

Date: May 25, 2018

To,
BSE Limited

Corporate Relation Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

To,
Delhi Stock Exchange
Limited
Mr. P.K Mishra
Head Listing & Compliance
3/1, Asaf Ali Road
New Delhi – 110002

To,
Ahmedabad Stock
Exchange Limited
The Manager
Listing Department
Kamdheni Complex
Opp. Sahajanand College,
Panjrapole
Ahmedabad – 380015
(Gujarat)

To,
Jaipur Stock Exchange
Limited
The Manager
Listing Department
Stock Exchange Building
JLN Marg , Malviya
Nagar
Jaipur - 302017
(Rajasthan)

Subject: Outcome of the Board Meeting of the Board of Directors of the Company held on May 24, 2018 & May 25, 2018.

Scrip Code: 514394

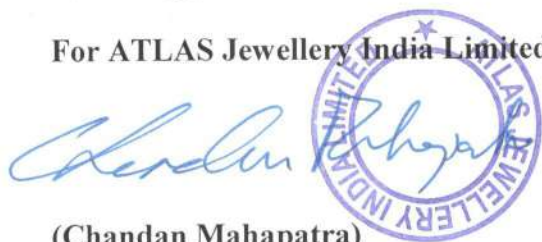
Dear Sir,

This is to inform you that in the meeting of the Board of director of the Company held on May 24, 2018 & May 25, 2018, the Board has considered and approved the audited financial results for the fourth quarter ended March 31, 2018 as per 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Kindly take note of the aforementioned information in compliance with Regulation 30 & 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Thanking you

For ATLAS Jewellery India Limited



**(Chandan Mahapatra)
Company Secretary & CFO**

Date: May 25, 2018

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To,
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The Manager
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JLN Marg , Malviya
Nagar
Jaipur - 302017
(Rajasthan)

Subject: Audited quarterly results for the fourth quarter ended March 31, 2018.

Scrip Code: 514394

Dear Sir,

Please find attached the audited quarterly results for the fourth quarter and financial year ended March 31, 2018 duly signed by the Whole Time Director of the Company in compliance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.


We also enclose a copy of Statement on Impact of Audit Qualifications (for audit report with modified opinion) pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Hope you find the results in order.

Kindly take on record the same.

Thanking you

For ATLAS Jewellery India Limited


(Chandan Mahapatra)
Company Secretary & CFO

**Encl: Outcome of the Board Meeting
Audited Financials for fourth quarter ended March 31, 2018
Statement on Impact of Audit Qualifications**

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER /YEAR ENDED 31st MARCH 2018

(Rs in lacs except per share data)

S.No	Particulars	Quarter Ended			Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	86.83	146.40	153.45	556.09	864.85
II	Other Income	129.76	-	2.84	129.76	3.49
III	Total Income (I+II)	216.59	146.40	156.29	685.85	868.34
IV	Expenses					
(a)	Cost of Material Consumed/Purchase of Stock in Trade	12.35	187.66	194.18	289.01	445.41
(b)	(Increase)/Decrease in Inventories	76.81	23.28	(52.54)	331.38	266.38
(c)	Employees Benefits Expenses	29.61	27.53	34.15	106.41	133.29
(d)	Foreign Exchange (Gain)/Loss	(232.01)	296.64	647.36	(42.69)	310.44
(e)	Finance cost	-	-	-	-	-
(f)	Depreciation and amortisation expenses	19.28	19.54	42.66	81.40	185.36
(g)	Other Expenses	61.26	55.52	70.18	239.41	341.71
	Total Expenses (a to g)	(32.70)	610.17	935.99	1004.92	1682.59
V	Profit/(loss) before exceptional and extraordinary items & tax (III-IV)	249.29	(463.77)	(779.70)	(319.07)	(814.25)
VI	Exceptional items	-	1.05	-	27.73	181.14
VII	Profit/(loss) before extraordinary items & tax (V-VI)	249.29	(464.82)	(779.70)	(346.80)	(995.39)
VIII	Extraordinary items	-	-	-	-	-
IX	Profit/(loss) before tax (VII-VIII)	249.29	(464.82)	(779.70)	(346.80)	(995.39)
X	Tax expense (including deferred tax & net of MAT credit)	32.60	(0.31)	(92.08)	52.65	(64.17)
XI	Profit/ (loss) for the period from the continuing operations after tax (IX-X)	216.69	(465.13)	(687.62)	(399.45)	(931.22)
XII	Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-
XIV	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV	Profit/(loss) for the period (XI+XIV)	216.69	(465.13)	(687.62)	(399.45)	(931.22)
XVI	Other Comprehensive Income	-	-	-	-	-
XVII	Total Comprehensive Income for the period (XV+XVI)	216.69	(465.13)	(687.62)	(399.45)	(931.22)
	Paid up equity share capital (Equity Shares of Rs.10 each)	10065.45	10065.45	10065.45	10065.45	10065.45
XVIII	Earnings per share (face value of ₹10) Before & after extraordinary items					
(a)	Basic	0.22	(0.46)	(0.68)	(0.40)	(0.93)
(b)	Diluted	0.22	(0.46)	(0.68)	(0.40)	(0.93)



Notes:

- (1) The above standalone Audited Financial Results for the quarter and year ended on 31st March, 2018 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the company at its meeting held on Friday, 25th May, 2018. The financial results are prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Companies Act, 133 read with Companies (Indian Accounting Standards) Rules 2015 (as amended).
- (2) In accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statutory Auditors have performed audit of the above Standalone Audited Financial Results for the quarter and year ended on 31st March, 2018.
- (3) The Company has adopted Indian Accounting Standards ("Ind AS") from April 01, 2017 and accordingly these financial results have been prepared in accordance with recognition and measurement principles laid down in the Ind AS reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.
- (4) The company has only one segment of revenue.
- (5) Reconciliation of Net Profit/(Loss) as corresponding quarter and year ended March 31, 2017 between Indian GAAP & Ind AS is as under:

(Rs. In Lacs)

Particulars	Quarter Ended 31st Mar 2017	Year ended 31st Mar 2017
Profit/(Loss) after tax as per Indian GAAP	(687.62)	(931.22)
i) Impact of financial assets and liabilities at amortised cost	0.28	-
ii) Deferred tax on the above mentioned adjustments	(0.08)	-
Profit/(Loss) after tax as per Ind AS	(687.42)	(931.22)
Other Comprehensive Income (Net of Tax)	-	-
Total Comprehensive Income as reported under Ind AS	(687.42)	(931.22)

- (6) Reconciliation of total equity for the corresponding year ended March 31, 2017 between previous Indian GAAP and Ind AS, is as under:

(Rs. in Lacs)

Particulars	Year ended 31st Mar 2017
Total Equity under previous GAAP	15592.49
Add/(Less): Impact of Ind AS adjustments	-
Fair Value as deemed cost of property, plant & equipment	-
Discounting of interest free rent deposits	-
Other adjustments	-
Total equity under Ind AS	15592.49

- (7) The financial results and other financial information for the quarter and year ended March 31, 2017 have been reviewed and presented based on the information compiled by the management after making the necessary adjustments to give a true and fair view of the results in accordance with Ind AS
- (8) Figures have been reclassified/regrouped wherever necessary to make them comparable.

Place: Bangalore
Date: May 25, 2018

For ATLAS Jewellery India Ltd

M. Mutum

Mandira Mutum
Whole-time Director
DIN: 07747235



(₹ in Lacs.)

Audited Standalone Statement of Asset and Liabilities			
Sl	Particulars	As at	As at
		31.03.2018	31.03.2017
		Audited	Audited
A	ASSETS		
1	Non-current assets		
	a. Property, plant and equipment	186.51	287.28
	b. Capital work-in-progress	-	-
	c. Investment property	-	-
	d. Goodwill	-	-
	e. Other intangible assets	0.04	0.89
	f. Intangible assets under development	-	-
	g. Biological assets other than bearer plants	-	-
	h. Financial Assets	-	-
	i. Investments	-	-
	ii. Loans & Advances	105.34	105.34
	iii. Others Financial Assets	49.73	74.35
	i. Deferred tax assets (net)	138.33	158.99
	j. Other non-current assets	0.83	2.13
	Sub-total non-current assets	480.78	628.98
2	Current assets		
	a. Inventories	1658.76	1990.14
	b. Financial Assets		
	i. Investments	-	-
	ii. Trade receivables	13512.86	13470.85
	iii. Cash and cash equivalents	3.91	2.79
	iv. Bank balance other than cash and cash equivalents	7.58	33.70
	v. Others Financial Assets	-	4.99
	c. Current tax assets (net)	-	-
	d. Other current assets	25.39	45.98
	Sub-total current assets	15208.50	15548.45
	TOTAL ASSETS	15689.28	16177.43
B	EQUITY AND LIABILITIES		
1	Equity		
	a. Equity share capital	10071.15	10071.15
	b. Other equity	5121.89	5521.34
	Sub-total equity	15193.04	15592.49
2	Non-current liabilities		
	a. Financial liabilities		
	Borrowings	-	-
	Trade payables	-	-
	Other non-current financial liabilities	-	-
	b. Provisions	-	-
	c. Deferred tax liabilities (net)	-	-
	d. Other non-current liabilities	-	-
	Sub-total Non current liabilities	-	-
3	Current liabilities		
	a. Financial liabilities		



Trade payables	2.46	12.94
Other financial liabilities	-	-
b. Other current liabilities	461.78	556.00
c.Short Term Provisions	32.00	16.00
Total current liabilities	496.24	584.94
TOTAL LIABILITIES	496.24	584.94
TOTAL EQUITY AND LIABILITIES	15689.28	16177.43

Place Bangalore

Dated: May 25, 2018

By the order of the Board
ATLAS Jewellery India Limited

Mandira Mutum

Mandira Mutum
Whole Time Director
DIN:07747235





A. Kay. Mehra & Co.

CHARTERED ACCOUNTANTS

114 (Basement), Mall Road, Kingsway Camp, Delhi-110009

Tel No. : 011-42461274, 9891295255, 9818708294

E-mail : akmca1969@gmail.com Website : www.akmca.in

Independent Auditor's Report

To

The Board of Directors

Atlas Jewellery India Limited

DTJ-719, 7th Floor, DLF Tower B, Plot No. 11,

Jasola District, New Delhi-110025

1. We have audited the accompanying Statement of Financial Results of **Atlas Jewellery India Limited** ("The Company") for year ended 31st March, 2018 ("The Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, it is not possible to form an opinion on the Financial Statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.



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3. Basis for Disclaimer of Opinion

- a) Trade Receivables amounting to Rs. 1,35,12,86,431/- includes an overseas debtor "M/S Satwa Precious Metals & Bullion Trading (FZE)" amounting to Rs. 1,35,12,71,281/ (including foreign currency exchange gain or loss) which are outstanding for more than two years and are subject to confirmation/ reconciliation and adjustments. Since, there have been defaults in payment obligations by the overseas debtor on due dates and recoveries from this debtor are not significant, the Company has filed a recovery suit against the said party bearing No. IOP No. 7 of 2016 before the Honorable Sub Court, North Paravoor, Kerala for recovery of its entire export dues. As the matter is under judicial review the company has not created any provision / expected credit loss for the current financial year.

In view of the factors stated above and in the absence of clear forward looking information regarding outcome of pending legal action initiated and time frame of realisability of this Trade Receivable, we are unable to determine the amount of expected credit loss/ impairment based on provision matrix as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact, on the financial statements.

- b) Reserve Bank of India (RBI) approval is still pending on the application as forwarded by the "AD" bank on behalf of the company regarding seeking prior approval from the RBI for the extension of the period of realization of the overdue export receivables. In view of the factors stated above and in the absence of any clear outcome from the RBI, we are unable to form an opinion due to the uncertainties and their possible cumulative effects on the financial statements.

- c) During the year there was a summon received by the company from the "Directorate of Enforcement" to provide details in respect of export proceeds pending for realization and for tendering statement in this regards. In response of the above mentioned summon, the company has submitted relevant information and documents to the concerned department in the prescribed manner, however, the outcome regarding such summon issued by the concerned department is still pending from the part of competent authority.

- d) There was a complaint filed in "Economic Offence Wing (EOW)" against the company and its promoters by Commercial Bank of Dubai (Complainant) in the preceding year. The complainant has mixed up issues and tried to bring a private arrangement between the Complainant and the promoter which had purportedly taken place sometime in April, 2013 in United Arab Emirates (U.A.E) to India and make the Company, as parties to the complaint. As confirmed by the management, the Company is no way connected to the alleged transaction nor concerned with the same or has been aware of the same till the complaint was lodged. However, the Company as a law abiding citizen had provided all the necessary information as being sought from it by the investigating officer and fully co-operating and supporting the investigation in order to bring the matter for an early closure.

This enquiry by the "Economic Offence Wing", in respect of the complaint filed by the "Commercial Bank of Dubai" (Complainant) against the company and its promoters is still pending before the competent investigating authority.



- e) The Company's operating results have been materially affected due to various factors including non-realization of Trade receivables, non-recovery of loans and advances, continuous termination of lease agreements, reliance on cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, overdue expenses payable, pending income tax demands, continuous increase of litigation matters, etc. These events cause significant doubts on the ability of the company to continue as a going concern. The appropriateness of going concern assumption is dependent on the company's ability to raise adequate finance from alternative means and /or recoveries from Trade Receivables to meet its short term and long term obligations as well as to establish consistent business operations.

In the absence of any convincing audit evidences regarding certainty and time frame for recovery from Trade Receivables, outcome of pending legal action initiated against debtor, pending RBI approval for export realization extension, legal matters initiated against company and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result. We are also unable to conclude on ability of the company to carry on as a going concern.

4. Disclaimer of Opinion

Because of the significance of the matters described in the "basis of disclaimer of opinion" paragraph, specifically relating to multiple uncertainties created due to factors such as non recovery of trade receivables on due dates, pending RBI approval for export realization extension, legal matters and enquiries initiated against company, significant doubts on the ability of the company to continue as a going concern, it is not possible to form an opinion on the financial statements due to potential interaction of the uncertainties and their possible cumulative effect on the financial statements. Accordingly, we do not express an opinion on the financial statements.

5. Emphasis of Matter

- a) Valuation of Inventory is based on determination of estimated net realizable value and specific identification involving technical judgment of management and which has been relied upon by us.
- b) The company has outstanding loan and advances includes amounting Rs. 1,05,34,000/-outstanding from more than three years and subject to confirmation/ reconciliation. No provision against these amounts has been made as the management is of the view that the Company is taking all steps to recover these loan and advances and has also issued notices for recovery of these amounts.
- c) The financial statements describes that the company has booked Rs 27,73,395/-(previous year 1,81,13,747) as loss of Property, plant & equipment (leasehold improvements) due to termination of leave and license agreement for its showroom premise at Vashi, Navi Mumbai and shifting of New Delhi registered office. The portion of this amortized Property, plant & equipment was 15% approximately of the Company's total Property, plant & equipment (after amortized) as at balance sheet date. Further in previous financial year the company had terminated its lease agreement from a leased property also which indicates that the company is exiting from its lease agreements regularly and there is a down trend towards to business operations of the company.



- d) The company has written off various outstanding debit balances (Rs. 10,26,259/-) and credit balances (Rs. 1,27,33,730/-) through a single ledger of profit and loss adjustment account after management confirmation for such adjustments.
- e) The company has created a Provision of Rs. 32,00,000/- in the matters of income tax demand for Assessment Year 2014-15 and 2015-16.
6. The Statement is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and includes the results for the quarter ended March 31, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the of the current year which are subject to limited review by us.

Place: New Delhi
Date: May 25, 2018

For A Kay Mehra & Co.
Chartered Accountants
(F.R.N. 050004C)


Arun Kumar Mehra
Partner

(Membership No. 009963)

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018. [Under 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)
I.	1	Turnover / Total income	72,854,482	72,854,482
	2	Total Expenditure	104,761,223	104,761,223
	3	Net Profit/(Loss)	-31,906,741	-31,906,741
	4	Earnings Per Share	0.40	0.40
	5	Total Assets	1,568,928,208	1,568,928,208
	6	Total Liabilities	49,624,118	49,624,118
	7	Net Worth	1,519,304,090	1,519,304,090
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
Audit Qualification (each audit qualification separately):				
a. Details of Audit Qualification (Disclaimer of Opinion No. 01):				
Trade Receivables amounting to Rs. 1,35,12,86,431/-includes an overseas debtor "M/S Satwa Precious Metals & Bullion Trading (FZE)" amounting to Rs. 1,35,12,71,281/ (including foreign currency exchange gain or loss) which are outstanding for more than two years and are subject to confirmation/ reconciliation and adjustments. Since, there have been defaults in payment obligations by the overseas debtor on due dates and recoveries from this debtor are not significant, the Company has filed a recovery suit against the said party bearing No. IOP No. 7 of 2016 before the Honorable Sub Court, North Paravoor, Kerala for recovery of its entire export dues. As the matter is under judicial review the company has not created any provision for the bad and doubtful debts in the current financial year. In view of the factors stated above and in the absence of clear forward looking information regarding outcome of pending legal action initiated and time frame of realisability of this Trade Receivable, we are unable to determine the amount of expected credit loss/ impairment based on provision matrix as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact, on the financial statements.				
b. Type of Audit Qualification : Disclaimer of Opinion				
c. Frequency of qualification: Appeared first time				
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA				
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 export trade receivables as mentioned above has been accepted by the Export Debtor and there is no dispute regarding the amount due and payable by the said party as per communications received from the said export debtors. The Company had subsequently filed a recovery suit against the said party bearing No. IOP No. 7 of 2016 before the Honourable Sub Court, North Paravoor, Kerala for recovery of its entire export dues. The export debtor had raised before the Honourable Sub Court the issue of jurisdiction of the said Court to try the matter. The Honourable Sub Court vide its interim Order dated 4.10.2017 had found no merit in the said contention regarding jurisdiction and answered the same in favour of the Company. The Company is confident that the Court would give a favourable judgement in its favour.				
(ii) If management is unable to estimate the impact, reasons for the same: NA				





	(iii) Auditors' Comments on (i) or (ii) above: As per Audit Report
a.	Details of Audit Qualification (Disclaimer of Opinion No. 02): Reserve Bank of India (RBI) approval is still pending on the application as forwarded by the "AD" bank on behalf of the company regarding seeking prior approval from the RBI for the extension of the period of realization of the overdue export receivables. In view of the factors stated above and in the absence of any clear outcome from the RBI, we are unable to form an opinion due to the uncertainties and their possible cumulative effects on the financial statements.
b.	Type of Audit Qualification : Disclaimer of Opinion
c.	Frequency of qualification: Appeared first time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
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 Company has also filed an extension application for the over-due export invoices with Axis Bank (AD Banker) on 16.12.2017 as per RBI Master Circular. The same is awaiting RBI approval as per letter received from the said banker. Further as per RBI Master Circular C.18(f) "Extension of Time" the same shall be granted irrespective of the amount involved in case where the exporter has filed suits abroad. The Company has filed the suit in India bearing No. IOP No. 7 of 2016 and the same has been accepted by the Honourable Sub Court vide its interim order dated 4.10.2017 further as per Indian and UAE bilateral legal and judicial cooperation treaty dealing with the reciprocal recognition and enforcement of foreign judgements with India (Federal Decree No.83 of 2000). Hence the decree from Indian Court can be executed in U.A.E. if circumstances demand.
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on (i) or (ii) above: As per Audit Report
a.	Details of Audit Qualification (Disclaimer of Opinion No. 03): During the year there was a summon received by the company from the "Directorate of Enforcement" to provide details in respect of export proceeds pending for realization and for tendering statement in this regards. In response of the above mentioned summon, the company has submitted relevant information and documents to the concerned department in the prescribed manner, however, the outcome regarding such summon issued by the concerned department is still pending from the part of competent authority.
b.	Type of Audit Qualification : Disclaimer of Opinion
c.	Frequency of qualification: Appeared first time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
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 Company had provided all the necessary informations and record sought from it.
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on (i) or (ii) above: As per Audit Report
a.	Details of Audit Qualification (Disclaimer of Opinion No. 04):

II.

nk
CS *Ans.*

A statement from the company in Notes to the financial statements describes that "There was a complaint filed in "Economic Offence Wing (EOW)" against the company and its promoters by Commercial Bank of Dubai (Complainant) in the preceeding year . The complainant has mixed up issues and tried to bring a private arrangement between the Complainant and the promoter which had purportedly taken place sometime in April, 2013 in United Arab Emirates (U.A.E) to India and make our Company, as parties to the complaint. The Company is no way connected to the alleged transaction nor concerned with the same or has been aware of the same till the complaint was lodged. However, the Company as a law abiding citizen had provided all the necessary information as being sought from it by the investigating officer and fully co-operating and supporting the investigation in order to bring the matter for an early closure".

This enquiry by the "Economic Offence Wing", in respect of the complaint filed by the "Commercial Bank of Dubai" (Complainant) against the company and its promoters is still pending before the competent investigating authority.

b.	Type of Audit Qualification : Disclaimer of Opinion
c.	Frequency of qualification: Appeared first time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	As stated by the auditors themselves, the complainant has mixed up issues and tried to bring a private arrangement between the Complainant and the promoter which had purportedly taken place sometime in April, 2013 in United Arab Emirates (U.A.E) to India and make our Company, as parties to the complaint. The Company is no way connected to the alleged transaction nor concerned with the same or has been aware of the same till the complaint was lodged. However, the Company as a law abiding citizen had provided all the necessary information to the Investigating Officer and impressed upon him that the Company nor its directors are any way concerned or a party to the transaction which purportedly took place in Dubai between the promoters and the complainant.
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on (i) or (ii) above: As per Audit Report
a.	Details of Audit Qualification (Disclaimer of Opinion No. 05):
	The Company's operating results have been materially affected due to various factors including non-realization of Trade receivables, non-recovery of loans and advances, continuously termination of lease agreements, reliance on cash sales for meeting out expenses, overall substantial decrease in volume of business and sales, overdue expenses payable, pending income tax demands, continuous increase of litigation matters, etc. These events cause significant doubts on the ability of the company to continue as a going concern. The appropriateness of going concern assumption is dependent on the company's ability to raise adequate finance from alternative means and / or recoveries from Trade Receivables to meet its short term and long term obligations as well as to establish consistent business operations. In the absence of any convincing audit evidences regarding certainty and time frame for recovery from Trade Receivables, outcome of pending legal action initiated against debtor, pending RBI approval for export realization extension, legal matters initiated against company and in view of multiple uncertainties as stated above we are unable to determine the possible effect on the financial result. We are also unable to conclude on ability of the company to carry on as a going concern.
b.	Type of Audit Qualification : Disclaimer of Opinion
c.	Frequency of qualification: Appeared first time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:

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	(iii) Auditors' Comments on (i) or (ii) above: As per Audit Report
a.	Details of Audit Qualification (Disclaimer of Opinion No. 02): Reserve Bank of India (RBI) approval is still pending on the application as forwarded by the "AD" bank on behalf of the company regarding seeking prior approval from the RBI for the extension of the period of realization of the overdue export receivables. In view of the factors stated above and in the absence of any clear outcome from the RBI, we are unable to form an opinion due to the uncertainties and their possible cumulative effects on the financial statements.
b.	Type of Audit Qualification : Disclaimer of Opinion
c.	Frequency of qualification: Appeared first time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
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 Company has also filed an extension application for the over-due export invoices with Axis Bank (AD Banker) on 16.12.2017 as per RBI Master Circular. The same is awaiting RBI approval as per letter received from the said banker. Further as per RBI Master Circular C.18(f) "Extension of Time" the same shall be granted irrespective of the amount involved in case where the exporter has filed suits abroad. The Company has filed the suit in India bearing No. IOP No. 7 of 2016 and the same has been accepted by the Honourable Sub Court vide its interim order dated 4.10.2017 further as per Indian and UAE bilateral legal and judicial cooperation treaty dealing with the reciprocal recognition and enforcement of foreign judgements with India (Federal Decree No.83 of 2000). Hence the decree from Indian Court can be executed in U.A.E. if circumstances demand.
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on (i) or (ii) above: As per Audit Report
a.	Details of Audit Qualification (Disclaimer of Opinion No. 03): During the year there was a summon received by the company from the "Directorate of Enforcement" to provide details in respect of export proceeds pending for realization and for tendering statement in this regards. In response of the above mentioned summon, the company has submitted relevant information and documents to the concerned department in the prescribed manner, however, the outcome regarding such summon issued by the concerned department is still pending from the part of competent authority.
b.	Type of Audit Qualification : Disclaimer of Opinion
c.	Frequency of qualification: Appeared first time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
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 Company had provided all the necessary informations and record sought from it.
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on (i) or (ii) above: As per Audit Report
a.	Details of Audit Qualification (Disclaimer of Opinion No. 04):

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		(i) Management's estimation on the impact of audit qualification:
		The Board of the Company has been taking all necessary steps to turn around the operations of the Company including cost rationalization, aggressively follow upon recovery, streamlining operations etc. and the Board is confident that the company will show improvement.
		(ii) If management is unable to estimate the impact, reasons for the same: NA
		(iii) Auditors' Comments on (i) or (ii) above: As per Audit Report
III.	<u>Signatories:</u>	
	• Whole Time Director	<i>M. Muthu.</i>
	• CFO	<i>Arundhati Gupta</i>
	• Audit Committee Chairman	<i>M. Arundhati</i>
	• Statutory Auditor	<i>A. Kay Mehra</i>
	Place: Bangalore	
Date: 25.05.2018		

