

**Dated : 30<sup>th</sup> July,2020**

**To,**

**The Manager (Listing),  
Bombay Stock Exchange Limited,  
1st Floor, P. J. Towers,  
Dalal Street, Mumbai – 400001**

**Sub: Outcome of the Board Meeting and Submission of Audited Financial Results for the quarter and year ended 31st March, 2020 as required u/r 33 of the SEBI (LODR) Regulations, 2015.**

**Ref: Scrip Code 532072 (INTERDIGI)**

**Dear Sir,**

This is to inform you that in pursuance to Regulation 33 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company in its meeting held on Thursday, 30<sup>th</sup> July, 2020 at 701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi – 110001 and concluded just now has, inter-alia, transacted the following businesses:

1. Considered and Approved the Standalone Audited Financial Results of the Company for the quarter and financial year ended 31st March, 2020.
2. Considered and Approved the Auditor's Report for the Audited Financial Results of the Company for the quarter and financial year ended 31st March, 2020.
3. Considered and taken on record Statement of Impact of Audit Qualification (for audit report with modified opinion) for the Financial Year ended March 31, 2020 in 'Annexure 1' of SEBI Circular dated May 27, 2016 bearing Circular reference No. CIR/CFD/CMD/56/2016.
4. Considered and appointed M/s Kundan Agrawal & Associates, Company Secretaries as the Secretarial Auditor of the Company for the F.Y. 2020-21.
5. Considered and appointed M/s Sanghi & Co., Chartered Accountants as the Internal Auditor of the Company for the F.Y. 2020-21.



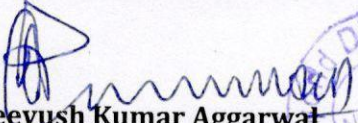
Further pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, a copy of the aforesaid Financial Results for the quarter and year ended 31st March, 2020 alongwith Auditor's Report and the aforesaid Statement of Impact of Audit Qualification for modified opinion in 'Annexure-1' are enclosed herewith for your kind perusal.

Kindly take the aforesaid information in your records.

Thanking You.

**Yours Truly,**

**For Interworld Digital Limited**

  
**Peeyush Kumar Aggarwal**  
Director  
DIN: 00090423



**Encl: As Above**

INTERWORLD DIGITAL LIMITED						
CIN : L72900DL1995PLC067808						
Regd. Off. : 701, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI-110001						
STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2020						
(Rs in Lacs except EPS)						
Sr No	Particulars	For the Quarter ended			Year Ended	
		31-Mar-20 (Audited)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
1	<b>Income from Operation</b>					
	(a) Net Sales/Revenue from Operations	-	-	-	-	-
	(b) Other Operating Income	-	-	-	-	0.03
	(c) Other Income	-	-	-	-	0.03
	<b>Total Income</b>					
2	<b>Expenses</b>					
	a) Cost of Materials consumed	-	-	-	-	-
	b) Purchase of Stock-in-trade	-	-	-	-	-
	c) Changes in Inventory of Finished goods, Work-in-progress and Stock-in-trade	-	-	-	-	-
	d) Employee Benefits Expenses	2.62	2.26	1.91	9.43	7.65
	e) Finance Costs	-	0.06	0.10	0.91	6.98
	f) Depreciation and Amortisation expense	14.25	14.25	15.10	57.01	63.85
	g) Other expenses	3.43	1.91	2.92	9.54	9.39
	<b>Total Expenses</b>	<b>20.30</b>	<b>18.48</b>	<b>20.03</b>	<b>76.89</b>	<b>87.87</b>
3	<b>Profit/(Loss) before Exceptional items and tax (1-2)</b>	<b>(20.30)</b>	<b>(18.48)</b>	<b>(20.03)</b>	<b>(76.89)</b>	<b>(87.84)</b>
4	Exceptional Items	-	-	-	-	-
5	<b>Profit/(Loss) before tax (3 + 4)</b>	<b>(20.30)</b>	<b>(18.48)</b>	<b>(20.03)</b>	<b>(76.89)</b>	<b>(87.84)</b>
6	<b>Tax Expense</b>					
	- Current tax	-	-	-	-	-
	- Deferred tax	(3.46)	(4.36)	(2.56)	(12.62)	(12.72)
	Short Provision of earlier year	-	-	-	-	-
	<b>Total Tax Expenses</b>	<b>(3.46)</b>	<b>(4.36)</b>	<b>(2.56)</b>	<b>(12.62)</b>	<b>(12.72)</b>
7	<b>Profit/(Loss) for the period ( 5-6)</b>	<b>(16.84)</b>	<b>(14.12)</b>	<b>(17.47)</b>	<b>(64.27)</b>	<b>(75.12)</b>
8	Other Comprehensive Income (net of tax)	-	-	-	-	-
9	<b>Total Comprehensive Income for the period</b>	<b>(16.84)</b>	<b>(14.12)</b>	<b>(17.47)</b>	<b>(64.27)</b>	<b>(75.12)</b>
10	<b>Paid-up equity share capital ( face value of Re. 1/- per share )</b>	4,783.77	4,783.77	4,783.77	4,783.77	4,783.77
11	<b>Earning per share (EPS) of Re. 1/- each (not annualized)</b>					
	(1) Basic	(0.00)	(0.00)	(0.00)	(0.01)	(0.02)
	(2) Diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.02)
12	Reserves excluding Revaluation Reserves (Reserves as per Balance Sheet of Previous Accounting Year)				7,384.09	7,448.36

**Notes :**

- The above Results for the quarter and year ended March 31, 2020 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 30th July, 2020. The Statutory Auditors have carried out the audit for the year ended 31st March, 2020.
- The Company operates in a single segment and the results pertain to a single segment in accordance with IND AS 108-Operating Segment.
- Previous year/period figures have been regrouped/arranged, wherever necessary to make them comparable with the current period figure.



4	The Company has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs. This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies to the extent applicable.
5	The format for audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016. IND AS and Schedule III (Division II) to the Companies Act, 2013 applicable to the companies that are required to comply with IND AS.
6	<p>Auditor's observation in Audit report for the FY 19-20</p> <p>(a) The Company has increased its authorised capital from Rs. 21 Crores to Rs. 70 Crores during the FY 2010-11, ROC Fees of Rs. 55.97 lacs towards the same stands payable.</p> <p>(b) Company is not regular in paying statutory dues, Rs. 191.45 lacs are still payable, hence shown under the head "Other Current Liabilities" in the Financial Statement.</p> <p>(c) Due to default in payments of bank loans, the company's accounts have been classified as Non Performing Assets (NPA) by the bank. Bank of India has not charged interest on Cash credit limit. During the period under review no provision has been made for such interest in the books of account of the company and to that extent bank's loan liability and total loss is understated by Rs. 7 lacs plus penal charges that the bank may charge.</p> <p>Further company has not cleared its term loan to Kotak Mahindra and around 4 installments are pending and to that extent bank loan liability and total loss is understated by around Rs. 11000/- plus overdue charges that the bank may charge.</p> <p>(d) Loans &amp; Advances are subject to confirmation, reconciliation, adjustments &amp; provisions, if any which may arise out of confirmation and reconciliation.</p>
7	<p>Explanation to aforesaid Auditors Observation</p> <p>1. The Company has increased its authorised capital from Rs. 21 Crores to Rs. 70 Crores during the period F.Y. 2010-11. However, due to financial constraints and technical problems the company could not file Form 5 with ROC for increase in its authorised share capital. With the advent of the Companies Act, 2013 which came into effect from 01st April, 2014, the schedule of fees applicable w.r.t. increase in Authorised capital has been revised and increased. The Schedule of fees as per the Companies Act, 2013 has been made applicable and payable on the increased authorised share capital which the Company had increased prior to the applicability of Companies Act, 2013. Therefore, the company had filed the writ petition in the Hon'ble High Court of Delhi challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules, 2014 vide diary no. 159963 dated 30/05/2016. The fees &amp; Additional fees payable as per Companies Act, 1956 has already been provided for hence there is no further impact on the financials/profitability of the Company.</p> <p>2. As regards Auditor observation that the Statutory dues of Rs.191.45 lacs are still payable, we hereby state that our Company has already provided for the amount payable towards Service Tax. Hence, this liability will have no further impact on the profits/losses of the Company for the period under consideration. Further we wish to state that the management of the Company is making necessary efforts to arrange the funds required to repay the same.</p> <p>3. With respect to point (c) we wish to state that the management of the Company is making necessary efforts to arrange the funds required to repay of loan and other related dues of Bank of India and Kotak Mahindra as soon as the necessary fund will be arrange, the Company will clear its outstanding dues of both the banks.</p> <p>4. The Company is in the process of obtaining the necessary confirmations from the parties to whom loans &amp; advances are given &amp; the Company shall provide the same to the Auditors as soon as it will be received by it.</p>
8	As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, the Company had suspended its operations, which has adversely impacted its business. In the absence of any operations, there is a considerable decline in the revenues generated by the company and the profitability of the company for the quarter ended 31st March, 2020 and the profitability during 1st quarter (April to June) is also likely to be adversely impacted as no operations were being carried on by the Company due to the closure of its operations and non availability of man power. Presently, the company is facing many problems such as manpower shortage, liquidity crunch etc. In the current uncertain situation, Company is also facing liquidity crunch to meet its day to day business operational expenses. Due to the nature of the pandemic, the Company will continue to monitor any changes to the future economic conditions.
9	There is a delay in payment of Annual Listing Fees to the Stock Exchange where the shares of the Company is listed. In term of circular bearing no. LIST/COMP/OPS/16/2019-2020 Dated June 11, 2019 and Notice bearing no. 20190903-37 dated September 3, 2019; action(s) is initiated against the company.
10	The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.

For and on behalf of Board of Directors of  
Interworld Digital Limited

  
Peeyush Kumar Aggarwal  
Director  
DIN :00090423

Place: New Delhi  
Date : 30.07.2020



**INTERWORLD DIGITAL LIMITED**  
**CIN : L72900DL1995PLC067808**  
**Statement of Assets & Liabilities as on March,31, 2020**

(Rs. In lacs)

	Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
<b>A.</b>	<b>ASSETS</b>		
1	<b>Non Current Assets</b>		
	Property Plant & Equipment	26.06	29.74
	Capital Work in progress	432.23	432.23
	Other Intangible Assets	192.17	245.51
	Non Current Assets	650.46	707.48
	<b>Non Current Financial Assets</b>		
	Investments	147.29	147.29
	Long term Loans and Advances	10,519.01	10,519.01
	Deferred tax assets (Net)	-	-
	<b>Total-Non current assets</b>	<b>11,316.76</b>	<b>11,373.78</b>
2	<b>Current Assets</b>		
	Inventories	-	-
	<b>Current Financial Assets</b>		
	Trade receivables	2,381.97	2,383.76
	Cash & cash equivalents	0.60	0.44
	Loans and advances	58.03	68.50
	Other current financial assets	18.10	17.16
	<b>Total Current Assets</b>	<b>2,458.70</b>	<b>2,469.86</b>
	<b>TOTAL ASSETS</b>	<b>13,775.46</b>	<b>13,843.64</b>
<b>B.</b>	<b>EQUITY &amp; LIABILITIES</b>		
1	<b>EQUITY</b>		
	Equity Share Capital	4,783.77	4,783.77
	Other Equity	7,384.09	7,448.36
	<b>Total Equity</b>	<b>12,167.86</b>	<b>12,232.13</b>
2	<b>LIABILITIES</b>		
	<b>Non-Current Liabilities</b>		
	Non-Current Financial Liabilities	-	-
	Borrowings	105.00	105.00
	Other Financial Liabilities	-	-
	Long Term Provisions	-	-
	Deferred tax liabilities	42.19	54.81
	<b>Total-Non Current Liabilities</b>	<b>147.19</b>	<b>159.81</b>
	<b>Current Liabilities</b>		
	<b>Current Financial Liabilities</b>		
	Borrowings	47.55	50.71
	Trade payables	1,070.68	1,070.68
	Other current financial liabilities	342.18	330.31
	Short term Provisions	-	-
	<b>Total Current Financial Liabilities</b>	<b>1,460.41</b>	<b>1,451.70</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>13,775.46</b>	<b>13,843.64</b>

For and on behalf of Board of Directors of  
Interworld Digital Limited

Place: New Delhi  
Date : 30.07.2020



Peeyush Kumar Aggarwal  
Director  
DIN :00090423

INTERWORLD DIGITAL LIMITED

CIN: L72900DL1995PLC067808

Cash flow statement for the year ended 31st March, 2020

(Amounts in Rs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit before tax and extraordinary items	(76,88,688)	(87,83,550)
Adjustments for:		
Interest income	-	-
Depreciation	57,01,144	63,84,427
Interest & Finance Charges	91,274	6,98,225
Preliminary & Share Issue expenses written off	-	-
<b>Operating cash flow before changes in working capital</b>	<b>(18,96,270)</b>	<b>(17,00,898)</b>
Cash Flow in Working Capital Activities:		
(Increase)/Decrease in Sundry Debtors	1,79,500	1,12,277
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Loans & Advances	9,52,430	8,00,361
Increase/(Decrease) in Current Liabilities	8,70,452	15,20,320
<b>Cash provided by / (used in) operating activities</b>	<b>1,06,112</b>	<b>7,32,060</b>
Less: Income Tax Paid	-	-
<b>Net cash from operating activities</b>	<b>1,06,112</b>	<b>7,32,060</b>
<b>B. Cash Flow From Investing Activities:</b>		
Sale/(Purchase) of fixed assets	-	-
(Increase)/Decrease in Capital work in progress	-	-
(Increase)/Decrease in investments	-	-
Interest received	-	-
<b>Net cash outflow in investing activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash Flow From Financing Activities:</b>		
Increase in capital	-	-
Proceeds from Long Term Borrowings	-	-
Increase in Share Premium	-	-
Interest and Finance Charges	(91,274)	(6,98,225)
Repayment of Long Term Borrowings	-	-
Miscellaneous Expenditure	-	-
<b>Net cash inflow from financing activities</b>	<b>(91,274)</b>	<b>(6,98,225)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year [(A) + (B) + (C)]</b>	<b>14,838</b>	<b>33,835</b>
<b>Cash and Cash Equivalents:</b>		
<b>Cash and Cash Equivalent as at 01.04.2019</b>	<b>44,607</b>	<b>10,772</b>
<b>Cash and Cash Equivalent as at 31.03.2020</b>	<b>59,445</b>	<b>44,607</b>

For and on behalf of Board of Directors of  
Interworld Digital Limited



Peeyush Kumar Aggarwal

Director

DIN :00090423

Place: New Delhi

Date : 30.07.2020



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

**TO THE BOARD OF DIRECTORS OF  
INTERWORLD DIGITAL LIMITED**

**Opinion**

We have audited the accompanying standalone Audited Financial results of Interworld Digital Limited for the quarter and year ended 31<sup>st</sup> March, 2020 and the year to date results for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

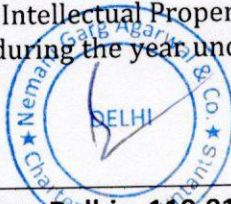
- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit/loss and other comprehensive income and other financial information for the quarter and year ended 31<sup>st</sup> March, 2020 as well as the year to date results for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis is laid on the following matters:**

1. The past Managing Director, Mr Manmohan Gupta, had fraudulently shifted the entire business of the company including its Intellectual Property, to his own entity. Consequently, there is no revenue from operations during the year under review. The Company is making efforts to get back its business.



# Nemani Garg Agarwal & Co.

Chartered Accountants

2. The Company has increased its authorised capital from Rs. 21 Crores to Rs. 70 Crores during the FY 2010-11, ROC Fees of Rs. 55.97 lacs towards the same stands payable. No provision has been made for any interest or fines payable thereon.
3. Statutory dues of Service Tax / TDS / Professional Tax aggregating to Rs. 1.9 crores are outstanding since F.Y. 2009-10 ; Service Tax returns have not been filed from F.Y. 2011-12 onwards.  
No provision has been made for interest / penalties payable on such default.
4. Due to default in repayment of instalments / loans, Bank of India has classified the company's debt of Rs. 47.55 lacs as an NPA in October 2018 ; no provision has been made for interest / penal interest and other charges thereon in the books of accounts of the company. It is not known if the Bank has initiated any debt recovery proceedings.

Our opinion is modified in respect of this matter.

## Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

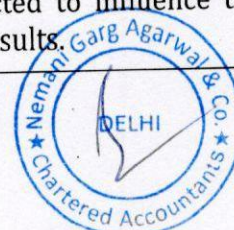
## Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

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# Nemani Garg Agarwal & Co.

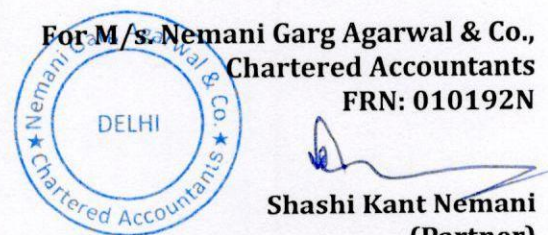
Chartered Accountants

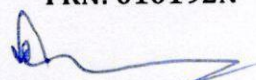
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- iv. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



  
Shashi Kant Nemani  
(Partner)  
(Membership No. 010192N)

Place : New Delhi

Date: 30.07.2020

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1517, Devika Towers | 6, Nehru Place | New Delhi – 110.019 |

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## ANNEXURE – I

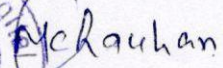
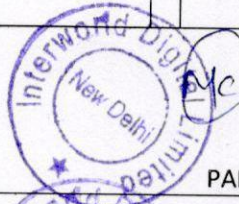

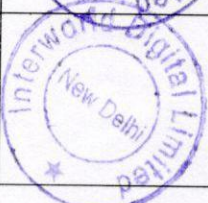
### Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - (Standalone and Consolidated separately)

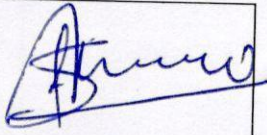
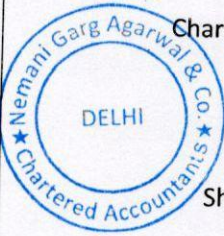

#### Statement of Impact of Audit Qualifications for the Financial year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Amount in Lakhs

I	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualification)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	-	-
	2	Total Expenditure	76.89	76.89
	3	Net Profit / (Loss)(After Tax)	(64.27)	(64.27)
	4	earnings Per Share	(0.01)	(0.01)
	5	Total Assets	13,775.46	13,775.46
	6	Total Liabilities	13,775.46	13,775.46
	7	Net Worth	12,167.86	12,167.86
	8	Any other financial item(s) felt appropriate by the management	-	-
II		<b>Audit Qualification (each audit qualification separately)</b>		
	a	<p><b>Details of Audit Qualification:</b></p> <ol style="list-style-type: none"> <li>The past Managing Director, Mr Manmohan Gupta, had fraudulently shifted the entire business of the company including its Intellectual Property, to his own entity. Consequently, there is no revenue from operations during the year under review. The Company is making efforts to get back its business.</li> <li>The Company has increased its authorised capital from Rs. 21 Crores to Rs. 70 Crores during the FY 2010-11, ROC Fees of Rs. 55.97 lacs towards the same stands payable. No provision has been made for any interest or fines payable thereon.</li> <li>Statutory dues of service tax / TDS / Professional Tax aggregating to Rs. 1.9 crores are outstanding since F.Y. 2009-10 ; service tax returns have not been filed from FY 2011-12 onwards.  No provision has been made for interest / penalties payable on such default.</li> <li>Due to default in repayment of instalments / loans, Bank of India has classified the company's debt of Rs. 47.55 lacs as an NPA in October 2018 ; no provision has been made for interest / penal interest and other charges thereon in the books of accounts of the company. It is not known if the Bank has initiated any debt recovery proceedings.</li> </ol>		
	b	<p><b>Type of Audit Qualification : Qualified / Disclaimer of Opinion / Adverse Opinion:</b></p> <p>Qualified</p>		
	c	<p><b>Frequency of Qualification(s) : Whether appeared for first time / repetitive / since how long continuing</b></p> <p>Repetitive/Since 2014-2015</p>		



d		<p><b>For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</b></p> <ol style="list-style-type: none"> <li>1. The past MD Mr Manmohan Gupta, had fraudulently siphoned off the entire business of the company including its Intellectual Property to the other entities formed by him. The Board had constituted an Investigation Committee to investigate into the matter of closure of Mumbai Office of the Company and recovery of Company's business and assets.</li> <li>2. The Company has increased its authorised capital from Rs. 21 Crores to Rs. 70 Crores during the period from F.Y. 2010-11. However, due to financial constraints and technical problems the company could not file Form 5 with ROC for increase in its authorised share capital. With the advent of the Companies Act, 2013 which came into effect from 01<sup>st</sup> April, 2014, the schedule of fees applicable w.r.t. increase in Authorised capital has been revised and increased. The Schedule of fees as per the Companies Act, 2013 has been made applicable and payable on the increased authorised share capital which the Company had increased prior to the applicability of Companies Act, 2013. Therefore, the company had filed the writ petition in the Hon'ble High Court of Delhi challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules, 2014 vide diary no. 159963 dated 30/05/2016. The company has shown the fees and interest payable in contingent liabilities forming part of the Balance Sheet.</li> <li>3. As regards Auditor observation that the Statutory dues of Rs.191.45 lacs are still payable, we hereby state that our Company has already provided for the amount payable towards Service Tax. The company has shown the dues and interest payable in contingent liabilities forming part of the Balance Sheet.. Further we wish to state that the management of the Company is making necessary efforts to arrange the funds required to repay the same.</li> <li>4. Due to default in payments of bank loans, the company's accounts have been classified as Non Performing Assets (NPA) by the bank. During the year under review, the Company had repaid an amount aggregating to Rs. 7 Lacs to the Bank of India. The management of the Company is making necessary efforts to arrange the funds required to repay the loan and other related dues of Bank of India. Further, the Bank has not initiated any debt recovery proceedings. The company has shown the interest payable in contingent liabilities forming part of the Balance Sheet.</li> </ol>
e		<p><b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> N.A.</p>
		<p><b>(i) Management's estimation on the impact of audit qualification:</b></p>
		<p><b>(ii) If Management is unable to estimate the impact, reasons for the same:</b></p>
		<p><b>(iii) Auditor's comments on (i) or (ii) above</b></p>
III	Signatories	
	Chief Executive Officer	  Manoj Kumar PAN: BZGPK6177A
	Chief Financial Officer	  Rachit Garg PAN: AZSPG7226K

	Audit Committee Chairman		 Ajay Sharma DIN 03344008
	Statutory Auditor		For M/s. Nemani Garg Agarwal & Co., Chartered Accountants FRN: 010192N   Shashi Kant Nemani (Partner) (Membership No. 010192N Place : New Delhi
Place:	New Delhi		
Date:	30 <sup>th</sup> July, 2020		