the year.
- 10 The management could not carry out any exercise with regard to measurement and recognition of loss on impairment of assets due to the ongoing lockdown due to Covid' 19. Due to non-ascertainment and non-provision for the impairment of assets , if any, in accordance with Ind AS-36 on "Impairment of assets", the impact thereof is presently not ascertainable.
- 11 The management could not carry out due to the ongoing lockdown due to Covid'19, estimate of realizable and provision for the shortfall in the value of inventories of raw material in accordance with Ind AS-2 on "Valuation of Inventories.
- 12 Balances Confirmations in respect of trade receivable, Loans and Advances, Deposits, Borrowings, Trade Payable and Other Liabilities could not be obtained due to the ongoing lockdown due to Covid'19. Necessary adjustments in this respect will be carried out on ascertainment of amount thereof if any.
- 13 Pending ascertainment of the amounts, no provision has been made in these financial statements for interest on delay in payment to MSME Creditors.
- 14 The outbreak of Coronavirus (COVID-19) is causing significant disturbance and slowdown of economic activity in India . The Company has evaluated the impact of this pandemic in its business operations. Based on its review, nature of business and current indicators of economic conditions, there is no significant impact on its financial results for the year ended 31-03-2021. The Company will continue to closely monitor any material changes arising from future economic conditions and impact on its business.
- 15 The figures of previous periods have been regrouped / reclassified wherever necessary to make them comparable with those of the current period.

For and on behalf of the Board of Directors


Jaydeep Chitlangia
Managing Director
(DIN : 00094002)

RAKESH
KUMAR SINGH

Digitally signed by RAKESH KUMAR SINGH
DN: cn=Rakesh Kumar Singh, o=Jagadish
Engineering & Technology, ou=Jagadish
Engineering & Technology, postalCode=700084, st=West Bengal,
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Date: 2021.06.30 10:13:41 +05'30'

Place of Signature : Kolkata
Dated : 30th June'2021.

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs in lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	46.42	46.42
	2.	Total Expenditure	394.85	706.32
	3.	Net Profit/(Loss)	(348.43)	(659.90)
	4.	Earnings Per Share	(10.22)	(19.35)
	5.	Total Assets	6688.47	6688.47
	6.	Total Liabilities	8777.27	9088.74
	7.	Net Worth	(2088.81)	(2400.28)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

Qualification 1

a. Details of Audit Qualification:

Note 3 to the Statement regarding the Company has been incurring significant operational losses since earlier years, whereby net worth of the Company has been completely eroded. We have not been able to corroborate the Management's contention of the steps taken for improvement in its future operational performance and preparation of the accounts of the Company on going concern basis in view of closer of production since July, 2019. Accordingly, we are unable to comment on the appropriateness of the going concern basis and its consequential impact on the financial results and the financial position of the Company as at and for the quarter and year ended 31st March, 2021.

b. Type of Audit Qualification :

Qualified Opinion

c. Frequency of qualification:

Appeared for the second time

<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the Auditor</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
<p>(i) Management's estimation on the impact of audit qualification: The financial statements indicates that the Company has accumulated losses and its net worth has been fully eroded. It is felt that the status of the Company will improve in the following years. The Management is in the process of rationalizing the expenses as well as considering the measures to generate revenue and it is expected that the overall financial health of the Company would improve considerably. Accordingly, the Company continues to prepare its accounts on a "Going Concern" basis.</p>
<p>(ii) If management is unable to estimate the impact, reasons for the same: NA</p>
<p>(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors Report</p>
<p>Qualification 2</p>
<p>a. Details of Audit Qualification: Note 4 to the Statement regarding non-provision of interest on unsecured loans aggregating to Rs. 266.20 lakh for the year ended 31st March, 2021 which constitutes a departure from the Ind AS prescribed under section 133 of the Act.</p>
<p>b. Type of Audit Qualification : Qualified Opinion</p>
<p>c. Frequency of qualification: Appeared for the second time</p>
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Interest accrued upto 31st March, 2021 aggregating to Rs. 266.20 lakh on unsecured loans as estimated by the management (without considering additional interest, if any, on non-payment of principal interest) has not been provided for and the same will be accounted for as and when paid/settled.</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor: NA</p>
<p>(i) Management's estimation on the impact of audit qualification:</p>
<p>(ii) If management is unable to estimate the impact, reasons for the same:</p>
<p>(iii) Auditors' Comments on (i) or (ii) above:</p>
<p>Qualification 3</p>
<p>a. Details of Audit Qualification: Note 5 to the Statement regarding non-provision of interest on dealer deposits aggregating to Rs. 45.27 lakh for the year ended 31st March, 2021 which constitutes a departure from the Ind AS prescribed under section 133 of the Act.</p>

<p>b. Type of Audit Qualification : Qualified Opinion</p>
<p>c. Frequency of qualification: Appeared for the second time</p>
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Interest accrued upto 31st March, 2021 aggregating to Rs. 45.27 lakh on deposit from dealer as estimated by the management (without considering additional interest, if any, on non-payment of principal interest) has not been provided for and the same will be accounted for as and when paid/settled.</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor: NA</p>
<p>(ii) Management's estimation on the impact of audit qualification:</p>
<p>(ii) If management is unable to estimate the impact, reasons for the same:</p>
<p>(iii) Auditors' Comments on (i) or (ii) above:</p>
<p>Qualification 4</p>
<p>a. Details of Audit Qualification: Note 6 to the Statement regarding non-provision for interest, penalty for delay / default in payment of statutory liabilities (quantum unascertained) which constitutes a departure from the Ind AS prescribed under section 133 of the Act and the impact of which on loss for the quarter/year ended 31st March, 2021 could not be ascertained.</p>
<p>b. Type of Audit Qualification : Qualified Opinion</p>
<p>c. Frequency of qualification: Appeared for the second time</p>
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the Auditor</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
<p>(i) Management's estimation on the impact of audit qualification: Pending ascertainment of the amounts, no provision has been made in these financial statements for interest, penalty for delay / default in payment of statutory liabilities including in respect of provident fund and TDS. Due to huge losses and non - availability of sufficient cash, the company is in the process of making payment of statutory dues as and when the sufficient funds will be available.</p>
<p>(ii) If management is unable to estimate the impact, reasons for the same: NA</p>
<p>(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors Report</p>
<p>Qualification 5</p>
<p>a. Details of Audit Qualification:</p>

<p>Note 7 to the Statement regarding actuarial valuation not being carried out in respect of employees of the company as on 31st March, 2021. In the absence of actuarial valuation as per Ind AS 19 on “Employee Benefits”, accrued liability for gratuity and leave encashment has not been ascertained and necessary provision has not been made in the accounts.</p>
<p>b. Type of Audit Qualification : Qualified Opinion</p>
<p>c. Frequency of qualification: Appeared for the first time</p>
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the Auditor</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
<p>(i) Management's estimation on the impact of audit qualification: Actuarial valuation has not been carried out in respect of employees existing as on 31st March, 2021. In absence of actuarial valuation as per Ind AS - 19, Employees Benefits which could not be obtained in view of the ongoing lockdown due to Covid' 19, liability in respect of gratuity and leave encashment has not been ascertained and necessary provision has not been made in this respect.</p>
<p>(ii) If management is unable to estimate the impact, reasons for the same: NA</p>
<p>(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors Report</p>
<p>Qualification 6</p>
<p>a. Details of Audit Qualification: Note 8 to the Statement regarding non-provision for salary, wages and bonus payable to factory employees and workers, and in absence of employees wise working of the accrued liability in these respect, we are unable to comment on the impact of loss for the quarter/year ended 31st March, 2021</p>
<p>b. Type of Audit Qualification : Qualified Opinion</p>
<p>c. Frequency of qualification: Appeared for the first time</p>
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the Auditor</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
<p>(i) Management's estimation on the impact of audit qualification: The provision for salary, wages and bonus payable to factory employees and workers, has not been done. Necessary adjustment in respect of such portion will be made after working and ascertaining out the actual</p>

liabilities in these respect.
(ii) If management is unable to estimate the impact, reasons for the same: NA
(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors Report
Qualification 7
a. Details of Audit Qualification: Note 9 to the Statement regarding non conduct of the physical verification of Fixed Asset and Inventory which constitutes a departure from the Company Auditor's Report Order (CARO), 2016 prescribed under para no. 1(b) and 2 respectively.
b. Type of Audit Qualification : Qualified Opinion
c. Frequency of qualification: Appeared for the first time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the Auditor
e. For Audit Qualification(s) where the impact is not quantified by the auditor:
(ii) Management's estimation on the impact of audit qualification: Due to COVID' 19 restrictions imposed in the country, the management was unable to carry out the physical verification of Fixed Assets and Inventory during the year.
(ii) If management is unable to estimate the impact, reasons for the same: NA
(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors Report
Qualification 8
a. Details of Audit Qualification: Note 10 regarding non-ascertainment and non-provision for the impairment of assets in accordance with Ind AS-36 on "Impairment of assets", the impact of which is presently not ascertainable.
b. Type of Audit Qualification : Qualified Opinion
c. Frequency of qualification: Appeared for the first time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the Auditor
e. For Audit Qualification(s) where the impact is not quantified by the auditor:
(iii) Management's estimation on the impact of audit qualification: The management could not carry out any exercise with regard to measurement and recognition of loss on

impairment of assets due to the ongoing lockdown due to Covid' 19. Due to non-ascertainment and non-provision for the impairment of assets , if any, in accordance with Ind AS-36 on “Impairment of assets”, the impact thereof is presently not ascertainable.
(ii) If management is unable to estimate the impact, reasons for the same: NA
(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors Report
Qualification 9
a. Details of Audit Qualification: Note 11 regarding non-ascertainment of realizable value and valuation of inventories of raw materials “at cost” it’s not in accordance with Ind AS-2 on “Valuation of Inventories”- quantum of over valuation in this respect not ascertainable.
b. Type of Audit Qualification : Qualified Opinion
c. Frequency of qualification: Appeared for the first time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is 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: The management could not carry out due to the ongoing lockdown due to Covid' 19, estimate of realizable and provision for the shortfall in the value of inventories of raw material in accordance with Ind AS-2 on “Valuation of Inventories.
(ii) If management is unable to estimate the impact, reasons for the same: NA
(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors Report
Qualification 10
a. Details of Audit Qualification: Note 12 to the Statement regarding not obtaining balance confirmations in respect of trade receivable, Loans and Advances, Deposits, Borrowings, Trade Payable and Other Liabilities not carrying out consequential reconciliation and adjustments, we are unable to comments on correctness of these balances and it’s consequential impact which is presently not ascertainable.
b. Type of Audit Qualification : Qualified Opinion
c. Frequency of qualification: Appeared for the first time

<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the Auditor</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
<p>(i) Management's estimation on the impact of audit qualification: Balances Confirmations in respect of trade receivable, Loans and Advances, Deposits, Borrowings, Trade Payable and Other Liabilities could not be obtained due to the ongoing lockdown due to Covid'19. Necessary adjustments in this respect will be carried out on ascertainment of amount thereof if any.</p>
<p>(ii) If management is unable to estimate the impact, reasons for the same: NA</p>
<p>(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors Report</p>
<p>Qualification 11</p>
<p>a. Details of Audit Qualification: Note 13 to the statement regarding non-provision of interest on amount payable to MSME (quantum unascertained) for the quarter/year ended 31st March, 2021 which constitute a departure from the Ind AS prescribed under section 133 of the Act.</p>
<p>b. Type of Audit Qualification : Qualified Opinion</p>
<p>c. Frequency of qualification: Appeared for the first time</p>
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the Auditor</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
<p>(ii) Management's estimation on the impact of audit qualification: Pending ascertainment of the amounts, no provision has been made in these financial statements for interest on delay in payment to MSME Creditors.</p>
<p>(ii) If management is unable to estimate the impact, reasons for the same: NA</p>
<p>(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors Report</p>

III. Signatories:

Managing Director

Mr Jaydeep Chitlangia

CFO

Mr Jagdish Dua

Audit Committee Chairman

Mr Raghuvansh Lal Kapur

Statutory Auditor

Mr Rakesh Singh

Partner

M/s G. P. Agrawal & Co.

RAKESH
KUMAR SINGH

Digitally signed by RAKESH KUMAR SINGH
DN: cn=Rakesh Kumar Singh, o=GST, ou=GST, email=Rakesh.Kumar.Singh@gst.com, c=IN
Reason: I am the signer of this document.
Serial Number: 650449023, Date: 2021.06.30 10:06:00
Date: 2021.06.30 10:06:00

Place: Kolkata

Date: 30.06.2021