

**58th ANNUAL REPORT
FOR THE YEAR 2019-20**

COMPANY INFORMATION

| | |
|-------------------------|--|
| BOARD OF DIRECTORS | SHRI. SANTOSH KUMAR, IAS DR. MARY N. KERKETTA, IAS DR. HARSHADEEP KAMBLE, IAS SHRI. A. J. SUBHEDAR, IAS |
| MANAGING DIRECTOR | SHRI. SANTOSH KUMAR, IAS |
| CHIEF FINANCIAL OFFICER | SHRI. SUDHAKAR SIDHEWAD (Additional Charge) |
| COMPANY SECRETARY | SHRI. KUSH KESHRI |
| BANKERS | STATE BANK OF INDIA |
| STATUTORY AUDITORS | AMBAVAT JAIN & ASSOCIATES LLP CHARTERED ACCOUNTANT, MUMBAI |
| REGISTERED OFFICE | KRUPANIDHI, 9, WALCHAND HIRACHAND MARG, BALLARD ESTATE, MUMBAI - 400 001. |

Director's Report

To,
The Members,
Maharashtra Small Scale Industries Development Corporation Limited,
Mumbai.

On behalf of the Board of Directors, We have great pleasure in presenting the 58th Annual report on the working of the MSSIDC Limited, together with the Audited Accounts for the year ended on 31st March, 2020.

1. CONSOLIDATED FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY :

The financial results for the year ended 31st March, 2020, and the corresponding figures for the last year are as under: -

(Amount in Lac.)

| Particulars | 2019-20 | 2018-19 |
|---|----------|----------|
| Profit / Loss Before Interest, Depreciation & Tax | (130.45) | (1.95) |
| Less: Finance Cost | 1.10 | 11.40 |
| Less: Depreciation & Amortization Expenses | 27.89 | 37.42 |
| Profit before Tax | (159.44) | (50.77) |
| Provision for Tax | - | - |
| Prior Period Income | 4.16 | 18.04 |
| Profit / Loss Before Tax | (155.28) | (32.72) |
| Current Tax | (29.25) | - |
| Deferred Tax (Assets /Liability) | 17.20 | (3.17) |
| Tax Adjustment earlier year | - | (322.10) |
| Profit after Tax | (167.32) | (357.99) |
| Less: Proposed Dividend & Tax thereon | - | - |
| Balance carried to Balance Sheet | (167.32) | (357.99) |

2. RESERVE & SURPLUS:

The total loss of Rs.1,67,32,641.00 for the financial year ended on 31st March, 2020, is to be adjusted from the General Reserve.

3. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR, STATE OF COMPANY'S AFFAIR, ITS OPERATIONS AND FUTURE PROSPECTS:

Your Directors informs you that the company has occurred a loss of Rs. 1.67 Cr in the F.Y. 2019-20 as compared to loss of Rs.3.58 Cr in F.Y. 2018-19.

4. DIVIDEND:

In order to conserve the resources of the Company, the Directors do not recommend any dividend for the Financial Year 2019-20.

5. MEETINGS:

Four meeting of the Board of Directors were held during the financial year.

| Sr. | Date | Serial No |
|-----|------------|---------------------------------|
| 1. | 27.06.2019 | 356 th Board Meeting |
| 2. | 23.07.2019 | 357 th Board Meeting |
| 3. | 03.12.2019 | 358 th Board Meeting |
| 4. | 20.03.2020 | 359 th Board Meeting |

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

► The details of the Directors in the financial year 2019-20 to till date are as follows:

| Sr. | Name of Directors | Designation | Date of Appointment | Date of Cession |
|-----|--------------------------------------|-------------------|---------------------|-----------------|
| 1. | Shri A.B. Misal, IAS | Nominee Director | 29.10.2016 | 10.05.2019 |
| 2. | Shri Harshadeep Kamble, IAS | Nominee Director | 08.06.2017 | continuing |
| 3. | Shri Santosh Kumar, IAS | Managing Director | 04.05.2018 | 30.09.2019 |
| 4. | Dr. Mary Neelima Kerketta, IAS | Nominee Director | 04.05.2018 | 02.07.2021 |
| 5. | Shri Venugopal Reddy Bollavaram, IAS | Managing Director | 30.09.2019 | 17.01.2020 |
| 6. | Shri Avinash J Subhedar, IAS | Nominee Director | 10.05.2019 | 31.05.2021 |
| 7. | Smt Jayashree Bhoj, IAS | Managing Director | 11.05.2020 | 21.10.2020 |
| 8. | Shri Pravin Darade, IAS | Managing Director | 21.10.2020 | Continuing |
| 9. | Mrs. Anshu Sinha, IAS | Nominee Director | 02.07.2021 | Continuing |
| 10. | Shri Abhishek Krishna, IAS | Nominee Director | 29.09.2021 | 22.10.2021 |
| 11. | Shri Ajit Patil, IAS | Nominee Director | 22.10.2021 | Continuing |

► The details of the Key Managerial Personnel from 2019 – 20 to till date are as follows:

| Sr. | Name of Key Managerial Personnel | Designation | Date of Appointment | Resignation |
|-----|----------------------------------|-------------|---------------------|-------------|
| 1 | Shri Sudhakar Siddewad | CFO | 14.06.2018 | 1.06.2020 |
| 2 | Smt Sandhya Pawar | CFO | 01.06.2020 | Continuing |
| 3 | Shri Kush Keshri | CS | 19.08.2014 | Continuing |

7. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES :

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company, since it is a State Government undertaking incorporated under Companies Act, and the Directors are appointed by the Government. Hence, the Company has not devised any policy relating to appointment of Directors, payment of Director's remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link <https://mssidc.maharashtra.gov.in/wp-content/uploads/2014/03/CSR-Policy-Revised.pdf>

No CSR activity was undertaken in this financial year. The balance fund is under calculation. The same CSR fund will be utilised shortly or will be transferred to the Prime Minister Relief Fund.

9. INTERNAL CONTROL SYSTEM:

The Company's internal control system comprises of audit and compliance by a team of efficient and effective Internal Auditors. The internal auditors independently evaluate the adequacy of internal control and concurrently audit the transactions. Moreover, we are further taking steps to strength the internal control system.

10. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

11. CHANGES IN SHARES CAPITAL:

During the year under review, there has been no change in Authorized Share Capital of the Corporation.

12. STATUTORY AUDITORS:

M/s. Ambavat Jain & Associate, LLP, Chartered Accountants, Mumbai were appointed as Statutory Auditors for the Financial Year by C&AG.

13. REPLY TO QUALIFICATIONS AND ADVERSE COMMENTS OF AUDITORS' REPORT:

Attached in Annexure – 1.

14. REVIEW BY THE COMPTROLLER AND AUDITOR GENERAL

Comment on the working result of the Corporation by the Comptroller and Auditor General of India form's a part of this Annual Report as and when received.

15. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT 9 as a part of this Annual Report as **ANNEXURE 'II'**.

- 16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**
No loans, investment or guarantee or security has been provided by the Company under the provisions of Section 186 of the Companies Act, 2013.
- 17. DEPOSIT:**
The Company has neither accepted nor renewed any deposits during the year under review.
- 18. PARTICULARS OF EMPLOYEE:**
There are no employees in receipt of remuneration exceeding the limits specified under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.
- 19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**
No agreement was entered with related parties by the Company during the current year. No related party transactions were entered by the Company in ordinary course of business.
- 20. Subsidiaries, Joint Venture and Associate Companies.**
Krupanidhi Limited is a subsidiary company of MSSIDC. MSSIDC holds 62% of its shares. MSSIDC do not have any Joint venture or an Associate company.
- 21. Fraud Reporting :**
During the year under review, neither the management nor the auditors have observed and reported any frauds.
- 22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**
The company has a sexual harassment committee for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressed) Act, 2013. The Company did not receive any complain during the year 2019-20.
- 23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREGIN EXCHANGE EARNING AND OUTGO**
NIL
- 24. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :**
Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

25. DIRECTORS'S RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement referred to in clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 shall state that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:
The director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- b. the director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- c. the directors had prepared the annual accounts on a going concern basis; and
- d. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

26. ACKNOWLEDGEMENTS:

The Directors gratefully acknowledge the valuable guidance and support extended by the State Government, Company's Bankers, Suppliers, and Dealers for their assistance, cooperation and encouragement they extend to the Corporation.

The Directors also acknowledge the contribution made by the dealers, suppliers, retailers/ distributors of the corporations towards improving the service as well as for the overall performance of the Corporation.

Your directors also thank all Government Agencies and Employees of the Corporation for their support during the year and look forward to their continued support in the future

For and on behalf of the Board of Directors of

Managing Director
DIN: 02642157

Director
DIN: 07183938

Place: Mumbai
Date : 30/03/2022

**EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31/03/2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---|--|
| i. | CIN | U74999MH1962SGC012501 |
| ii. | Registration Date | 19/10/1962 |
| iii. | Name of the Company | Maharashtra Small Scale Industries Development Corporation Limited |
| iv. | Category/Sub-Category of the Company | LIMITED BY SHARES / GOVERNMENT COMPANY |
| v. | Address of the Registered office and contact details | Krupanidhi, 9, W.H Marg, Ballard Estate, Mumbai-400001. |
| vi. | Whether listed company | No |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | N.A |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

| Sr. No. | Name and Description of main products /services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1 | Retail Trading | G | 100 |

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of share held | Applicable section |
|---------|---------------------------------|------------------------|--------------------------------|-----------------|--------------------|
| 1 | Krupanidhi Limited | U70101MH1964 SGC013078 | Subsidiary | 62% | 2(87) |

III. SHARE HOLDING PATTERN (Equity & Preference Share Capital Breakup as percentage of Total Equity) :

i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|------------|------------|------------------|---|------------|------------|-------------------|---------------------------------------|
| | Demat | Physical | Total | %of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/HUF | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 0.0001 Five nominees were changed. |
| b) Central Govt | Nil | 10,000 | 10,000 | 0.689 | Nil | 10,000 | 10,000 | 0.689 | |
| c) State Govt(s) | Nil | 14,40,093 | 14,40,093 | 99.310 | Nil | 14,40,093 | 14,40,093 | 99.999 | |
| d) Bodies Corp | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| e) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| f) Any Other (Nominees of govt. of Maharashtra) | Nil | 6 | 6 | 0.001 | Nil | 6 | 6 | 0.0001 | |
| Sub-total (A) (1) :- | Nil | 14,50,099 | 14,50,099 | 100 | Nil | 14,50,099 | 14,50,099 | 100 | |
| 2) Foreign | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| h) NRIs-Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| i) Other-Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| j) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| k) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| l) Any Other.... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| Sub-total (A) (2):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| B. Public Shareholding | | | | | | | | | |

| | | | | | | | | | |
|---|------------|------------------|------------------|------------|------------|------------------|------------------|------------|------------------|
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| b) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| c) Central Govt | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| d) State Govt(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| e) Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| f) Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| g) FIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| h) Foreign Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| i) Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| Sub-total (B)(1) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp. (i) Indian (ii) Overseas | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| c) Others (Specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| Sub-total (B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| Grand Total (A+B+C) | Nil | 14,50,099 | 14,50,099 | 100 | Nil | 14,50,099 | 14,50,099 | 100 | NO Change |

NO
Change

ii. Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1. | The Governor of Maharashtra. Represented by Shri Dr. Namdev Bhosle | 14,40,093 | 99.30 | 0 | 14,40,093 | 99.30 | 0 | 0 |
| 2. | The State Trading Corporation of India | 10,000 | 0.68 | 0 | 10,000 | 0.68 | 0 | 0 |
| 3. | Mrs. Shraddha Kochrekar | 01 | 0.0000006 | 0 | 01 | 0.0000006 | 0 | 0 |
| 4. | Shri Shrikant Salunkhe | 01 | 0.0000006 | 0 | 01 | 0.0000006 | 0 | 0 |
| 5. | Smt. Kavita Pawar | 01 | 0.0000006 | 0 | 01 | 0.0000006 | 0 | 0 |
| 6. | Shri Abhinandan More | 01 | 0.0000006 | 0 | 01 | 0.0000006 | 0 | 0 |
| 7. | Shri Vinod Mendhe | 01 | 0.0000006 | 0 | 01 | 0.0000006 | 0 | 0 |
| 8. | Shri Nandu R Mistry | 01 | 0.0000006 | 0 | 01 | 0.0000006 | 0 | 0 |
| Total | | 14,50,099 | 100 | 0 | 14,50,099 | 100 | 0 | 0 |

*Shareholders from Sr. No. 3 to 8 are the nominees of the Government of Maharashtra and are Government employees working in Industries, Energy & Labour Department of the Government of Maharashtra, Mantralaya, Mumbai-400032

iii. Change in Promoters' Shareholding (please specify, if there is no change)

There are No changes in the Promoters Shareholding during the financial year 2015-16

IV. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

| | Secured Loans Excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |

| | | | | |
|--|-----|-----|-----|-----|
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| - Addition | Nil | Nil | Nil | Nil |
| - Reduction | Nil | Nil | Nil | Nil |
| Net Change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| | Particulars of Remuneration | Name of MD | | | Total Amount |
|----|---|-------------------------|-----------------------------|-------------------------|--------------|
| | | Shri Santosh Kumar, IAS | Shri Venugopal Reddy B, IAS | Mrs. Mary Kerketta, IAS | |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 14,19,463 | 8,33,168 | 0 | 26,08,407 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Nil | Nil | Nil | Nil |
| 2. | Stock Option | Nil | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil | Nil |
| 4. | Commission - as % of profit - others, specify... | Nil | Nil | Nil | Nil |
| 5. | Others, please specify | Nil | Nil | Nil | Nil |
| 6. | Total (A) | 14,19,463 | 8,33,168 | 0 | 22,52,631 |
| | Ceiling as per the Act | | | | |

B. REMUNERATION TO OTHER DIRECTORS :

| SR. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---------|--|-------------------------|------------|------------|------------|--------------|
| | <u>Independent Directors</u> | | | | | |
| | • Fee for attending board committee meetings | Nil | Nil | Nil | Nil | Nil |
| | • Commission | Nil | Nil | Nil | Nil | Nil |
| | • Others, please specify | Nil | Nil | Nil | Nil | Nil |
| | Total (1) | Nil | Nil | Nil | Nil | Nil |
| | <u>Other Non-Executive Directors</u> | | | | | |
| | • Fee for attending board committee meetings | Nil | Nil | Nil | Nil | Nil |
| | • Commission | Nil | Nil | Nil | Nil | Nil |
| | • Others, please specify | Nil | Nil | Nil | Nil | Nil |
| | Total (2) | Nil | Nil | Nil | Nil | Nil |
| | Total (B)=(1+2) | Nil | Nil | Nil | Nil | Nil |
| | Total Managerial Remuneration | Nil | Nil | Nil | Nil | Nil |
| | Overall Ceiling as per the Act | | | | | |

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD :

| SR. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---------|---|--------------------------|---|---|----------|
| | | CEO | CFO Shri Sudhakar Sidehwad (01.04.2019 to 31.03.2020) | Company Secretary Shri Kush Keshri (01.04.2019 to 31.03.2020) | |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | 0 | 7,24,329 | 7,24,329 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | N.A. | N.A. | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | N.A. | N.A. | |
| 2. | Stock Option | | N.A. | N.A. | N.A. |
| 3. | Sweat Equity | | N.A. | N.A. | N.A. |
| 4. | Commission - as % of profit | | N.A. | N.A. | N.A. |
| | - others, specify... | | N.A. | N.A. | |
| 5. | Others, please specify | | N.A. | N.A. | |
| 6. | Total | | 0 | 7,24,329 | 7,24,329 |

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD /NCLT/Court] | Appeal made. If any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| B. Directors | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| C. Other Officers In Default | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |

Details for change in the name of the nominees:

| | | | | | | | | | | |
|---------|------------|-------|-----------------------|----|--------|---|--------|-------|-------|------------------------|
| 13/2019 | 23.09.2019 | EF-18 | Shri Sanjay Ingley | 17 | Equity | 1 | 88628 | 100/- | EF-23 | Shri Shrikant Salunkhe |
| 14/2019 | 23.09.2019 | EF-14 | Shri Nandu Mistry | 67 | Equity | 1 | 817919 | 100/- | EF-22 | Shri Vinod Mendhe |
| 15/2019 | 23.09.2019 | EF-19 | Shri Rajiv Ambikar | 18 | Equity | 1 | 88629 | 100/- | EF-21 | Mrs Kavita Pawar |
| 16/2019 | 23.09.2019 | EF-20 | Shri Anil Kumar Ugley | 3 | Equity | 1 | 10000 | 100/- | EF-14 | Shri Nandu Mistry |

For and on behalf of the Board of Directors of

Managing Director
DIN - 02642157

Director
DIN - 07183938

Place : Mumbai.
Date : 30.03.2022

INDEPENDENT AUDITORS' REPORT
**TO THE MEMBERS OF MAHARASHTRA SMALL SCALE INDUSTRIES
DEVELOPMENT CORPORATION LIMITED**

Report on the Audit of the consolidated Financial Statements
Adverse Opinion

We have audited the consolidated financial statements of MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED (“The Corporation”) which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, statement of Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, and due to the significance of the matter(s) described stated in the Basis for Adverse Opinion paragraph, the consolidated financial statements do not give the information required by the Companies Act, 2013 in the manner so required and also do not give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Corporation as at 31st March, 2020, and its Loss and its cash flows for the year ended on that date.

Basis for Adverse Opinion

We draw attention to the matters described in **paragraphs 1 to 8 below**. The effect of these matters (whether quantified or otherwise) on the Standalone Financials Statements, individually or in aggregate, that are unidentified in some cases due to inability to obtain sufficient and appropriate audit evidence, are material.

1. Unreconciled Balances and Classification & Presentation thereof:

(a) There are various general ledgers outstanding from longer period/unreconciled, various general ledgers are being used interchangeably, resulting in incorrect resultant balances. In the absence of reconciliation, we are unable to comment upon accuracy of these balances.

The effect of the adjustments, if any, arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/loss that may arise on account of non-recovery or partial recovery or write back thereof has not been ascertained.

(b) Further in the absence of necessary data/details, we are unable to comment whether classification of assets and liabilities and their bifurcation in to Current and Non-Current are in accordance with the requirement of Accounting Standard.

(c) Attention is drawn to Note 6 to the Standalone Financial Statements, relating to sum of Rs 33.23 crores (PY 39.85 crore) shown as ‘Due to others’ which are included under Trade payables – Current. Party-wise details and balance confirmation certificate of said amount have not been provided to us for verification. As a result, we are unable to comment on the existence of the liability and consequential impact, if any, on the Standalone Financial Statements of the Corporation for the year under audit.

2. **External Balance Confirmations/Reconciliations:**
Attention is drawn to Note 7 and 17 to the Standalone Financial Statements, Balances of loans and advances, various other debit/credit balances and dues from government are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations is not followed by the Corporation. Communication details were not available for us to get external confirmation as per SA 505 for the balances standing in the books. In the absence of proper records / communication details, we are unable to comment on the accuracy of the balances standing in the books.
3. Various accounts under the head Godown and office rent receivable are not reconciled. Thus, we are unable to comment on the accuracy of Godown rent received & receivable and rent paid & payable accounted for in the books of accounts.
4. The Corporation has not fully complied with certain Accounting Standards issued by ICAI as detailed below:
 - (a) Corporation is accounting purchases and sales only after receiving invoices from the suppliers and not when the seller has transferred the goods to the buyer for a consideration and risk and rewards are transferred. This practice of revenue recognition is not in compliance with "Accounting Standards 9 – Revenue Recognition". This gives false and unfair view of the purchases and sales of the Corporation for the year. Rebate income is being booked at the time of accounting of sales. Since booking of sales is not in compliance with AS 9, rebate income should have been adjusted to comply with AS 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies. The same has not been done and the Statement of Profit & Loss gives false and unfair view of Loss for the year. The Corporation has not fully complied with AS 9 and AS 5 and the effect of the same cannot be quantified.
 - (b) Corporation has written off debtors and written back creditors without routing through profit & loss account. The amount is substantial (Rs. 3.13 Crores). Resulting in deviation from generally accepted accounting principle (GAAP). The Statement of Profit & Loss gives false and unfair view of Loss for the year. The Corporation has not fully complied with the generally accepted accounting principle. In the absence of adequate explanation, we are not able to comment on consequential impact of tax liability arising on account of write back.
5. **Other Items**
 - (a) Attention is drawn to Note 6 to the consolidated Financial Statements regarding non identification of creditors as to their status under Micro, Small and Medium Scale Enterprises (MSME) Act and provision for interest payable to such parties for dues in excess of 180 days at the three times the rate notified by the RBI. The liability on this account, if any, has not been quantified by the Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the profit for the year under audit. Due to non-identification of MSME parties, the disclosures, as required by the relevant Statute have not been made by the Corporation.
 - (b) On the basis of checks carried out by us during the course of our audit certain system/control issues relating to accounting decentralized resulting in accounting error were observed such as negative inventory, short rebate accounted, back

dated entries posted in accounting software (Tally ERP).

6. No provision for interest payable on the following unsecured loans is made in the books from the year 2007-2008

| Name of the Account | Amount Outstanding (Rs.) |
|--|--------------------------|
| Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P. | 0.13 Crore |
| Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%) | 0.64 Crore |

7. Internal control system of the Corporation is weak and does not commensurate with the size and volume of business of the Corporation. The system is also susceptible to fraud, manipulation and misappropriation at various levels. Further there is no standard operating procedures of the functioning of the Corporation.
8. Provision
As certified by the Management, the Corporation has unsecured trade receivables of Rs. 31.02 Crore and debit balance in trade payables of Rs. 31.02 Crore which are pending for adjustment for more than three years. The Corporation has made Provision of only Rs. 3.19 Crore -against these receivable and debit balances. Hence, there is short provision of Rs. 27.82 Crore. (Refer Note No. 15 of notes to accounts).

Other Matter

1. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 2,26,41,804.90/- as at 31st March, 2020, total revenue and expense of Rs. 1,66,51,345.708 and Rs. 51,64,446.708 respectively for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.
2. We would draw your attention to Notes No. 4, 5, 6, 7, 8, 12, 13, 15, 17, 18 and 19 of Notes to Accounts.
3. The Corporation has properties at Thane which are occupied by tenants but due to legal dispute and in absence of valid rental agreement, rental income cannot be ascertained. Hence, not recognized in books of account.
4. In the absence of details of status of pending Sales Tax, Service Tax, Income Tax, TDS, Professional Tax and WCT (Work Contract Tax) assessments and other legal cases, the contingent liability, if any, in respect thereto cannot be ascertained as cases of various years are under process with the concerned Appellate Authorities and the quantum of the same cannot be ascertained.

Our report is not qualified for these other matters.

Other Information

The Holding Company's Board of Directors is responsible for other information. The other information comprises the Board of Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statement does not cover the other information and we do not cover the information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Corporation has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, in our opinion proper books of account as required by law have been

kept by the Holding Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

- (c) Except for the matter described in the Basis for Adverse Opinion paragraph above, The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Except for the matter described in the Basis for Adverse Opinion paragraph above, the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
- (e) The matter described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Corporation.
- (f) As per Notification issued by MCA on 05.06.2015 none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (h) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Group has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 34 to the financial statements;
 - (ii) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has not been any occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Ambavat Jain & Associates
Chartered Accountants
(Firm Registration No. 109681W)

(Kamal Sharma)
Partner
Membership No. 112843
UDIN: 22112843AHHFOX2492

Place : Mumbai

Date: March 30, 2022

Annexure - A to the Auditors Report

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

We have audited the internal financial controls over financial reporting of Maharashtra Small Scale Industries Development Corporation Limited ("the Corporation") as of 31st March 2020 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Corporation's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally

accepted accounting principles. A Corporation 's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

According to the information and explanation given to us, the Corporation has not established its internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Corporation had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2020.

For Ambavat Jain & Associates
Chartered Accountants
(Firm Registration No. 109681W)

(Kamal Sharma)
Partner
Membership No. 112843
UDIN: 22112843AHHFOX2492

Place : Mumbai

Date : March 30, 2022

REPLY TO AUDITORS REPORT FY 2019-20 (CONSOLIDATED)

| Comment of Auditor | Comment of Management |
|---|--|
| Basis for Adverse Opinion | |
| <p>1. (a) There are various general ledgers outstanding from longer period/unreconciled, various general ledgers are being used interchangeably, resulting in incorrect resultant balances. In the absence of reconciliation, we are unable to comment upon accuracy of these balances. The effect of the adjustments, if any, arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/loss that may arise on account of nonrecovery or partial recovery or write back thereof has not been ascertained.</p> <p>(b) Further in the absence of necessary data/details, we are unable to comment whether classification of assets and liabilities and their bifurcation in to Current and Non-Current are in accordance with the requirement of Accounting Standard.</p> <p>(c) Attention is drawn to Note 6 to the Standalone Financial Statements, relating to sum of Rs 33.23 crores (PY 39.85 crore) shown as 'Due to others' which are included under Trade payables - Current. Party-wise details and balance confirmation certificate of said amount have not been provided to us for verification. As a result, we are unable to comment on the existence of the liability and consequential impact, if any, on the Standalone Financial Statements of the Corporation for the year under audit.</p> | <p>Various general ledgers balances are subject to scrutiny, reconciliation and consequential adjustment.</p> <p>Noted and necessary action imitated .</p> <p>Point Noted. The Trade payables Rs.33.23 Cr. (PY 39.85 Cr.) are subject to scrutiny, reconciliation and consequential adjustments.</p> |

REPLY TO AUDITORS REPORT FY 2019-20 (CONSOLIDATED)

| | | |
|----|--|--|
| 2. | <p>External Balance Confirmations/Reconciliations:</p> <p>Attention is drawn to Note 7 and 17 to the Standalone Financial Statements, Balances of loans and advances, various other debit/credit balances and dues from government are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations is not followed by the Corporation. Communication details were not available for us to get external confirmation as per SA 505 for the balances standing in the books. In the absence of proper records/communication details, we are unable to comment on the accuracy of the balances standing in the books.</p> | <p>These accounts are subject to scrutiny, reconciliation and consequential adjustments. Hence balance confirmation certificate is not obtained.</p> |
| 3. | <p>Various accounts under the head Godown and office rent receivable are not reconciled. Thus, we are unable to comment on the accuracy of Godown rent received & receivable and rent paid & payable accounted for in the books of accounts.</p> | <p>Based on records, we have booked all Godown rent. Further, we are following for the recovery of the same.</p> |
| 4. | <p>The Corporation has not fully complied with certain Accounting Standards issued by ICAI as detailed below:</p> <p>(a) Corporation is accounting purchases and sales only after receiving invoices from the suppliers and not when the seller has transferred the goods to the buyer for a consideration and risk and rewards are transferred. This practice of revenue recognition is not in compliance with "Accounting Standards 9 Revenue Recognition". This gives false and unfair view of the purchases and sales of the Corporation for the year. Rebate income is being booked at the time of accounting of sales. Since booking of sales is in compliance with AS 9, rebate income should have been adjusted to comply with AS 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies. The same has not been done and the Statement of Profit & Loss gives false and unfair view of Loss for the year. The Corporation has not fully complied with AS 9 and AS 5 and the effect of the same cannot be quantified.</p> | <p>Our Marketing turnover with Government Department sale invoices are raised to Govt. Dept. In the month of Jan, Feb, March every year however, their delivery effected in subsequent year (Delivery challan date is in subsequent year). Further Government Department follows the cash basis system of accounting whereas the Corporation follows Mercantile system of accounting. Considering above mention two different system, this issue is arise. Due to this practical difficulty with respect to accounting standard, we are not able to follow</p> |

REPLY TO AUDITORS REPORT FY 2019-20 (CONSOLIDATED)

| | | | | | | |
|---|--|--|-------------|---|-------------|--|
| | <p>(b) Corporation has written off debtors and written back creditors without routing through profit & loss account. The amount is very substantial (Rs. 3.13 Crores). Resulting in deviation from generally accepted accounting principle (GAAP). The Statement of Profit & Loss gives false and unfair view of Loss for the year. The Corporation has not fully complied with the generally accepted accounting principle. In the absence of adequate explanation, we are not able to comment on consequential impact of tax liability arising on account of write back.</p> | <p>Noted and necessary action initiated .</p> | | | | |
| <p>5.</p> | <p>(a) Attention is drawn to Note 6 to the Standalone Financial Statements regarding non identification of creditors as to their status under Micro, Small and Medium Scale Enterprises (MSME) Act and provision for interest payable to such parties for dues in excess of 180 days at the three times the rate notified by the RBI. The liability on this account, if any, has not been quantified by the Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the profit for the year under audit. Due to non-identification of MSMED parties, the disclosures, as required by the relevant statute have not been made by the corporation.</p> | <p>The cases of interest on delayed payments payable to SSI unit is not found.</p> | | | | |
| <p>5.</p> | <p>(b) On the basis of checks carried out by us during the course of our audit certain system/control issues relating to accounting decentralised resulting in accounting error were observed such as negative inventory, short rebate accounted, back dated entries posted in accounting software (Tally ERP).</p> | <p>Noted and necessary action initiated.</p> | | | | |
| <p>6.</p> | <p>No provision for interest payable on the following unsecured loans is made in the books from the year 2007-08.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P</td> <td style="width: 50%; text-align: right;">Rs.0.13 Cr.</td> </tr> <tr> <td>Ind. & Lab. Dept. Mah. Govt-Seed Capital (3.5%)</td> <td style="text-align: right;">Rs.0.64 Cr.</td> </tr> </table> | Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P | Rs.0.13 Cr. | Ind. & Lab. Dept. Mah. Govt-Seed Capital (3.5%) | Rs.0.64 Cr. | <p>The Govt, of Maharashtra has given assistance to beneficiaries through MSSIDC. Accordingly MSSIDC disbursed loan to beneficiaries in the Year 1980-82. The principle amount lying in books of account, since transaction are very old one and Govt, has also not demanded the same for repayment. Further, Corporation has provided interest up to 2007-08. This interest amount is also not payable to Govt, therefore, provision is not made.</p> |
| Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P | Rs.0.13 Cr. | | | | | |
| Ind. & Lab. Dept. Mah. Govt-Seed Capital (3.5%) | Rs.0.64 Cr. | | | | | |

REPLY TO AUDITORS REPORT FY 2019-20 (CONSOLIDATED)

7. Internal control system of the corporation is very weak and does not commensurate with the size and volume of business of the corporation. The system is also susceptible to fraud, manipulation and missappropriation at various levels. Further, there is no standard operating procedures of the functioning of the corporation.

8. Provision
 (a) As certified by the Management, the Corporation has unsecured trade receivables of Rs. 31.02 Crore and debit balance in trade payables of Rs. 31.02 Crore which are pending for adjustment for more than three years. The Corporation has made Provision of only Rs. 3.19 Crore -against these receivable and debit balances. Hence, there is a short provision of Rs. 27.82 Crore. (Refere Note No. 15 of notes to accounts).

We will streamline the internal control. We have prepared accounts and internal audit manuals which were already forwarded to respective places for the same for taking proper step or action for internal control.

The total trade receivable is Rs. 31.02 Cr. Out of that, provision is made in books of accounts is Rs. 2,64,85,000.00. More than 3 years Trade receivables is Rs. 28,37 Cr. The breakup of this outstanding (>3 years) activity wise is as under

| Activity | Amount |
|--------------------------|-----------------|
| Marketing | 7,72,50,516.00 |
| Coal | 2,32,01,607.00 |
| Raw Materials and others | 20,97,47,877.62 |

In raw material transaction, the legal case amount involved is Rs. 19,20,42,859/-. The net out balance of Sunrry Debtors of Rs. 4,56,94,075/- shown in Liability Group i.e. Long Term Borrowings.

In marketing transactions we have undertaken scrutiny of marketing and after scrutiny the effect of accounting was given in FY 2015-16 to 2017-18. The remaining marketing debtors are still outstanding and due to non availability of old records, further scrutiny has not undertaken. For Marketing Debtors/Sundry Creditors Debit balances for more than 3 years need to be reconciled within the period 3 months and the directive will be seen to concerned divisions. We have not made any provision in books of accounts since the debtors and creditors amount is in huge and the impact in profit and loss account will be more.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED

Report on the Audit of the Standalone Financial Statements

Adverse Opinion

We have audited the standalone financial statements of MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED (“The Corporation”) which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, statement of Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, and due to the significance of the matter(s) described stated in the Basis for Adverse Opinion paragraph, the standalone financial statements do not give the information required by the Companies Act, 2013 in the manner so required and also do not give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Corporation as at 31st March, 2020, and its Loss and its cash flows for the year ended on that date.

Basis for Adverse Opinion

We draw attention to the matters described in paragraphs 1 to 8 below. The effect of these matters (whether quantified or otherwise) on the Standalone Financials Statements, individually or in aggregate, that are unidentified in some cases due to inability to obtain sufficient and appropriate audit evidence, are material.

1. Unreconciled Balances and Classification & Presentation thereof:

- (a) There are various general ledgers outstanding from longer period/unreconciled, various general ledgers are being used interchangeably, resulting in incorrect resultant balances. In the absence of reconciliation, we are unable to comment upon accuracy of these balances.

The effect of the adjustments, if any, arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/loss that may arise on account of non-recovery or partial recovery or write back thereof has not been ascertained.

- (b) Further in the absence of necessary data/details, we are unable to comment whether classification of assets and liabilities and their bifurcation in to Current and Non-Current are in accordance with the requirement of Accounting Standard.

- (c) Attention is drawn to Note 6 to the Standalone Financial Statements, relating to sum of Rs 33.23 crores (PY 39.85 crore) shown as 'Due to others' which are included under Trade payables – Current. Party-wise details and balance confirmation certificate of said amount have not been provided to us for verification. As a result, we are unable to comment on the existence of the liability and consequential impact, if any, on the Standalone Financial Statements of the Corporation for the year under audit.

2. External Balance Confirmations/Reconciliations:

Attention is drawn to Note 7 and 17 to the Standalone Financial Statements, Balances of loans and advances, various other debit/credit balances and dues from government are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations is not followed by the Corporation. Communication details were not available for us to get external confirmation as per SA 505 for the balances standing in the books. In the absence of proper records/communication details, we are unable to comment on the accuracy of the balances standing in the books.

3. Various accounts under the head Godown and office rent receivable are not reconciled. Thus, we are unable to comment on the accuracy of Godown rent received & receivable and rent paid & payable accounted for in the books of accounts.
4. The Corporation has not fully complied with certain Accounting Standards issued by ICAI as detailed below:
- (a) Corporation is accounting purchases and sales only after receiving invoices from the suppliers and not when the seller has transferred the goods to the buyer for a consideration and risk and rewards are transferred. This practice of revenue recognition is not in compliance with "Accounting Standards 9 – Revenue Recognition". This gives false and unfair view of the purchases and sales of the Corporation for the year. Rebate income is being booked at the time of accounting of sales. Since booking of sales is not in compliance with AS 9, rebate income should have been adjusted to comply with AS 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies. The same has not been done and the Statement of Profit & Loss gives false and unfair view of Loss for the year. The Corporation has not fully complied with AS 9 and AS 5 and the effect of the same cannot be quantified.
- (b) Corporation has written off debtors and written back creditors without routing through profit & loss account. The amount is substantial (Rs. 3.13 Crores). Resulting in deviation from generally accepted accounting principle (GAAP). The Statement of Profit & Loss gives false and unfair view of Loss for the year. The Corporation has not fully complied with the generally accepted accounting principle. In the absence of adequate explanation, we are not able to comment on consequential impact of tax liability arising on account of write back.

5. Other Items

- (a) Attention is drawn to Note 6 to the Standalone Financial Statements regarding non identification of creditors as to their status under Micro, Small and Medium

Scale Enterprises (MSME) Act and provision for interest payable to such parties for dues in excess of 180 days at the three times the rate notified by the RBI. The liability on this account, if any, has not been quantified by the Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the profit for the year under audit. Due to non-identification of MSME parties, the disclosures, as required by the relevant Statute have not been made by the Corporation.

- (b) On the basis of checks carried out by us during the course of our audit certain system/control issues relating to accounting decentralized resulting in accounting error were observed such as negative inventory, short rebate accounted, back dated entries posted in accounting software (Tally ERP).

6. No provision for interest payable on the following unsecured loans is made in the books from the year 2007-08

| Name of the Account | Amount outstanding (Rs.) |
|--|--------------------------|
| Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P. | 0.13 Crore |
| Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%) | 0.64 Crore |

7. Internal control system of the Corporation is weak and does not commensurate with the size and volume of business of the Corporation. The system is also susceptible to fraud, manipulation and misappropriation at various levels. Further there is no standard operating procedures of the functioning of the Corporation.

8. Provision

- (a) As certified by the Management, the Corporation has unsecured trade receivables of Rs. 31.02 Crore and debit balance in trade payables of Rs. 31.02 Crore which are pending for adjustment for more than three years. The Corporation has made Provision of only Rs. 3.19 Crore -against these receivable and debit balances. Hence, there is short provision of Rs. 27.82 Crore. (Refer Note No. 15 of notes to accounts).

Other Matter

- We would draw your attention to Notes No. 4, 5, 6, 7, 8, 12, 13, 15, 17, 18 of Notes to Accounts.
- The Corporation has properties at Thane which are occupied by tenants but due to legal dispute and in absence of valid rental agreement, rental income cannot be ascertained hence not recognized in books of account.
- In the absence of details of status of pending Sales Tax, Service Tax, Income Tax, TDS, Professional Tax and WCT (Work Contract Tax) assessments and other legal cases, the contingent liability, if any, in respect thereto cannot be ascertained as cases of various years are under process with the concerned Appellate Authorities and the quantum of the same cannot be ascertained.

Our report is not qualified for these other matters.

Other Information or Information Other than the Financial Statements and Auditor's Report Thereon

The Corporation's Board of Directors is responsible for other information. The other information comprises the Board of Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not cover the information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Corporation 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 are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Corporation has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Corporation so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - (c) Except for the matter described in the Basis for Adverse Opinion paragraph above, The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with returns received from the branches not visited by us.
 - (d) Except for the matter described in the Basis for Adverse Opinion paragraph above, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The matter described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Corporation.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act
 - (g) with respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (h) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above.
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 33 to the financial statements;
 - (ii) Except for the possible effects of the matter described in the Basis for Adverse

Opinion paragraph above, the Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

- (iii) There has not been any occasion in case of the Corporation during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Ambavat Jain & Associates
Chartered Accountants
(Firm Registration No. 109681W)

(Kamal Sharma)
Partner
Membership No. 112843
UDIN No.: 22112843AHHDM04613

Place : Mumbai

Date : March 30, 2022

Annexure A- to the Independent Auditors' Report

The Annexure referred to in our report of even date. We report that:

i) In respect of its Fixed Assets:

- a) The Corporation has not maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
- b) The Corporation does not have a regular programme of physical verification of its fixed assets having regard to the size of the Corporation and the nature of its assets.
- c) According to the information, explanations and representation given to us, the Corporation has not disposed off any substantial part of its Fixed Assets during the year.

ii) In respect of its inventories:

- a) The inventory of the Corporation has not been physically verified by the management during the year.
 - b) Systematic procedures reasonable and adequate in relation to the size of the Corporation and nature of its business is not in place for physical verification of inventory by the management.
 - c) Since physical verification of inventory was not done during the year, dealing with material discrepancy on physical verification cannot be commented on.
- iii) As explained to us, the Corporation has neither granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 nor has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (“the act”).
- iv) In our opinion and according to the information and explanation given to us, the Corporation has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Corporation has not issued any guarantee nor provided any security.
- v) The Corporation has not accepted deposits from the public. Hence provisions of section 73 to 76 of the Companies Act, 2013 and Rules framed there under are not applicable.
- vi) The Central Government of India has not specified the, maintenance the of cost records under sub-section (1) of section 148 of the Act for any of the products of the company. Accordingly, the provision of para 3(vi) of the order are not applicable to the company
- vii) (a) According to the records of the Corporation and according to the information and explanation given to us, the Corporation is regular in depositing with appropriate authorities, undisputed Statutory dues, including Provident Fund, Investor Education and Protection Fund, Employee’s State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other Statutory dues applicable to it except Service Tax (amount unascertainable) and TDS (amount unascertainable), Goods and Service Tax, TDS (amount unascertainable). Corporation has defaulted in TDS and has a liability of Rs. 51.66 lakh however no action has been taken by Corporation. According to the

records of the Corporation and according to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess which in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except the following:

| Name of Statue | Nature of dues | Period to which the amount relates | Amount (in. Rs) | Forum where the dispute is pending |
|----------------|-------------------------|------------------------------------|-----------------|------------------------------------|
| Income tax | Income tax demand | FY. 1991-92 | 1,07,06,402 | High Court |
| | | FY. 2010-11 | 9,11,84,420 | CIT appeal |
| | | FY. 2011-12 | 46,62,390 | |
| | | FY. 2014-15 | 96,23,830 | |
| | | FY. 2015-16 | 53,34,631 | |
| MVAT / CST | Tax, Interest & Penalty | FY. 2010-11 | 1,42,73,506 | Appeal |
| | | FY. 2011-12 | 1,19,01,195.71 | |
| | | FY. 2012-13 | 18,11,32,821 | |
| | | FY. 2013-14 | 6,09,62,211.78 | |
| | | FY. 2014-15 | 2,80,38,142 | |
| Sales Tax | Tax, Interest & Penalty | FY. 1989-90 | 6,02,454 | Appeal |
| | | FY. 1995-96 | 15,40,556 | |
| | | FY. 1999-00 | 1,19,10,369 | |
| | | FY. 2001-02 | 1,18,00,845 | |

- viii) According to the information, explanations & representation given to us, the Corporation has not defaulted in repayment of its dues to financial institutions, bank, government or dues to debenture holders. The Corporation does not have any borrowings by way of debentures.
- ix) The Corporation has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanation given to us, no material fraud by the Corporation or on the Corporation by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Corporation, the Corporation has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanations given to us, the Corporation is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not

applicable.

- xiii) According to the information and explanation given to us and based on our examinations of the records of the Corporation, transaction has been entered into by the Corporation with related parties are in compliance with the sections 177 to 188 of the Act where applicable. The above details are accurately disclosed in the financial statement as required by the applicable Accounting Standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Corporation, the Corporation has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanation given to us and based on our examination of the records of the Corporation, the Corporation has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi) According to the information and explanation given to us and based on our examination of the records of the Corporation, The Corporation is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Ambavat Jain & Associate
Chartered Accountants
Firm Registration No. 109681W

Kamal Sharma
Partner
Membership No. 112843
UDIN No.: 22112843AHHDM04613

Place: Mumbai

Date: March 30, 2022

Annexure – B to the Auditors Report

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

We have audited the internal financial controls over financial reporting of Maharashtra Small Scale Industries Development Corporation Limited (“the Corporation”) as of 31st March 2020 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Corporation's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the

preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Corporation's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

According to the information and explanation given to us, the Corporation has not established its internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Corporation had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2020.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Corporation and our disclaimer does not affect our opinion on the financial statements of the Corporation.

For Ambavat Jain & Associates
Chartered Accountants
Firm Registration No. 109681W

Kamal Sharma
Partner
Membership No. 112843
UDIN No.: 22112843AHHDM04613

Place : Mumbai

Date : March 30, 2022

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

| | <p style="text-align: center;">Comment of Auditor Basis for Adverse Opinion</p> | <p style="text-align: center;">Comment of Management</p> |
|---|--|---|
| 1 | <p>(a) There are various general ledgers outstanding from longer period/ unreconciled, various general ledgers are being used interchangeably, resulting in incorrect resultant balances. In the absence of reconciliation, we are unable to comment upon accuracy of these balances.</p> <p>The effect of the adjustments, if any, arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non recovery or partial recovery or write back thereof has not been ascertained.</p> | <p>Various general ledgers balances are subject to scrutiny, reconciliation and consequential adjustment.</p> |
| | <p>(b) Further in the absence of necessary data/details, we are unable to comment whether classification of assets and liabilities and their bifurcation in to Current and Non-Current are in accordance with the requirement of Accounting Standard.</p> | <p>Noted and necessary action imitated .</p> |

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

| | | |
|----|---|--|
| | <p>(c) Attention is drawn to Note 6 to the Standalone Financial Statements, relating to sum of Rs.33.23 crores (PY 39.85 crore) shown as 'Due to others' which are included under Trade payables - Current. Party-wise details and balance confirmation certificate of said amount have not been provided to us for verification. As a result, we are unable to comment on the existence of the liability and consequential impact, if any, on the Standalone Financial Statements of the Corporation for the year under audit.</p> | <p>Point Noted. The Trade payables Rs.33.23 Cr. (PY 39.85 Cr.) are subject to scrutiny, reconciliation and consequential adjustments.</p> |
| 2. | <p>External Balance Confirmations/Reconciliations: Attention is drawn to Note 7 and 17 to the Standalone Financial Statements, Balances of loans and advances, various other debit/credit balances and dues from government are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations is not followed by the Corporation. Communication details were not available for us to get external confirmation as per SA 505 for the balances standing in the books. In the absence of proper records/communication details, we are unable to comment on the accuracy of the balances standing in the books.</p> | <p>These accounts are subject to scrutiny, reconciliation and consequential adjustments. Hence balance confirmation certificate is not obtained.</p> |
| 3. | <p>Various accounts under the head Godown and office rent receivable are not reconciled. Thus, we are unable to comment on the accuracy of Godown rent received & receivable and rent paid & payable accounted for in the books of accounts</p> | <p>Based on records, we have booked all Godown rent. Further, we are following for the recovery of the same.</p> |

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

4. The Corporation has not fully complied with certain Accounting Standards issued by ICAI as detailed below:

(a) Corporation is accounting purchases and sales only after receiving invoices from the suppliers and not when the seller has transferred the goods to the buyer for a consideration and risk and rewards are transferred. This practice of revenue recognition is not in compliance with "Accounting Standards 9 - Revenue Recognition". This gives false and unfair view of the purchases and sales of the Corporation for the year. Rebate income is being booked at the time of accounting of sales. Since booking of sales is not in compliance with AS 9, rebate income should have been adjusted to comply with AS 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies. The same has not been done and the Statement of Profit & Loss gives false and unfair view of Loss for the year. The Corporation has not fully, complied with AS 9 and AS 5 and the effect of the same cannot be quantified

Our Marketing turnover with Government Department sale invoices are raised to Govt. Dept. In the month of Jan, Feb, March every year however, their delivery effected in subsequent year (Delivery challan date is in subsequent year). Further Government Department follows the cash basis system of accounting whereas the Corporation follows Mercantile system of accounting. Considering above mention two different system, this issue is arise. Due to this practical difficulty with respect to accounting standard, we are not able to follow.

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

| | | |
|----|---|--|
| | | <p>Noted and necessary action imitated.</p> |
| 5. | <p>(b) Corporation has written off debtors and written back Creditors without routing through profit & loss account. The amount is very substantial (Rs. 3.13 Crores). Resulting in deviation from generally accepted accounting principle (GAAP). The Statement of Profit & Loss gives false and unfair view of Loss for the year. The Corporation has not fully complied with the generally accepted accounting principle. In the absence of adequate explanation, we are not able to comment on consequential impact of tax liability arising on account of write back</p> <p>(a) Attention is drawn to note 6 to the Standalone Financial Statements regarding non identification of creditors as to their status under Micro, Small and Medium Scale Enterprises (MSME) Act and provision for interest payable to such parties for duties in excess of 180 days at the three times the rate notified by the RBI. The liability on this account, if any has not been quantified by the Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the profit for the year under audit. Due to non-identification of MSMED parties, the disclosures, as required by the relevant Statute have not been made by the Corporation.</p> | <p>The cases of interest on delayed payments payable to SSI unit is not found.</p> |
| | <p>(b) On the basis of checks carried out by us during the course of our audit certain system/control issues relating to accounting decentralized resulting in accounting error were observed such as negative inventory, short rebate accounted, back dated entries posted in accounting software (Tally ERP).</p> | <p>Noted and necessary action imitated .</p> |

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

| | | | | | |
|---|---|------------|--|------------|--|
| <p>6. No provision for interest payable on the following unsecured loans is made in the books from the year 2007-08:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P</td> <td style="width: 40%; text-align: right;">Rs.0.13 Cr</td> </tr> <tr> <td>Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%)</td> <td style="text-align: right;">Rs.0.64 Cr</td> </tr> </table> | Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P | Rs.0.13 Cr | Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%) | Rs.0.64 Cr | <p>The Govt, of Maharashtra has given assistance to beneficiaries through MSSIDC. Accordingly MSSIDC disbursed loan to beneficiaries in the Year 1980-82. The principle amount lying in books of account, since transaction are very old one and Govt. has also not demanded the same for repayment. Further, Corporation has provided interest up to 2007-08. This interest amount is also not payable to Govt, therefore, provision is not made.</p> |
| Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P | Rs.0.13 Cr | | | | |
| Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%) | Rs.0.64 Cr | | | | |
| <p>7. Internal control system of the Corporation is very weak and does not commensurate with the size and volume of business of the Corporation. The system is also susceptible to fraud, manipulation and misappropriation at the various levels. Further there is no standard operating procedures of the functioning of the Corporation.</p> | <p>We will streamline the internal control. We have prepared accounts and internal audit manuals which were already forwarded to respective places for the same for taking proper step/action for internal control.</p> | | | | |

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

8. Provision:

(a) As certified by the Management, the Corporation has unsecured trade receivables of Rs.31.02 Crore and debit balance in trade payables of Rs.31.02 Crore which are pending for adjustment for more than three years. The Corporation has made Provision of only Rs.3.19 Crore -against these receivable and debit balances. Hence, there is short provision of Rs.27.82 Crore. (Refer Note No. 15 of notes to accounts).

The total trade receivable is Rs.31.02 Cr. Out of that provision is made in books of accounts is Rs.2,64,85,000.00. More than 3 years Trade receivables is Rs.28,37 Cr. The breakup of this outstanding (>3years) activity wise is as under:

| Activity | Amount |
|-----------------------|-----------------|
| Marketing | 7,72,50,516.00 |
| Coal | 2,32,01,607.00 |
| Raw Material & others | 20,97,47,877.62 |

In raw material transaction, the legal case amount involved is Rs.19,20,42,859/-. The netout balance of Sundry Debtors of Rs.4,56,94,075/- shown in Liability Group i.e. Long Term Borrowings.

In marketing transactions, we have undertaken scrutiny of marketing and after scrutiny the effect of accounting was given in FY 2015-16 to 2017-18. The remaining marketing debtors are still outstanding and due to non-availability of old records, further scrutiny has not undertaken.

For Marketing Debtors/Sundry Creditors Debit balances for more than 3 years need to be reconciled within the period 3 months and the directive will be send to concerned Divisions.

We have not made any provision in books of accounts since the debtors and creditors amount is in huge and the impact in profit and loss account will be more.

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

| Comment of Auditor Basis for Adverse Opinion | Management's Reply |
|---|---|
| 1. We would draw your attention to Notes No. 4, 5, 6, 7, 8, 12, 13, 15, 17, 18 of Notes to Accounts. | Based on available records, we have disclosed notes. |
| 2. The Corporation has properties at Thane which are occupied by tenants but due to legal dispute and in absence of valid rental agreement, rental income cannot be ascertained hence not recognized in books of account | In D-10 Thane godown, we have executed four rent agreement for FY 2019-20. 1) M / s. Hardik Enterprises 2) M/s. Maharani Natural Stone, 3) M/s. Steel Fab Engineers, 4) M/s. VR Pet Bottels We have booked income for above four parties for FY 2019-20. Rental Income partnering to legal matters are not booked. |
| 3. In the absence of details of status of pending Sales Tax, Service Tax, Income Tax, TDS, Professional Tax and WCT (Work Contract Tax) assessments and other legal cases, the contingent liability, if any, in respect thereto cannot be ascertained as cases of various years are under process with the concerned Appellate Authorities and the quantum of the same cannot be ascertained. | The cases of MVAT, Income Tax is in appeal with concern authority and we are following matter through our CA consulting agency with respective authority for the same. |

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

| Report on Other Legal and Regulatory Requirements: | |
|---|---|
| 1. | <p>As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.</p> |
| 2. | <p>1. As required by Section 143 (3) of the Act, we report that:</p> <p>(a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;</p> <p>(b) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Corporation so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;</p> <p>(c) Except for the matter described in the Basis for Adverse Opinion paragraph above, The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with returns received from the branches not visited by us.</p> <p>(d) Except for the matter described in the Basis for Adverse Opinion paragraph above, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;</p> |
| | <p>As per Sec. 143, it is the declaration of Auditors.</p> |
| | <p>Noted and necessary action initiated.</p> |
| | <p>NIL</p> |
| | <p>Noted and necessary action initiated</p> |
| | <p>Noted and necessary action initiated</p> |

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

| | | | |
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| | | <p>(e) The matter described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Corporation</p> | Noted |
| | | <p>(f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act</p> | Yes |
| | | <p>(g) with respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and</p> | Noted |
| | | <p>(h) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above.</p> | Noted and necessary action initiated |

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

| | | |
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| | <p>(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p> <p>(i) The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 33 to the financial statements;</p> | <p>Yes.</p> <p>Noted and disclosed.</p> |
| | <p>(ii) Except for the possible effects of the matter described in the Basis of Adverse Opinion paragraph above, the Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;</p> <p>(iii) There has not been any occasion in case of the Corporation during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.</p> | <p>Noted</p> <p>Nil</p> |

REPLY TO AUDITORS REPORT FY 2019-20 (STANDALONE)

| Annexure A- to the Independent Auditors' Report | |
|--|--|
| 1. | <p>In respect of its Fixed Assets:</p> <p>a) The Corporation has not maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;</p> <p>b) The Corporation does not have a regular programme of physical verification of its fixed assets having regard to the size of the Corporation and the nature of its assets.</p> <p>c) According to the information, explanations and representation given to us, the Corporation has not disposed off any substantial part of its Fixed Assets during the year.</p> |
| 2. | <p>In respect of its inventories:</p> <p>a) The inventory of the Corporation has not been physically verified by the management during the year.</p> <p>b) Systematic procedures reasonable and adequate in relation to the size of the Corporation and nature of its business is not in place for physical verification of inventory by the management,</p> <p>c) Since physical verification of inventory was not done during the year, dealing with material discrepancy on physical verification cannot be commented on.</p> |
| 3. | <p>As explained to us, the Corporation has neither granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 nor has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 189 of The Companies Act, 2013 ("the act")</p> |
| 4. | <p>In our opinion and according to the information explanation given to us, the Corporation has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Corporation has not issued any guarantee nor provided any security</p> |
| | <p>In FY 2014-15, all fixed assets verification work was done by independent CA firm and the addition to fixed assets was included from FY 2016-17. Hence we are maintaining fixed assets register. Further our Divisional Manager is always verifying fixed assets as on March 2020</p> |
| | <p>The inventory of Paithan, New Delhi, WTC, Ahmednagar and Kudal has verified by respective person as on March 2020.</p> |
| | <p>No, transaction was executed therefore information is NIL.</p> |
| | <p>Noted.</p> |

| | | |
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| 5. | The Corporation has not accepted deposits from the public. Hence, provisions of section 73 to 76 of the Companies Act, 2013 and Rules framed there under are not applicable. | Noted. |
| 6. | The Central Government of India has not specified the maintenance the of cost records under sub-section (1) of section 148 of the Act for any of the products of the Company. Accordingly, the provision of para 3(vi) of the order are not applicable to the company. | Noted. |
| 7. | <p>(a) According to the records of the Corporation and according to the information and explanation given to us, the Corporation is regular in depositing with appropriate authorities, undisputed Statutory dues, including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance.</p> <p>Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other Statutory dues applicable to it except Service Tax (amount unascertainable) and TDS (amount unascertainable), Goods and Service Tax, TDS (amount unascertainable). Corporation has defaulted in TDS and has a liability of Rs. 51.66 lakh however no action has been taken by Corporation. According to the records of the Corporation and according to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess which in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable</p> | Noted. |

| <p>(b) According to the information and explanation given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except the following:</p> | <table border="1"> <thead> <tr> <th>Name of Statue</th> <th>Nature of dues</th> <th>Period to which the amount relates</th> <th>Amount in (Rs.)</th> <th>Forum where the dispute is pending</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Income tax</td> <td rowspan="5">Income tax demand</td> <td>FY 1991-92</td> <td>1,07,06,402</td> <td>High Court</td> </tr> <tr> <td>FY 2010-11</td> <td>9,11,84,420</td> <td>CIT Appeal</td> </tr> <tr> <td>FY 2011-12</td> <td>46,62,390</td> <td></td> </tr> <tr> <td>FY 2014-15</td> <td>96,23,830</td> <td></td> </tr> <tr> <td>FY 2015-16</td> <td>53,34,631</td> <td></td> </tr> <tr> <td rowspan="6">MVAT/CST</td> <td rowspan="6">Tax Interest and Penalty</td> <td>FY 2010-11</td> <td>1,42,73,506</td> <td rowspan="6">Appeal</td> </tr> <tr> <td>FY 2011-12</td> <td>1,19,01,195.71</td> </tr> <tr> <td>FY 2012-13</td> <td>18,11,32,821</td> </tr> <tr> <td>FY 2013-14</td> <td>6,09,62,211.78</td> </tr> <tr> <td>FY 2014-15</td> <td>2,80,38,142</td> </tr> <tr> <td>FY 2015-16</td> <td>1,21,53,141</td> </tr> <tr> <td rowspan="4">Sales Tax</td> <td rowspan="4">Tax Interest and Penalty</td> <td>FY 1989-90</td> <td>6,02,454</td> <td rowspan="4">Appeal</td> </tr> <tr> <td>FY 1995-96</td> <td>15,40,556</td> </tr> <tr> <td>FY 1999-00</td> <td>1,19,10,369</td> </tr> <tr> <td>FY 2001-02</td> <td>1,18,00845</td> </tr> </tbody> </table> | Name of Statue | Nature of dues | Period to which the amount relates | Amount in (Rs.) | Forum where the dispute is pending | Income tax | Income tax demand | FY 1991-92 | 1,07,06,402 | High Court | FY 2010-11 | 9,11,84,420 | CIT Appeal | FY 2011-12 | 46,62,390 | | FY 2014-15 | 96,23,830 | | FY 2015-16 | 53,34,631 | | MVAT/CST | Tax Interest and Penalty | FY 2010-11 | 1,42,73,506 | Appeal | FY 2011-12 | 1,19,01,195.71 | FY 2012-13 | 18,11,32,821 | FY 2013-14 | 6,09,62,211.78 | FY 2014-15 | 2,80,38,142 | FY 2015-16 | 1,21,53,141 | Sales Tax | Tax Interest and Penalty | FY 1989-90 | 6,02,454 | Appeal | FY 1995-96 | 15,40,556 | FY 1999-00 | 1,19,10,369 | FY 2001-02 | 1,18,00845 | <p>The cases of Sales Tax, Income Tax, MVAT is in appeal with concern authority and we are following the matters through our CA firm with respective authority for their saying.</p> |
|--|--|------------------------------------|-----------------|------------------------------------|-----------------|------------------------------------|------------|-------------------|------------|-------------|------------|------------|-------------|------------|------------|-----------|--|------------|-----------|--|------------|-----------|--|----------|--------------------------|------------|-------------|--------|------------|----------------|------------|--------------|------------|----------------|------------|-------------|------------|-------------|-----------|--------------------------|------------|----------|--------|------------|-----------|------------|-------------|------------|------------|--|
| Name of Statue | Nature of dues | Period to which the amount relates | Amount in (Rs.) | Forum where the dispute is pending | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income tax | Income tax demand | FY 1991-92 | 1,07,06,402 | High Court | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2010-11 | 9,11,84,420 | CIT Appeal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2011-12 | 46,62,390 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2014-15 | 96,23,830 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2015-16 | 53,34,631 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MVAT/CST | Tax Interest and Penalty | FY 2010-11 | 1,42,73,506 | Appeal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2011-12 | 1,19,01,195.71 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2012-13 | 18,11,32,821 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2013-14 | 6,09,62,211.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2014-15 | 2,80,38,142 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2015-16 | 1,21,53,141 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales Tax | Tax Interest and Penalty | FY 1989-90 | 6,02,454 | Appeal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 1995-96 | 15,40,556 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 1999-00 | 1,19,10,369 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY 2001-02 | 1,18,00845 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>8.</p> | <p>According to the information, explanations & representation given to us, the Corporation has not defaulted in repayment of its dues to financial institutions, bank, government or dues to debenture holders. The Corporation does not have any borrowings by the way of debentures.</p> | <p>Noted.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>9.</p> | <p>The Corporation has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.</p> | <p>Not Applicable.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>10.</p> | <p>According to the information and explanation given to us, no material fraud by the corporation or on the Corporation by its officers or employees has been noticed or reported during the course of our audit.</p> | <p>Noted.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 11. | According to the information and explanations given to us and based on our examination of the records of the Corporation, the Corporation has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act. | Noted. |
| 12. | In our opinion and according to the information and explanations given to us, the Corporation is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable. | Not Applicable. |
| 13. | According to the information and explanation given to us and based on our examinations of the records of the Corporation, transaction has been entered into by the Corporation with related parties are in compliance with the sections 177 to 188 of the Act where applicable. The above details are accurately disclosed in the financial statement as required by the applicable Accounting Standards. | Noted and disclosed. |
| 14. | According to the information and explanations given to us and based on our examination of the records of the Corporation, the Corporation has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. | Noted. |
| 15. | According to the information and explanation given to us and based on our examination of the records of the Corporation, the Corporation has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable. | Noted. |
| 16. | According to the information and explanation given to us and based on our examination of the records of the Corporation, The Corporation is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. | Not applicable. |



महालेखाकार का कार्यालय (लेखापरीक्षा) - II महाराष्ट्र-मुंबई शाखा कार्यालय
OFFICE OF THE ACCOUNTANT GENERAL(AUDIT) - II MAHARASHTRA
BRANCH OFFICE MUMBAI

दूरभाष सं./ Tel. No. : 022-22054022 / 022-22057360, फैक्स न. / Fax No.: 022-22092326
ई-मेल / E-mail : agcommah Maharashtra@cag.gov.in

गोपनीय

मले/लेप-II/टेक्निकल सेल/Small scale/consolidated/2019-20/ 251

9/11/2022

सेवा मे,
प्रबंध निदेशक,
महाराष्ट्र स्माल स्केल इंडस्ट्रीज़ डेव्लपमेंट कापोरिशन लिमिटेड,
मुंबई

विषय:- 31 मार्च 2020 को समाप्त हुए वर्ष के महाराष्ट्र स्माल स्केल इंडस्ट्रीज़ डेव्लपमेंट कापोरिशन लिमिटेड, मुंबई के समायोजित (consolidated) लेखों पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियां।

महोदय,

31 मार्च 2020 को समाप्त हुए वर्ष के महाराष्ट्र स्माल स्केल इंडस्ट्रीज़ डेव्लपमेंट कापोरिशन लिमिटेड, मुंबई के समायोजित (consolidated) लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की निरंक टिप्पणी (Nil comment) संलग्न है।

वार्षिक आमसभा (A.G.M.) होने के पश्चात, वार्षिक रिपोर्ट की तीन मुद्रित प्रतियाँ कृपया इस कार्यालया को भेज दें, साथ ही उपरोक्त लेखों के वार्षिक प्रतिवेदन को विधानसभा में प्रस्तुत करने की तिथि को भी इस कार्यालय को सूचित करें।

भवदीय,

(मधुसूदनन के नायर)
व. उपमहालेखाकार/ए.एम.जी.-V

17/11
संलग्नक - यथोपरि

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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

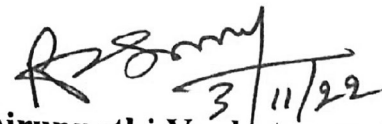
The preparation of consolidated financial statements of **Maharashtra Small Scale Industries Development Corporation Limited** for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **30 March 2022**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Maharashtra Small Scale Industries Development Corporation Limited** for the year ended 31 March 2020 under section 146(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **Maharashtra Small Scale Industries Development Corporation Limited** but did not conduct supplementary audit of the financial statements of **Krupanidhi Limited** (a subsidiary of the Company) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

**For and on behalf of
The Comptroller and Auditor General of India**

Place: Nagpur
Date: 03/11/22


(R. Thirupathi Venkatasamy)
ACCOUNTANT GENERAL (AUDIT)-II, MAHARASHTRA



महालेखाकार का कार्यालय (लेखापरीक्षा) - II महाराष्ट्र-मुंबई शाखा कार्यालय
OFFICE OF THE ACCOUNTANT GENERAL(AUDIT) - II MAHARASHTRA
BRANCH OFFICE MUMBAI

दूरभाष सं./ Tel. No. : 022-22054022 / 022-22057360, फैक्स न. / Fax No.: 022-22092326

ई-मेल / E-mail : agcommaharashtra@cag.gov.in

मले लेप-II/मुंबई शाखा / तकनीकी विभाग/MSSIDC/2019-20/standalone/ 25/11

DT: 28/11/2022

सेवा में,

प्रबंध निदेशक,

महाराष्ट्र स्माल स्केल इंडस्ट्रीज़ डेवलपमेंट कोर्पोरेशन लिमिटेड,
मुंबई

विषय : 31 मार्च 2020 को समाप्त हुए वर्ष के महाराष्ट्र स्माल स्केल इंडस्ट्रीज़ डेवलपमेंट कोर्पोरेशन लिमिटेड के लेखों पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ

महोदय,

31 मार्च 2020 को समाप्त हुए वर्ष के महाराष्ट्र स्माल स्केल इंडस्ट्रीज़ डेवलपमेंट कोर्पोरेशन लिमिटेड के स्टैंडअलोन लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणी संलग्न है।

वार्षिक आमसभा (AGM) होने के पश्चात, वार्षिक रिपोर्ट की तीन मुद्रित प्रतियाँ कृपया इस कार्यालय को भेज दें, साथ ही उपरोक्त लेखों के वार्षिक प्रतिवेदन को विधानसभा में प्रस्तुत करने की तिथि को भी इस कार्यालय को सूचित करें।

| CH | MD | JMD | SECY |
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भवदीय,

(मधुसूदनन के नायर)

व. उप महालेखाकार/AMG-V

संलग्न - यथोपरि

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S. S. S. I. D. C. Ltd.
14.11.22

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of **Maharashtra Small Scale Industries Development Corporation Limited, Mumbai** for the year ended 31 March 2020 is in accordance with the financial reporting framework prescribed under the Companies Act, 2013. It is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **30 March 2022**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Maharashtra Small Scale Industries Development Corporation Limited** for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

I. COMMENT ON PROFITABILITY

Expenses

Other expenses (note 27) : ₹ 651.26 lakh

Rent : ₹ 71.57 lakh

1) This does not include provision towards rent and property tax of ₹ 13.19 lakh payable to Delhi Tourism & Transportation Development Corporation Limited (Invoice raised on 11 March 2020) towards four A.C. Stalls at Delhi Haat, Janakpuri hired for the period from December 2017 to March 2020.

This has resulted in understatement of loss and understatement of Trade payable – Due to others by ₹ 13.19 lakh respectively.

Prior period item (Net) : ₹ 4.16 lakh

Income (Note 28) : ₹ 33.2 lakh

2) The above is understated by ₹ 105 lakh towards interest on the defaulted outstanding sum recoverable from M/s Laxmi Keshav Constructions as per the contract with them. This has resulted in understatement of prior period income and Trade receivables to the extent of ₹ 105 lakh.

II. COMMENT ON FINANCIAL POSITION

Balance Sheet

Liabilities

Current Liabilities

Other Current Liabilities (Note 7) : ₹ 7202.36 lakh

Other Miscellaneous Liabilities : ₹ 4622.82 lakh

3) Above includes revenue grant received from GoM to meet the expenses in connection with the handicraft exhibition on a year to year basis. During the year 2019-20, expenditure of ₹ 69.31 lakh was incurred towards handicraft exhibition which was to be met from the grant available. However, this expenditure was neither provided for nor adjusted against the grant available for this purpose.

The above resulted in overstatement of current liabilities (Other Miscellaneous Liabilities - Grant) with resultant understatement of other current liabilities (Trade payables) by ₹ 69.31 lakh.

Assets

Non-Current Assets

Fixed Assets

Tangible Assets (Note 9.1) : ₹ 887.24 lakh

Residential flats

4) Further, disclosure about the status of redevelopment of two flats at Borivali and non-receipt of rent as per redevelopment agreement from February 2019 needs to be made under note 9.1.

III. COMMENT ON NOTES TO ACCOUNTS.

Other Current Assets (Note 18.1)

5) Note 18.1 (Third para) states that “the Corporation has allotted 2863 Sq.ft. space at Kripanidhi building, first floor, Mumbai to MIDC for running IPFC (Investor Promotion and Facilitation Cell) with effect from 27.8.2013 at the rate ₹ 130 per sq.ft.”

However, the above note is factually incorrect as a revised MoU dated 19 Jan 2018 was entered into between Development Commissioner (Industries) cum Chairman of MAITRI and MSSIDC, as per which, the Company has allotted 6274.23 square feet space at ₹ 68.05 per square feet for 2016 and 2017 with a provision to increase the compensation by 10% every year”.


The Note 18.1 (Third para) requires revision to incorporate the true facts.

Other income -Note 20: ₹. 1000.89 lakh

6) The Company did not disclose the fact that Arbitration Clause has been invoked in 2019 for recovery of ₹ 163 lakh on account of the unauthorised use of open space area beyond contractual terms by M/s Laxmi Keshav Constructions (given on leave and license agreement in August 2009), who finally vacated the premises in December 3018, after issue of eviction notice in March 2012.

**For and on Behalf of
The Comptroller & Auditor General of India**

Place: Nagpur
Date: 28/11/22


(R. Thirupathi Venkatasamy)
Accountant General (Audit)-II, Maharashtra

2019-20



MSiSiDiC

CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

: ADDRESS :
KRUPANIDHI, 9,
WALCHAND HIRACHAND MARG,
BALLARD ESTATE, MUMBAI-400 001.

Maharashtra Small Scale Industries Development Corporation Limited

Consolidated Balance Sheet as at 31 March 2020

(Amount in Rs.)

| | Note | 31 March 2020 | 31 March 2019 |
|--------------------------------|----------|----------------------|----------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 145,009,900 | 145,009,900 |
| Reserves and surplus | 4 | 367,911,638 | 386,535,556 |
| Minority interest | 2 | 38,000 | 38,000 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 12,358,810 | 12,356,310 |
| Long term provisions | 6 | 109,452,213 | 97,225,879 |
| Current liabilities | | | |
| Trade payables | | | |
| -Due to M.S.E. | | - | - |
| -Due to others | 7 | 330,641,738 | 400,663,361 |
| Other current liabilities | 8 | 726,711,016 | 650,025,374 |
| Short-term provisions | 9 | 86,207,076 | 70,802,175 |
| Total | | 1,778,330,390 | 1,762,656,555 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| - Tangible assets | 10.1 | 93,376,840 | 121,717,678 |
| - Intangible Assets | 10.2 | 2,899,800 | 3,257,353 |
| Non-current investments | 11 | 40,250 | 40,250 |
| Deferred tax assets (net) | 12 | 14,758,621 | 13,038,112 |
| Long term loans and advances | 13 | 317,615,487 | 309,569,847 |
| Other non-current assets | 14 | 171,896,739 | 164,744,388 |
| Current assets | | | |
| Inventories | 15 | 7,043,339 | 8,240,353 |
| Trade receivables | 16 | 282,106,786 | 412,781,135 |
| Cash and bank balances | 17 | 742,715,976 | 560,247,089 |
| Short-term loans and advances | 18 | 38,761,297 | 66,434,596 |
| Other current assets | 19 | 107,115,256 | 125,070,554 |
| Total | | 1,778,330,391 | 1,785,141,355 |

Significant accounting policies

The notes from 1 to 36 are an integral part of this financial statements

As per our attached report of even date

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm Reg. No. : 109681W

For and on behalf of the Board

Chief Financial Officer

Managing Director

DIN:02642157

Kamal Sharma

Partner

Membership No. 112843

UDIN No. : 22112843AHHFOX2492

Place : Mumbai

Date : 30/03/2022

Company Secretary

Director

DIN:07183938

Place : Mumbai

Date : 30/03/2022

Maharashtra Small Scale Industries Development Corporation Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(Amount in Rs.)

| | Note | 31 March 2020 | 31 March 2019 |
|---|------|---------------------|---------------------|
| Revenue | | | |
| Revenue from operations | 20 | 141,590,332 | 201,739,964 |
| Other income | 21 | 116,740,699 | 92,018,880 |
| Total revenue | | 258,331,031 | 293,758,844 |
| Expenses | | | |
| Cost of materials consumed | 22 | 1,184,977 | 1,225,881 |
| Purchases of traded goods | 23 | 134,784,967 | 184,647,813 |
| Changes in inventories of finished goods, work-in-progress and stock-in-Trade | 24 | 982,627 | 1,099,192 |
| Employee benefit expenses | 25 | 53,409,275 | 65,744,778 |
| Finance costs | 26 | 110,308 | 1,140,025 |
| Depreciation and amortization expense | 27 | 2,791,526 | 3,743,030 |
| Other expenses | 28 | 69,524,310 | 40,268,718 |
| Total Expenses | | 262,787,990 | 297,869,438 |
| Profit / (loss) before exceptional and extraordinary items and tax | | (4,456,959) | (4,110,594) |
| Exceptional Items | | | |
| Prior period items (net) | 29 | 11,071,010 | (1,804,956) |
| Other exceptional item | | | - |
| Profit before tax | | (15,527,969) | (2,305,637) |
| Tax expense | | | |
| Current tax | | 2,925,181.75 | |
| Tax adjustments for earlier years | | - | 32,210,867 |
| Deferred tax | 11 | 1,720,508.63 | (316,581) |
| Profit for the period | | (16,732,642) | (34,833,085) |

Earning per equity share (nominal value Rs.10 (previous year Rs.10) 30

| | | |
|---------|---------|---------|
| Basic | (11.54) | (24.02) |
| Diluted | (11.54) | (24.02) |

The notes from 1 to 36 are an integral part of this financial statements

As per our attached report of even date

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm Reg. No. : 109681W

Kamal Sharma

Partner

Membership No. 112843

UDIN No. : 22112843AHHFOX2492

Place : Mumbai

Date : 30/03/2022

For and on behalf of the Board

Chief Financial Officer

Managing Director

DIN:02642157

Company Secretary

Director

DIN:07183938

Place : Mumbai

Date : 30/03/2022

Maharashtra Small Scale Industries Development Corporation Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020

(Amount in Rs.)

| | 31 March 2020 | 31 March 2019 |
|--|---------------------|---------------------|
| Cash flow from operating activities | | |
| Profit/Loss before exceptional and extraordinary items and tax | (4,456,959) | (5,077,481) |
| Adjustments: | | |
| Depreciation and amortisation | 2,791,526 | 3,743,030 |
| Impairment loss on fixed assets | 24,070,716 | - |
| Interest and dividend income | (45,199,961) | (39,258,522) |
| Provision for doubtful receivables | - | - |
| Provision for arrears of rent | - | - |
| Grant in aid taken to statement of profit and loss | (42,338) | (42,338) |
| Transfer to marketing risk reserve | 5,131 | 8,548 |
| Transfer to contingency charges reserve | - | - |
| Utilization from marketing risk reserve | - | - |
| Operating Profit/Loss before working capital changes | (22,831,885) | (40,626,763) |
| Changes in working capital: | | |
| (Increase) / decrease in trade receivables | 108,189,549 | 15,394,125 |
| (Increase) / decrease in inventories | 1,197,014 | 950,567 |
| (Increase) / decrease in other current assets | 17,955,298 | (17,755,619) |
| (Increase) / decrease in short-term loans and advances | 27,673,299 | 10,185,834 |
| (Increase) / decrease in long-term loans and advances | (8,045,640) | (9,802,656) |
| (Increase) / decrease in other non-current assets | (7,152,351) | 7,848,498 |
| Increase / (decrease) in trade payables | (70,021,623) | 7,502,262 |
| Increase / (decrease) in long term provisions | 12,226,334 | (16,740,836) |
| Increase / (decrease) in short term provisions | 15,404,901 | (37,205,614) |
| Increase / (decrease) in other current liabilities | 76,685,642 | 33,166,581 |
| Increase/(decrease) in other liabilities | - | - |
| Increase/(decrease) in long term borrowings | 2,500 | 4,978 |
| Cash generated from operations | 151,283,038 | (47,078,643) |
| Taxes paid (net of refunds) | (2,925,182) | (32,210,867) |
| Net cash generated from operations before exceptional and extraordinary items | 148,357,856 | (79,289,510) |
| Exceptional items | (11,071,010) | 1,804,956 |
| Net cash generated from operating activities | 137,286,846 | (77,484,554) |
| Cash flow from investing activities | | |
| Purchase of tangible, capital work in progress | (17,919) | (2,678,527) |
| Sale of investments | - | - |
| Interest and dividend income | 45,199,961 | 39,258,522 |
| Net cash flow from investing activities | 45,182,042 | 36,579,995 |
| Cash flow from financing activities | - | - |

| | | |
|---|--------------------|---------------------|
| Net increase / (decrease) in cash and cash equivalent | 182,468,888 | (40,904,559) |
| Cash and cash equivalents at the beginning of the year | 560,247,087 | 601,151,647 |
| Cash and cash equivalents at the end of the year (refer note 19) | 742,715,975 | 560,247,087 |

Summary of significant accounting policies

1

The notes 1 to 36 are an integral part of this financial statements

As per our attached report of even date

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm Reg. No. : 109681W

Kamal Sharma

Partner

Membership No. 112843

UDIN No. : 22112843AHHFOX2492

Place : Mumbai

Date : 30/03/2022

For and on behalf of the Board

Chief Financial Officer

Managing Director

DIN:02642157

Company Secretary

Director

DIN:07183938

Place : Mumbai

Date : 30/03/2022

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 2: Minority Interest : Shareholding pattern of M/s. Krupanidhi Limited.

Amount in Rupees

| Particulars | Ratio | FY 2019 - 20 | FY 2018 - 19 |
|---|-------------|----------------|----------------|
| Air India Limited | 0.09 | 9,000 | 9,000 |
| Fusion Consultancy Private Limited | 0.02 | 2,000 | 2,000 |
| Maharashtra Small Scale Industries Development Corporation Limited (MSSIDC) | 0.62 | 62,000 | 62,000 |
| Mumbai Port Trust | 0.12 | 12,000 | 12,000 |
| Niyati Consultants | 0.02 | 2,000 | 2,000 |
| Rohan Merchant | 0.01 | 1,000 | 1,000 |
| Seamen's Provident Fund Organisation | 0.12 | 12,000 | 12,000 |
| Total | 1.00 | 100,000 | 100,000 |

The period and percentage of Shareholdings 1st April 2019 to 31st March 2020 of Krupanidhi Limited

Note 3: Share capital

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|--------------------|--------------------|
| Authorised : | | |
| 20,00,000 (previous year 20,00,000) equity shares of Rs.100/- each | 200,000,000 | 200,000,000 |
| | 200,000,000 | 200,000,000 |
| Issued : | | |
| 14,50,099 (previous year 14,50,099) equity shares of Rs.100/- each | 145,009,900 | 145,009,900 |
| Subscribed & fully paid-up : | | |
| 14,50,099 (previous year 14,50,099) equity shares of Rs.100/- each | 145,009,900 | 145,009,900 |
| | | |
| Total | 145,009,900 | 145,009,900 |

Reconciliation of the number of equity shares :

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---|---------------|-----------------|---------------|-----------------|
| | Number | (Amount in Rs.) | Number | (Amount in Rs.) |
| Shares outstanding at the beginning of the year | 14,50,099 | 14,50,09,900 | 14,50,099 | 14,50,09,900 |
| Shares issued / bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 14,50,099 | 14,50,09,900 | 14,50,099 | 14,50,09,900 |
| | | | | |

Rights, preferences and restrictions attached to shares

The corporation has one class of equity shares having a par value of Rs.100/- each. Each shareholder is eligible for one vote per one share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the corporation after distribution of all preferential amounts, in proportion to their shareholding.

List of shareholders holding more than 5% of total number of shares issued by the Corporation:

| Sr. No. | Name of Share holder | 31 March 2020 | | 31 March 2019 | |
|---------|--|--------------------|------------------|------------------|--------------|
| | | No. of shares held | % of shares held | No. of shares | % of shares |
| 1 | Dr. N. K. Bhosle, Dy. Secretary, Industries and Representative of the Governor of Maharashtra. | 14,40,093 | 99.31 | 14,40,093 | 99.31 |
| | Total | 14,40,093 | 99.31 | 14,40,093 | 99.31 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 4: Reserves and surplus

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------------|---------------------|
| Capital reserve | | |
| At the commencement of the year | 44,785 | 44,785 |
| Add : Transferred from surplus | - | - |
| At the end of the year | 44,785 | 44,785 |
| Export incentive reserve | | |
| At the commencement of the year | 3,75,000 | 3,75,000 |
| Add : Transferred from statement of profit and loss | - | - |
| Written back in current year | - | - |
| At the end of the year | 3,75,000 | 3,75,000 |
| Grant in aid | | |
| At the commencement of the year | 769,115 | 811,453 |
| Less: Transferred from statement of profit and loss (refer note 4.1) | (42,338) | (42,338) |
| At the end of the year | 726,777 | 769,115 |
| Grant received for paithani | | |
| At the commencement of the year | 65,19,550 | 65,19,550 |
| Less: Utilised in construction of fixed assets | - | - |
| At the end of the year (refer note 4.2) | 65,19,550 | 65,19,550 |
| Marketing risk & development reserve | | |
| At the commencement of the year | 4,056,053 | 4,047,505 |
| Add: Transferred from statement of profit and loss (refer note 4.3) | 5,131 | 8,548 |
| Less: Utilization for payment | - | - |
| At the end of the year | 4,061,184 | 4,056,053 |
| Revaluation reserve | | |
| At the commencement of the year | 47,988,822 | 49,848,074 |
| Less: Transferred from statement of profit and loss (refer note 4.4) | (1,854,071) | (1,859,252) |
| At the end of the year | 46,134,751 | 47,988,822 |
| Contingency reserves | | |
| At the commencement of the year | 2,51,277 | 2,51,277 |
| Add: Transferred from statement of profit and Loss | - | - |
| At the end of the year | 2,51,277 | 2,51,277 |
| Surplus in statement of profit and loss | | |
| At the commencement of the year | 326,530,955 | 362,330,925 |
| Add: Transferred from statement of profit and loss | (16,732,642) | (35,799,971) |
| At the end of the year | 309,798,313 | 326,530,954 |
| | | |
| Total | 36,79,11,638 | 38,65,35,556 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to consolidated financial statements for the year ended 31 March 2020

- 4.1 Corporation has purchased leasehold rights in the premises “World Trade Centre” for 60 years for Rs. 25,40,250/-. The same is being written off over a period of 60 years (Rs. 42,338/- every year). Against this, Grant has been received for Rs. 25,40,250/-. The same is shown under “Reserves and Surplus – Grant in Aid” & Rs. 42,338/- is being transferred to the statement of Profit & Loss account every year.
- 4.2 Corporation had received grant of Rs. 1,26,94,000/- in the earlier years for construction of Paithani Development Centre. The Corporation had purchased looms amounting to Rs. 49,95,000/- by utilising this grant and deducted the said amount of Rs. 49,95,000/- from the grant received. The Corporation had received Grant of Rs. 5,00,000 in F.Y 2008-09 & also received subsidy of Rs. 21,00,000/- in FY 2010-11 for purchase of 100 looms. Since this subsidy pertains to utilisation of Rs. 49,95,000/- (deducted from Govt. grants in the year 2009-10) towards purchase of looms, the said subsidy of Rs. 21,00,000/- was added to Govt. Grants. During FY 2013-14 corporation has utilised Rs. 37,79,450/- on account of construction of compound wall in paithani Development Centre. The balance of Rs. 65,19,950/- is shown under the head Gov. Grants.
- 4.3 The Corporation is crediting 0.1% of rebate earned on marketing business to Marketing Risk Reserve as per the Board resolution passed earlier.
- 4.4 The Corporation has amortised Rs.18,54,071/- from Revaluation Reserve and corresponding amount has been credited to leasehold land to reduce the value thereon.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 5: Long-term borrowings

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|--------------------|--------------------|
| Unsecured : | | |
| Industries & Labour Dept., Maharashtra Govt. Edu. Unemployment Hire Purchase Scheme (Refer Note 5.1) | 13,18,000 | 13,18,000 |
| Industries & Labour Dept., Maharashtra Govt. Seed Capital (Refer Note 5.1) | 64,03,332 | 64,03,332 |
| Deposit received from unit holders (5.2) | 4,637,478 | 46,34,978 |
| Total | 1,23,58,810 | 1,23,56,310 |

5.1 The above loans are outstanding since long back. Management is of the opinion that the scheme amounts reflected in books of accounts are very old and neither reconciled nor payable. Government Department. has also not claimed these amounts from Corporation. Hence, Corporation has not provided interest expenses since 2007-08. The interest expenses provided but not paid till 2007-08 of Rs.1,18,23,707/- is shown in the current liabilities. interest expenses from 2007-08 to 2019-20(13 years) of Rs. 39,41,554/- is shown as contingent liability.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 6: Long term provisions

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------------|--------------------|
| Provision for employees' benefits | | |
| - Gratuity (refer note 6.1 and note 31(A)) | 8,03,36,075 | 8,03,36,075 |
| - Leave encashment (refer note 31(B)) | 1,39,22,891 | 1,63,98,982 |
| Provision for Income Tax | 29,25,182 | 4,90,822 |
| Provision for rent | 1,22,68,066 | |
| Total | 10,94,52,213 | 9,72,25,879 |

- 6.1 The above account is not reconciled. The above account includes payment received from LIC for payment of gratuity. The payment made against this amount is debited to advance to gratuity trust.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 7: Trade payables

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---------------------|---------------------|
| Due to micro, small and medium enterprises (Also, refer note (7.1)) | | - |
| Due to others (refer note 7.2) | 33,06,41,738 | 40,06,63,361 |
| Total | 33,06,41,738 | 40,06,63,361 |

7.1 Information related to Micro and Small Enterprises, as defined in the Micro, Small and Medium enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Corporation:

(Amount in Rs.)

| | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| (i) Principal Amount Outstanding | | - |
| (ii) Interest on Principal amount due | | - |
| (iii) Interest and Principal amount paid beyond appointment day | | - |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act | | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the year | | - |
| (vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act | | - |

7.2 The trade payables are subject to scrutiny, reconciliation and consequential adjustments.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 8: Other current liabilities

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------------|---------------------|
| Interest accrued and due on borrowings (refer note 5.1 and note 8.1) | 1,18,23,707 | 1,18,23,707 |
| Advance from customers (refer note 8.2) | 12,41,92,480 | 17,49,14,070 |
| Raw material dues and refund payable (refer note 8.3) | 1,83,719 | 1,47,08,431 |
| Book overdraft (refer note 8.4) | - | 41,33,456 |
| Retention money | 12,39,761 | 5,33,674 |
| Security and other deposits (refer note 8.5) | 11,20,86,441 | 11,27,03,174 |
| Contributions received (refer note 8.6) | 54,52,989 | 54,52,989 |
| Employee benefits (refer note 8.7) | 42,46,213 | 54,21,315 |
| Statutory dues (refer note 8.8) | (12,71,183) | 70,47,984 |
| Other miscellaneous liabilities (refer note 8.9) | 46,22,82,216 | 31,32,86,573 |
| Arrears of Rent | 37,37,728 | - |
| Advance Received from members for Expense | 13,73,827 | - |
| TDS payable | 13,63,118 | - |
| Total | 72,67,11,016 | 65,00,25,373 |

- 8.1 Interest accrued and due on borrowings represent unsecured loans taken long back and not repaid till date. The Corporation has provided interest till FY2007-08. (refer note 5.1)
- 8.2 Advance from customers, raw material and refund payable, security and other deposits are subject to scrutiny, reconciliation and consequential adjustment.
- 8.3 Raw material dues and refund payable neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.
- 8.4 The Corporation is maintaining accounts with State Bank of India at Yavatmal and Buldhana. As on 31st March, 2019 some cheques issued to suppliers but these cheques physically not delivered to suppliers. Due to this practice bank balance of SBI gone negative in the books. However, all the cheques reconciled in the subsequent period and no instances of cheque bounce in noticed by the Corporation.
- 8.5 Security and other deposit payable neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.
- 8.6 Contribution received from Government Department neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.
- 8.7 Employee benefits neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

- 8.8 Statutory dues are not reconciled and shown net of payable and receivable. The same is subject to Assessment & Appeals on various statutory matters. There are various statutory matters outstanding on which demands are outstanding.
- 8.9 The amount includes Rs. 15,50,00,000 payable to Mohit Minerals Pvt. Ltd. The Corporation has appointed Mohit Minerals Pvt. Ltd. as handling agent for distribution of coal. He has submitted Bank Guarantee of Rs.15,00,00,000 and deposited Rs. 50,00,000 as Security Deposit. Due to some dispute, the corporation has encashed this bank guarantee. The dispute went for Arbitration and the arbitration award passed by authority went against the corporation. The corporation has filed appeal against the award in Hon'ble Bombay High Court, . The Corporation has deposited Rs.22,00,00,000 with Hon'ble High Court on 11.01.2018. Balance amount is subject to reconciliation and consequential adjustment. The matter is yet to be decide by the Hon'ble High Court.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 9: Short-term provisions

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|--------------------|--------------------|
| Provision for employees' benefits | | |
| - Leave encashment (refer note 31(B)) | - | 72,32,039 |
| - Gratuity | 70,89,071 | |
| - Salary payable | 59,065 | 11,133 |
| Other provisions | | |
| - Provision for arrears of rent (refer note 9.1) | - | 37,37,728 |
| Less: Inter Company transactions | - | - |
| - Provision for expenses (refer note 9.2 and 9.3) | 7,90,58,940 | 5,98,21,275 |
| Total | 8,62,07,076 | 7,08,02,175 |

9.1 "Krupanidhi Limited is subsidiary of MSSIDC Limited. HO building premises is taken on lease from BPT.

Case history

Mumbai port Trust has filed suit against the Krupandhi Limited in the year 1985, on the allegation that this company had committed breach of terms and conditions of the indenture of lease by assigning a major portion of the demised premises to Maharashtra Small Scale Industries Development Corporation Ltd., without the consent of Mumbai port Trust. The suit was decided by his Honour Learned Judge Shri M B Mali on 31st August, 2001 and the same was decreed in favour of Mumbai port Trust and the Company were ordered to handover vacant possession of the suit premises within a period of three months from the date decree and it was directed that mesne profit should be ascertained. The Company being aggrieved by the said Judgement and decree dated 31.08.2001 preferred an appeal no. 704 of 2001 in small causes Court, Mumbai through Advocate Shri. Amin Nathani.

Meantime Krupanidhi Ltd. has received a statement of Accounts from Mumbai Port Trust through their Advocate, in the Court during the hearing on 13.03.2008, showing the arrears of Rent etc., amounting to Rs. 2,95,20,970 payable to Mumbai Port Trust for the period from 01.01.1971 to 31.03.08. The Krupanidhi Ltd have forwarded the said statement to all our unit holders/ members requesting them to make the payment of arrears as per their share. The corporation has share of expenses of Rs. 1,83,03,001/, hence the same has been provided earlier.

BPT has raised demand of arrears to Krupanidhi Limited of Rs. 2,95,20,970/- in 2007-08. This subject matter is in Court and Krupanidhi Limited. is perusing matter to respective authority. Krupanidhi Limited has issued arrears of demand to respective shareholders and we are the major shareholder in Krupanidhi Limited. and at present 62 percent shareholding with MSSIDC.

As per the accounting standard (AS) 21 we have to consolidate the balance sheet of MSSIDC Limited and Krupanidhi Limited. as per the Company Act 2013. The Krupanidhi Limited raised the demand of arrears to MSSIDC, therefore we have to make provision in books of accounts FY-2014-15. The 62 percent share of 2,95,20,970/- is work out Rs. 1,83,03,001.00/- The Corporation has booked provision in books of accounts in FY-2014-15."

- 9.2 Provision for expenses includes Rs.2,63,25,359/- towards additional lease premium payable to CIDCO for non-fulfillment of condition of minimum construction at Kalamboli Godown, Thane. The provision was provided in books of accounts in F.Y.2012-13.
- 9.3 Provision for expenses includes Rs.2,72,64,845/- towards arrear of rent payable to Mumbai Port Trust. The provision was provided in books of account in F.Y. 2009-10. This provision is kept in the books of account since Mumbai Port Trust has raised fresh demand vide their letter dated 02.08.2017 for Rs.45,88,82,204/-

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 10: - Fixed assets

Note 10.1: - Tangible assets

| | ORIGINAL COST | | | DEPRECIATION | | | NET BOOK VALUE | | |
|------------------------------|-----------------------------|--------------|---------------|-----------------------------|-----------------------------|------------------|-----------------|-----------------------------|-----------------------------|
| | Balance as at 01 April 2019 | Additions | Disposals | Balance as at 31 March 2020 | Balance as at 01 April 2019 | Depreciation | Impairment loss | Balance as at 31 March 2020 | Balance as at 31 March 2019 |
| Freehold land | 76,426 | - | - | 76,426 | - | - | - | 76,426 | 76,426 |
| Leasehold land | 21,56,44,075 | - | - | 21,56,44,075 | 15,62,43,485 | 18,54,071 | - | 5,75,46,520 | 5,94,00,590 |
| Building on leasehold land | 5,71,82,891 | - | - | 3,31,57,048 | 1,53,09,297 | 8,56,482 | - | 1,69,91,269 | 4,18,73,594 |
| Residential flats | 41,03,472 | - | - | 41,03,472 | 20,52,051 | 66,767 | - | 19,84,654 | 20,51,421 |
| Office premises | 1,14,19,807 | - | - | 1,14,19,807 | 46,11,815 | 2,68,846 | - | 65,39,147 | 68,07,992 |
| Paithani dev centre | 1,82,226 | - | - | 1,82,226 | 1,22,044 | 17,980 | - | 42,202 | 60,182 |
| Plant and machinery | 80,77,931 | - | - | 82,97,446 | 46,46,143 | 2,64,076 | - | 31,67,714 | 34,31,788 |
| Office Equipments | 1,04,86,345 | - | - | 1,04,86,946 | 98,89,937 | 1,16,815 | - | 4,94,292 | 5,96,408 |
| Furniture and fixtures | 1,46,93,910 | - | - | 1,47,04,722 | 1,08,76,837 | 3,14,726 | - | 35,02,347 | 38,17,073 |
| Electrical fitting | 29,04,329 | 44,872 | - | 28,59,457 | 13,94,499 | 1,92,190 | - | 12,72,767 | 15,09,830 |
| Vehicles | 53,22,038 | - | - | 53,22,038 | 43,94,083 | 2,66,707 | - | 6,61,248 | 9,27,955 |
| Computers | 2,24,36,845 | - | - | 2,24,36,845 | 2,12,72,426 | 66,164 | - | 10,98,255 | 11,64,419 |
| Tangible assets | 35,25,30,295 | - | 44,872 | 32,86,90,508 | 23,08,12,617 | 42,84,824 | - | 9,33,76,840 | 12,17,17,678 |
| Assets less then Rs. 5,000 | 8,53,278 | 3,220 | - | 8,56,498 | 8,33,800 | 3,220 | - | - | - |
| Total Tangible assets | 35,33,83,573 | 3,220 | 44,872 | 32,95,47,006 | 23,16,46,417 | 42,88,044 | - | 9,33,76,840 | 12,17,17,678 |
| Previous year | | | | | | | | | |

Note 10.2: Intangible Assets

| | ORIGINAL COST | | | DEPRECIATION | | | NET BOOK VALUE | | |
|-------------------|-----------------------------|-----------|-----------|-----------------------------|-----------------------------|--------------|-----------------|-----------------------------|-----------------------------|
| | Balance as at 01 April 2019 | Additions | Disposals | Balance as at 31 March 2020 | Balance as at 01 April 2019 | Depreciation | Impairment loss | Balance as at 31 March 2020 | Balance as at 31 March 2019 |
| Leasehold rights | 63,70,805 | - | - | 63,70,805 | 31,13,452 | 3,57,553 | - | 28,99,800 | 32,57,353 |
| Intangible assets | 63,70,805 | - | - | 63,70,805 | 31,13,452 | 3,57,553 | - | 28,99,800 | 32,57,353 |
| Previous year | | | | | | 56,03,920 | | | |

Notes :

- (i) Amortisation has been provided in proportion to Lease Period from the year in which possession of lands is taken, although the agreements to lease stipulate that they will come into force after the execution of lease agreements
- (ii) The Corporation has charged depreciation on the Lease Hold Rights of the premises in World Trade Centre and amortised it over its useful life of 60 years.
- (iii) Total Depreciation (including amortisation of lease hold right) for the year of Rs.63,34,819/- includes Amortisation of revaluation reserve of Rs.18,00,640 and amount charged to Debit pertaining to previous year of Rs.3,24,171/(as per CAG observation).

Maharashtra Small Scale Industries Development Corporation Limited
Notes to Consolidated financial statements for the year ended 31 March 2020

Note 11: Non-current investments
(Valued at cost unless stated otherwise)

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Quoted investments | | |
| Investment in equity instruments | | |
| 1,60,000 (previous year:1,60,000) equity shares of Mah. Ind & Tech Consultancy Org. Ltd., of Rs.10/- each, fully paid up | 40,000 | 40,000 |
| Unquoted investments | | |
| Investment in equity instruments | | |
| 1 (previous year: 1) equity share of Mah. State Handloom Co-op Fed. Ltd., of Rs.250/- each, fully paid up | 250 | 250 |
| 620 (previous year: 620) equity shares of Krupanidhi Limited of Rs.100/- each, fully paid up | 62,000 | 62,000 |
| Less: Krupanidhi inter-company shareholding | (62,000) | (62,000) |
| 6.75% UTI bonds face value of Rs.100/- | - | - |
| Total | 40,250 | 40,250 |

Note: 11.1 Original Shares 400 purchased @100 per share (Rs. 40,000), thereafter bonus share 600 allotted to the Corporation.Total no. of share 1000 is subdivide @ 10 each per share and fresh 9000 share @ 10 per share allotted to the corporation. Around 2013-14 fresh bonus share 150,000 allotted to the corporation,Thus total no. of Share is 160,000.

Note: 11.2 During the Year 2013-2014 Mitcon listed its share on recognised stock exchange in India, therefore investment in the shares of Mitcon is quoted shares after their listing.

Note:11.3 Market Value per share is Rs. 39.85 as on 24.3.2020, thus value of investment is Rs.63,76,000.(160,000 share @39.85 each)

Maharashtra Small Scale Industries Development Corporation Limited
Notes to Consolidated financial statements for the year ended 31 March 2020

Note 12: Deferred tax assets (net)

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|--------------------|--------------------|
| Deferred tax liability | | |
| Opening balance | 28,17,562 | 18,70,732 |
| Timing difference on tangible assets depreciation and impairment | | - |
| Effects of lease accounting | | - |
| Disallowance U/s 43B | -9,23,725.3652 | 9,46,830.075 |
| PL Encashment | | - |
| Total | 1,893,837 | 28,17,562 |
| Deferred tax assets | | |
| Opening balance | 1,58,55,674 | 1,52,25,425 |
| Disallowance U/s 40(a) | - | 1,28,680 |
| Disallowance U/s 43 B | 7,96,783 | |
| Timing difference on tangible assets depreciation and impairment | - | 5,01,569 |
| Total | 16652,457 | 1,58,55,674 |
| | | |
| Net deferred tax assets/(liability) | 1,47,58,621 | 1,30,38,112 |
| | | |
| Profit & Loss Impact | 17,20,509 | (3,16,581) |

12.1 During the year, Deferred Tax Assets are not recognized in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 13: Long term loans and advances

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------------|---------------------|
| (Unsecured, Considered Good, unless otherwise stated) | | |
| Capital Advances (Unsecured considered good) | | - |
| Security deposits (refer note 13.1) | | |
| - Unsecure, considered good | 25,56,62,953 | 25,80,70,956 |
| - Unsecure, considered doubtful | - | 5296,427 |
| - Less: Provision for doubtful deposits | - | (5296,427) |
| | 25,56,62,953 | 25,80,70,956 |
| - GST Receivable | 26,32,994 | |
| - Advance tax and TDS | 5,93,19,540 | 5,14,98,891 |
| Total | 31,76,15,487 | 30,95,69,847 |

13.1 Deposit paid is subject to scrutiny, reconciliation and consequential adjustment. The above deposits are outstanding since long and no balance confirmation and any income is received.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 14: Other non-current assets

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------------|---------------------|
| Others | | |
| Advance to gratuity trust (refer note 14.1) | 15,78,14,747 | 16,44,16,370 |
| Accrued Rent | 1,36,31,184 | |
| Others | 97,670 | |
| Bank Deposit (Due to Mature after 12 Monh from reporting date) | 3,53,138 | 3,28,019 |
| Total | 17,18,96,739 | 16,47,44,389 |

14.1 The above accounts are not reconciled. As per the balance confirmation available with LIC, the balance with LIC is only of Rs. 4,40,05,871/-. The corporation has not reconciled this account since long and actual payment made for gratuity is also debited to this account. due to error in accounting, there is excess balance shown in this account by Rs. 12,04,10,499/-.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 15: Inventories

(Amount in Rs.)

(valued at cost or lower of net realizable value)

| Particulars | 31 March 2020 | 31 March 2019 |
|------------------|------------------|------------------|
| Raw materials | 1,75,296 | 3,89,583 |
| Work-in-progress | 7,78,841 | 6,95,965 |
| Finished goods | 30,48,128 | 14,31,815 |
| Traded goods | 30,41,075 | 57,22,991 |
| Total | 70,43,339 | 82,40,353 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 16: Trade receivables

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---------------------|---------------------|
| Receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| - Secured, considered good | 47,05,098 | - |
| - Unsecured, considered good (refer note 16.1) | 31,01,66,658 | 39,49,84,375 |
| - Less: Provision for bad and doubtful receivables | (3,19,31,673) | (2,13,77,344) |
| | 28,29,40,083 | 37,36,07,031.00 |
| Other receivables | | |
| - Secured, considered good | (8,33,297) | 1,66,89,304 |
| - Unsecured, considered good (refer note 16.2) | - | 2,24,84,800 |
| Total | 28,21,06,786 | 41,27,81,135 |

16.1 The Trade Receivables are subject to scrutiny, reconciliation, consequential adjustments. The amount Includes Rs. 36,69,56,348/- (Previous year Rs. 34,31,14,380/-) less earlier provision Rs.2,64,85,000 under sundry debtors, which is outstanding for over three years as per ageing using TALLY accounting software. The Management is of opinion that some of the debtors pertaining to marketing activity which are backed by creditors, and some of the debtors legal cases are filed which result will be favorable. Hence no provision is made against these debtors.

Trade Receivables include Rs. 8,73,05,634 due from M/S. Metal Tube Rolling Mills (MTRM). The matter was under arbitration. Advocate of the Corporation has finally completed argument before the Arbitrator in April 2011. The arbitrator has passed the award on 14.06.2011 in favour of the Corporation directing the MTRM to deposit Rs. 16,99,56,060 plus interest. The corporation filed execution application dated 27.07.2016 for claim of Rs.50,64,73,685 at Bombay High Court. The hon'ble High Court has confirmed the Arbitration award passed in favour of MSSIDC in arbitration petition. Case disposed off on 27/08/2018. Execution proceedings are in process under the guidance of hon'ble High Court.

"Trade Receivables includes Rs. 5,62,79,307 receivable from Mehta Group of industries. The Corporation has filed civil suit as well as u/s 138 (cheque bouncing) on Mehta Group of Companies (1. Prithavi Espot, 2. Holum Iron Steel, 3. Parshwa Engg., 4. Munish Forge Ltd.). The civil suit filed against M/s. Munish Forge is decided in favor of corporation and darkhast was filed on 24.07.2017 for execution of decree. Holum Iron & Steel:- Hon'ble High court granted Ad. Interim relief dated 13-12-2017 in terms of Prayer clause (ii) by way of Ad interim relief further proceeding before Hon'ble Dist Judge Nagpur. In Special (Commercial) Civil suit no. 9/2016 be stayed during the pendency of writ petition until further orders, and this notice for respondent is returnable. Since notice could not be served upon respondent due to non availability of addresses.

Paper publication order has been passed by the court. Matter is pending for further step.
Parshwa Engg:- Case is pending with Hon'ble District Judge for framing issues.
Prithvi Ispat, Nagpur:- The corporation had filed special civil suit in civil judge Senior Division Nagpur, the said suit is dismissed by the court for default(as advocate was absent and nobody was present on behalf of corporation.The Corporation filed civil suit for restoration of dismissed suit. The summons issued to defendant are returned back, the court has directed to issue fresh summon on new address,summons can't be issued as absence of address. Matter is pending before Joint civil Judge, senior division Nagpur for further steps.

Sundry Debtor includes receivable from M/s. Khutale Steel Rolling Mills Pvt. Ltd. ("Khutale"), Satara for Rs. 42,52,635. Khutale unauthorisedly removed raw material supplied under Warehousing Credit Scheme and has an outstanding of Rs. 42,52,635 as on date. The judgment delivered in favour of the Corporation in civil suit filed by the Corporation in Satara Court against Khutale for recovery and the original decree execution papers were submitted to Hon'ble High Court, Mumbai. The matter is pending before High Court. Notice of Motion No. 843 of 2013 is filled in Highcourt Judicature at Bombay. The Notice of Motion which is Filled for restoration with support of affidavit, Honourable high court has kept this matter for rejection further steps to be taken by complainant.The Management is of the view that since award is in favour of the corporation, no provision is required for the same.the notice was issued.

16.2 This Amount is subject to scrutiny, reconciliation and consequential adjustment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 17: Cash and bank balances

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---------------------|---------------------|
| Cash and cash equivalents | | |
| Cash on hand | 56,556 | 49,870 |
| Cheques, drafts on hand | - | - |
| Balances with banks | | |
| - in current accounts | 428,059,420 | 54,997,219 |
| - in deposit account (with maturity upto 3 months) | - | - |
| Other bank balances | | |
| - Unpaid Dividend | | - |
| - Deposits with maturity more than 3 months but less than 12 months | 314,953,138 | 505,528,019 |
| - Balances with bank held as margin money | - | - |
| - Bank deposits with maturity of more than 12 months | - | - |
| | 743,069,114 | 560,575,108 |
| - Less : Amounts disclosed as Other non-current assets (Refer note ...) | (3,53,138.00) | 3,28,019 |
| Total | 74,27,15,976 | 56,02,47,089 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 18: Short-term loans and advances

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|--------------------|--------------------|
| Unsecured considered good, unless otherwise states: | | |
| Loans and advances to employees | | |
| - Housing and other loans | | 58,623 |
| - Salary advances | 29,24,461 | 23,04,927 |
| Advance to suppliers (refer note 18.1) | 3,52,37,036 | 5,86,82,552 |
| Advance recoverable in cash or in kind or for value to be received (refer note 18.1) | | |
| - Unsecured, considered good | (24,01,952) | 1,44,871 |
| - Unsecured, considered doubtful | 1,60,99,484 | 1,30,21,406 |
| - Less: Provision for doubtful loans and advances | (1,60,99,484) | (1,30,21,406) |
| | (24,01,952) | 1,44,871 |
| Other Advances and Balances (refer note 18.3) | | |
| - Exhibition and Training | 30,01,752 | 52,43,623 |
| - Balance with Government Authorities | - | - |
| Total | 3,87,61,297 | 6,64,34,596 |

18.1 Advance to suppliers are subject to scrutiny, reconciliation and consequential adjustments.

Advance to Suppliers includes Advance of Rs. 29.42 lakhs which was paid on 24.11.2003 to M/s. Inter National Steel Industries (ISI), Mumbai, towards raw material transaction. Since the amount was outstanding and FIR was lodged with Economic Offence Wing (EOW) on 22.12.2004, the matter is under investigation. Further, the Corporation has also filed 2 criminal complaints against ISI and the same are pending before Metropolitan Magistrate Court (Esplanade), Mumbai. The Corporation have submitted fresh addresses of accused to the Hon'ble Court. Hon'ble Court issued non-bailable warrant on fresh addresses.

18.2 Balance amount is subject to reconciliation and consequentiles adjustment

18.3 Balance amount is subject to reconciliation and consequentiles adjustment

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 19: Other current assets

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------------|---------------------|
| Unsecured considered good, unless otherwise states | | |
| Interest Accrued on fixed deposits | 1,03,19,503 | 2,29,77,286 |
| Claim recoverable (refer note 19.2) | 10,93,784 | 10,82,542 |
| Rent receivable (refer note 19.1) | 9,54,15,159 | 10,56,87,256 |
| - Less: Provision for doubtful rent receivable | - | (48,24,614) |
| | 9,54,15,159 | 10,08,62,642 |
| Dividend receivable | 2,06,689 | 62,009 |
| Prepaid expenses | 80,120 | 86,075 |
| Preoperative Expenses | - | - |
| Loan to employee | - | - |
| Total | 10,71,15,256 | 12,50,70,554 |

19.1 The Corporation is to receive Rs.35,44,918/- towards rent receivable from Hindustan Zinc Ltd. The case went to Arbitration and Arbitration Award was passed in the favour of the Corporation asking Hindustan Zinc Ltd. to pay Rs.27,40,046/- to the Corporation. Hindustan Zinc Ltd. has moved Udaipur District Court against the Arbitration Award. Hindustan Zinc has shown willingness to settle the matter and the final settlement claim was received by corporation on 24.02.2019.

The Corporation had given their godowns on rental basis to Thakkar Warehousing Agency (TWA). The party has sublet the said godowns to 5 parties. There was a dispute between the Corporation and TWA and the matter was handed over to the arbitration. The arbitrator has given their award in favour of the Corporation for Rs.2.59 Crores on 08.10.2010 on which TWA has filed petition in the court of Law challenging the arbitration award, which has been admitted by the court. The Corporation has filed an appeal before divisional bench to challenge the order of the single bench of admission of the petition of TWA. The appeal of the Corporation is admitted and pending for final hearing.

The Corporation has allotted 2863 sq.ft space at Krupanidhi Building First floor, Mumbai to MIDC for running IPFC (Investor Promotion & Facilitation Cell) wef 27.08.2013 @ 130 per sq.ft. The rental income booked in FY 2019 -20 Rs. 68.65 lacs, however same has been recovered in 2021-22.

19.2 Claim amount recoverable is not reconciled and there is no recovery of this amount since long.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 20: Revenue from operations

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|----------------------|----------------------|
| Sale of products | | |
| - Finished goods | 16,56,117 | 11,60,145 |
| - Traded goods | 13,99,34,215 | 20,05,79,819 |
| | 14,15,90,332 | 20,17,39,964 |
| | | |
| Total | 14,15,90,332 | 20,17,39,964 |
| | | |
| Breakup of revenue from sale of products | | |
| | 31 March 2020 | 31 March 2019 |
| Manufactured goods | | |
| - Cotton paithani sarees | 6,81,956 | 11,60,145 |
| - Coir Product | 9,74,161 | - |
| Traded goods | | |
| - Marketing sales | 11,98,21,137 | 17,81,05,092 |
| - Handicraft sales | 2,01,13,078 | 2,24,74,727 |
| | | |
| Total | 14,15,90,332 | 20,17,39,964 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 21: Other income

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------------|--------------------|
| Interest income | 4,51,99,961 | 3,90,98,522 |
| Dividend income from - long tem investments | - | 1,60,000 |
| Rental income | 4,22,05,859 | 5,04,31,715 |
| Liabilities written back to the extent no longer required | 71,354 | 4,48,464 |
| Other non-operating income | 27,98,882 | 14,13,181 |
| Contribution from shareholders | 1,66,26,227 | 18,64,175 |
| Rebate Income | 52,73,414 | |
| Commission | 45,65,003 | (13,97,177) |
| Total | 11,67,40,699 | 9,20,18,880 |

Note 21.1: Renal Income of godown no.D-10 including 7 Parties at Thane is subjudice. Out of which two parties rent were booked.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 22: Cost of materials consumed

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|------------------|------------------|
| Raw material consumed | | |
| - Opening inventory | 3,89,583 | 2,40,957.15 |
| - Add : Purchases | 9,70,691 | 13,74,506.57 |
| - Less : Inventory at the end of the year | 1,75,296 | 3,89,582.78 |
| Cost of raw materials consumed during the year | 11,84,977 | 12,25,881 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 23: Purchases of traded goods

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------------|---------------------|
| Marketing and handicraft purchases (net) | 13,47,84,967 | 18,46,47,813 |
| | 13,47,84,967 | 18,46,47,813 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 24: Changes in inventories of finished goods, work-in-progress and stock-in-Trade

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|------------------|------------------|
| (Increase)/Decrease in stocks | | |
| Stock at the end of the year: | | |
| - Finished goods | 28,00,349 | 14,31,715 |
| - Work-in progress | 7,78,415 | 6,95,965 |
| - Stock in trade | 32,89,280 | 57,22,991 |
| Total A | 68,68,044 | 78,50,670 |
| Less: Stock at the beginning of the year: | | |
| - Finished goods | 14,31,715 | 12,31,907 |
| - Work-in progress | 6,95,965 | 6,73,099 |
| - Stock in trade | 57,22,991 | 70,44,857 |
| Total B | 78,50,670 | 89,49,863 |
| | | |
| Increase/Decrease in stocks (A-B) | 9,82,627 | 10,99,192 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 25: Employee benefit expenses

(Amount inRs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|--------------------|--------------------|
| Salaries, wages and bonus | 4,35,29,537 | 6,14,68,496 |
| Contribution to provident and other funds | 37,89,547 | 45,49,519 |
| Gratuity | 56,83,610 | 20,000 |
| Staff welfare expenses | 4,06,581 | 1,35,414 |
| less: Inter company transaction | - | (4,28,651) |
| Total | 5,34,09,275 | 6,57,44,778 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 26: Finance costs

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---------------------------------|-----------------|------------------|
| Bank charges | 68,249 | 95,601 |
| Interest paid others | 42,059 | 10,44,424 |
| less: Inter company transaction | - | - |
| Total | 1,10,308 | 11,40,025 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 27: Depreciation and amortization expense

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|------------------|------------------|
| Depreciation of tangible assets (Also, refer note 10) | 42,88,044 | 52,45,545 |
| Amortisation of Intangible Assets | 3,57,553 | 3,58,375 |
| | 46,45,597 | 56,03,920 |
| less: Debit pertaining to previous year (short Amort. Of Last year) | - | - |
| less: Transfer to Revaluation reserve | 18,54,071 | 18,59,252 |
| | 27,91,526 | 37,44,668 |
| Less: Inter company transaction | - | (1,638) |
| Total | 27,91,526 | 37,43,030 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 28: Other expenses

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Power and fuel | 9,01,117 | 14,87,842 |
| Freight, clearing and forwarding | 5,675 | 1,65,073 |
| Rent (Also, refer note 33) | 71,66,911 | 70,20,747 |
| Repairs and maintenance | - | - |
| - Building, | 50,11,472 | 31,35,092 |
| - Plant and equipment | - | 7,52,653 |
| Account writing charges | 24,000 | |
| Audit fees | 11,800 | |
| Drainage clearing expense | 4,800 | |
| General expense | 19,585 | |
| - Other | 5,44,582 | 5,20,934 |
| Insurance | 3,36,691 | 4,51,955 |
| Rates and taxes | 19,33,148 | 21,23,052 |
| Travelling and conveyance | 14,31,434 | 15,96,990 |
| Directors' fees | 15,000 | 1,36,745 |
| Payments to auditors (Also, refer note 28.1) | 5,00,000 | 5,11,800 |
| Lift maintenance expense | 42,756 | |
| Professional and legal expense | 2,12,776 | |
| Typing expense | 12,000 | |
| Legal and professional charges | 46,34,931 | 74,59,422 |
| Sweeping expense | 26,400 | |
| Water charges | 5,26,419 | |
| Advertisement expenses | 12,18,145 | 10,25,428 |
| Printing and stationery | 3,91,684 | 5,19,195 |
| Communication expenses | - | 4,86,054 |
| Office maintenance | 6,37,214 | 3,99,131 |
| Bank Charges | 649 | |
| Provision for rent including interest | 21,44,285 | |
| Provision for interest/ late filling fees | 4,46,356 | |
| Vehicle running and maintenance charges | 19,15,812 | 24,19,703 |
| Corporate social responsibility | - | - |
| Mkt Risk & Devepoment Res. | 5,131 | 8,548 |
| Bad debts written off | - | 1,270 |
| Fixed Asset written off | 2,40,70,716 | |

| Particulars | 31 March 2020 | 31 March 2019 |
|---------------------------------|----------------------|----------------------|
| Security expenses | 49,54,900 | 46,94,084 |
| Miscellaneous expenses | 1,03,77,922 | 53,53,000 |
| Total | 6,95,24,310 | 4,02,68,718 |
| 28.1 Payment to auditors | 31 March 2020 | 31 March 2019 |
| As auditor | | |
| - Statutory audit | 4,20,339 | 3,50,000 |
| - Tax audit | 1,50,000 | 1,50,000 |
| Reimbursement of expenses | - | - |
| Total | 5,70,339 | 5,00,000 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

Note 29: Prior period items (net)

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|------------------------------------|--------------------|--------------------|
| Income | | |
| Sales | - | 5,65,927 |
| Interest | - | - |
| Rent Income | - | - |
| Registration income | - | - |
| Services Charges/Rebate | - | 63,473 |
| Electricity Charges (Reimbursed) | - | 27,96,764 |
| Refund National Information centre | - | - |
| Reversal of Excess provision | - | 8,52,500 |
| Deposit Forfieted | - | - |
| Miscellaneous Income | 33,01,926.48 | 1,08,785 |
| Rent Income | 1,14,86,899.00 | |
| Total A | 1,47,88,825 | 43,87,449 |
| Expenditure | | |
| Purchases | - | - |
| Service charges | - | 68,291 |
| Office and administrative expenses | - | 1,90,001 |
| Marketing expenses | - | - |
| Employee benefit expenses | 7,16,386.00 | 39,856 |
| Rates and taxes | - | 8,47,992 |
| Miscellaneous expenses | 1,52,468.00 | - |
| Professional Fee | - | 8,15,000 |
| Travelling Exp | - | - |
| Rent and interest expenses | 68,364.00 | 4,07,630 |
| Office expenses | - | 1,87,090 |
| Rates & Taxes | 6,72,794.00 | 26,633 |
| | - | - |
| Expenses on Parwasi Divas | - | - |
| Repair & Mintainance Building | 4,40,431.68 | |
| Other Expenses | 8,35,593.82 | |
| Depreciation / Amortisation | - | - |
| Water Charges | - | - |
| Staff Walfare | - | - |
| Wages | - | - |
| Annual Maintenance Charges | - | - |
| Total B | 28,86,038 | 25,82,493 |
| Total (A+B) | 1,10,71,010 | (18,04,956) |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

30 Earning per share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earning Per Share' - (AS-20), notified by the Company's (Accounting Standards) Rules, 2006 (as amended)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Net profit after taxes as per statement of profit and loss attributed to equity shareholders | (1,67,32,642) | (3,48,33,085) |
| Weighted average number of equity shares used as denominator for calculating EPS | 14,50,299 | 14,50,099 |
| Basic and diluted | (11.54) | (24.02) |
| Face value per share in rupees | 100 | 100 |

31 Segment reporting

Primary segment reporting (by business segment)

The Corporation has identified its reportable segment for Segment Reporting , in accordance with Accounting Standard 17 , as Marketing , Emporium & CWH Activity which are primary segment. In addition, the following policies have been followed for Segment Reporting.

(i) Segment Revenue includes sales and other income directly identifiable with /allocable to the segment with bifurcation of inter segment revenue.

(ii) Expenses that are directly identifiable with /allocable segments are considered for determining the segment results. Expenses which relate to the corporation as a whole and not allocable to segments are included under "Unallocable Expenditure".

(iii) Income which relates to the Corporation as whole and not allocable to segments is included in " Unallocable Segment"

(iv) Segment assets & liabilities include those directly identifiable with the respective segments, Unallocable Corporate assets and liabilities represents the assets and liabilities that relate to the corporation as a whole and not allocable to any segment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

(Amount in Rs.)

32 Disclosure as required by Accounting Standard (AS)-15 (Revised) on “Employee Benefits”:

A. In respect of Gratuity, a Defined Benefit Scheme (based on actuarial valuation):

The Corporation pays gratuity to the employees whoever has completed five years of service with the Corporation at the time of resignation/superannuation. The gratuity is paid @15 days salary as per Gratuity Act 1972.

The Corporation has invested in LIC under employees group gratuity cum life assurance scheme. The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees’ services.

The Corporation has obtained gratuity valuation certificate from the actuary, as per actuary valuation certificate the liability on account of gratuity as on 31.03.2020 is of Rs. 524,84,173/- . Since the corporation has already provided excess liability in the books of account and on conservative view excess liability is not reversed.

B. In respect of Leave Encashment, a Defined Benefit Scheme (based on actuarial valuation):

| | 31 March 2020 | 31 March 2019 |
|--|-------------------------------|-------------------------------|
| Benefit type | Privilege leave | Privilege leave |
| Method of valuation | Projected unit credit method | Projected unit credit method |
| Valuation results | | |
| Discontinuance liability | 1,88,62,861 | 2,19,72,424 |
| Projected benefit obligation | 2,10,11,962 | 2,36,31,021 |
| Other Results | | |
| Average future service | 4 years | 4 years |
| Current & non-current liability | | |
| Funding status | Unfunded | Unfunded |
| Fund balance | NA | NA |
| Current liability | 70,89,071 | 72,32,039 |
| Non-current liability | 1,39,22,891 | 1,63,98,982 |
| Valuation Assumption | Indian Assured Lives | Indian Assured Lives |
| Mortality Rate | Mortality (2006-08) Ult Table | Mortality (2006-08) Ult Table |
| Discount Rate | 5.76% | 6.96% |

| | | |
|------------------------|---------------|---------------|
| Salary escalation rate | 9.75% | 9.75% |
| Attrition rate | 5.09% | 5.09% |
| Retirement Age | 58 & 60 years | 58 & 60 years |
| Maximum accumulation | 300 days | 300 days |

C. In respect of Gratuity, a Defined Benefit Scheme (based on actuarial valuation):

| | 31 March 2020 | 31 March 2019 |
|--|------------------------------|------------------------------|
| Benefit type | Gratuity | Gratuity |
| Method of valuation | Projected unit credit method | Projected unit credit method |
| Valuation results | | |
| Discontinuance liability | 4,68,20,918 | 5,66,17,354 |
| Projected benefit obligation | 5,24,84,173 | 6,10,67,364 |
| Other Results | | |
| Average future service | 4 years | 4 years |
| Current & non-current liability | | |
| Funding status | Funded | Funded |
| Fund balance | 4,71,08,285 | 4,40,05,871 |
| Current liability | 21,19,844 | 25,44,897 |
| Non-current liability | 32,56,044 | 1,45,16,596 |
| Valuation Assumption | | |
| Discount Rate | 5.76% | 0.0696 |
| Salary escalation rate | 10% | 10% |
| Attrition rate | 5% | 2% |
| Retirement Age | 58 to 60 years | 58 to 60 years |

Maharashtra Small Scale Industries Development Corporation Limited
Notes to Consolidated financial statements for the year ended 31 March 2020

33 Disclosures in respect of cancellable operating lease

The Corporation has entered into cancellable leasing arrangement for the premises on mutually agreeable terms. The lease

34 Contingent liabilities and commitments

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| (a) Claims against the Corporation not acknowledged as debt: | | |
| (i) Snehdeep Structural Private Limited Appeal No.555 (2006) and Appeal No.260 (2013) | - | - |
| (ii) Mumbai Port Trust (refer note 34.1) | 458,882,204 | 458,882,204 |
| (iii) WIST – Wadala Godown, Mumbai | 10,832,189 | 10,832,189 |
| (iv) Savatram Polymers, Akola | 2,465,320 | 2,465,320 |
| (v) M/s Ajay Entp, Yavatmal | 624,736 | 604,736 |
| (vi) Shri Industries Aurangabad | 806,971 | 806,971 |
| (vii) Assistant Commissioner SPF | 618,234 | 618,234 |
| (viii) Dist Cooperative Industrial Development Society, Nanded | 439,502 | 439,502 |
| (ix) Grips India, Parbhani | 382,767 | 382,767 |
| (x) Maruti Wires, Parbhani | 468,725 | 468,725 |
| (b) Provision for Interest expenses not made of following: | | |
| (i) Industries & Labour Dept., Maharashtra Govt. Edu. Unemployment Hire Purchase Scheme | 948,960 | 948,960 |
| (ii) Industries & Labour Dept., Maharashtra Govt. Seed Capital | 2,689,410 | 2,689,410 |
| (iii) Mohit Minerals Pvt. Ltd. | 65,000,000 | 65,000,000 |
| (c) Tax Liability not acknowledged as debt and Pending in Appeal with higher authority (exclusive of the effect if similar matters in respect of Assessment remaining to be completed) in respect of : | | |
| (i) Sales Tax | 22,713,224 | 22,713,224 |
| (ii) Income Tax | 61,763,413 | 61,763,413 |
| (iii) Value added tax | 296,309,876 | 296,309,876 |
| (d) Penalty u/s 271B of the Income Tax Act for non-Filing of Tax Audit Report u/s. 44 AB of the Income Tax Act for last 3 years (FY 2013-14 to FY 2015-16). | 900000 | 750000 |

34.1 Mumbai Port Trust vide letter dated 02.08.2017 raised demand towards pending regulation/ rectification of breaches and liquidation of Port Trust Arrears of Rs.45,88,822,04/- in respect of TW-2 Shed at Cotton Green. The matter is to be placed in board meeting.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

35 Related party disclosure

a) Names of related parties

As per Accounting Standard 18 – Related Party Transactions, specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), the Corporation's related parties and transactions with them are enumerated below:

(a) Enterprises where control exists:

(i) Subsidiaries:

Krupanidhi Limited

(ii) Key Managerial Personnel:

Shri Venugopal Reddy Bollavalam-Managing Director

Shri Santosh kumar -Managing Director

Dr. Mary N. Kerketta- Managing Director

Shri S.G.Siddhewad- C.F.O

Shri V.D.Kapate-General Manager One Level Below the Board.

Shri Kush Keshri-Company Secretary

b) The transactions with related parties for the year are as follows:

| Transaction during the year | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Maintenance charges contribution to Subsidiary | | |
| Krupanidhi Limited (Maintenance Charges) | 1,681,243 | 1,278,169 |
| Krupanidhi Limited (Payment made for maintenance charges) | 1,240,811 | 1,278,169 |
| Remuneration to KMP | | |
| Shri Venugopal Reddy Bollavalam-Managing Director Salary | 833,168 | - |
| Shri Venugopal Reddy Bollavalam-Reimbursement of other expenses | 65,388 | - |
| Shri Santosh Kumar-Managing Director Salary | 1,419,463 | 2,324,660 |
| Shri Santosh Kumar-Reimbursement of other expenses | 52,800 | 125,309 |
| Smt. Mary Kerketta - Managing Director | | |
| Shri M. V. Waghilkar | - | 258,258 |
| Smt. Leena Bansod- | - | 1,681,065 |
| Shri Kush Keshri-Remuneration | 724,329 | 664,514 |
| Shri V.D.Kapate-Remuneration | 1,271,541 | 1,129,461 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

c) Balance outstanding with related parties:

| Party name | Receivable/payable | 31 March 2020 | 31 March 2019 |
|--------------------|--|---------------|---------------|
| Krupanidhi Limited | Maintenance charges contribution payable | 16,81,243 | 12,78,169 |

36 The Company has regrouped / reclassified the previous year figures to conform to the current year's presentation.

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm Reg. No. : 109681W

Kamal Sharma

Partner

Membership No. 112843

UDIN No. : 22112843AHHFOX2492

Place : Mumbai

Date : 30.03.2022

For and on behalf of the Board

Chief Financial Officer

Company Secretary

Place : Mumbai

Date : 30.03.2022

Managing Director

DIN: 02642157

Director

DIN: 07183938

2019-20



MSISIDIC

STANDALONE FINANCIAL STATEMENTS OF THE COMPANY

: ADDRESS :
KRUPANIDHI, 9,
WALCHAND HIRACHAND MARG,
BALLARD ESTATE, MUMBAI-400 001.

Maharashtra Small Scale Industries Development Corporation Limited

CIN: U74999MH1962SGC012501

Balance Sheet as at 31 March 2020

| (Amount in Rs.) | | | |
|---------------------------------|------|----------------------|----------------------|
| Particulars | Note | 31 March 2020 | 31 March 2019 |
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share Capital | 2 | 145,009,900 | 145,009,900 |
| Reserves and surplus | 3 | 367,911,637 | 386,535,557 |
| Non-current liabilities | | | |
| Long-term borrowings | 4 | 7,721,332 | 7,721,332 |
| Deferred tax liabilities (net) | | | |
| Other Long term liabilities | | | |
| Long term provisions | 5 | 97,184,148 | 97,222,202 |
| Current liabilities | | | |
| Short-term borrowings | | - | - |
| Trade payables | 6 | | |
| -Due to Micro, Small Enterprise | | - | - |
| -Due to others | | 332,281,844 | 398,546,410 |
| Other current liabilities | 7 | 720,236,344 | 650,025,375 |
| Short-term provisions | 8 | 85,343,380 | 66,949,436 |
| Total | | 1,755,688,584 | 1,752,010,212 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| - Tangible Assets | 9.1 | 88,723,636 | 117,062,202 |
| - Intangible Assets | 9.2 | 2,899,800 | 3,257,353 |
| Non-current investments | 10 | 102,250 | 102,250 |
| Deferred tax assets (net) | 11 | 14,758,620 | 13,038,112 |
| Long term loans and advances | 12 | 317,615,487 | 309,472,177 |
| Other non-current assets | 13 | 157,814,747 | 164,416,370 |

| Particulars | Note | (Amount in Rs.) | |
|-------------------------------|------|----------------------|----------------------|
| | | 31 March 2020 | 31 March 2019 |
| Current assets | | | |
| Inventories | 14 | 7,043,339 | 8,240,253 |
| Trade receivables | 15 | 278,234,985 | 385,188,679 |
| Cash and bank balances | 16 | 742,699,288 | 559,813,741 |
| Short-term loans and advances | 17 | 38,761,297 | 66,434,596 |
| Other current assets | 18 | 107,035,136 | 124,984,478 |
| Total | | 1,755,688,586 | 1,752,010,212 |

Significant accounting policies

1

The notes from 1 to 36 are an integral part of this financial statements

As per our attached report of even date

For Ambavat Jain & Associates LLP

Chartered Accountants

FRN 109681W

For and on behalf of the Board

Chief Financial Officer
DIN: 02642157

Managing Director

Kamal Sharma

Partner

Membership No. 112843

UDIN:22112843AHHDM04613

Company Secretary

Director

DIN : 07183938

Place : Mumbai

Date : 30.03.2022

Place : Mumbai

Date : 30.03.2022

Maharashtra Small Scale Industries Development Corporation Limited

CIN: U74999MH1962SGC012501

Statement of Profit and Loss for the year ended 31 March 2020

| Particulars | Note | 31 March 2020 | 31 March 2019 |
|---|------|---------------------|---------------------|
| Revenue | | | |
| Revenue from operations | 19 | 141,590,332 | 201,739,964 |
| Other income | 20 | 100,089,354 | 91,162,546 |
| Total revenue | | 241,679,686 | 292,902,510 |
| Expenses | | | |
| Cost of materials consumed | 21 | 1,184,977 | 1,225,881 |
| Purchases of traded goods | 22 | 134,784,967 | 184,647,813 |
| Changes in inventories of finished goods, work-in-progress and stock-in-Trade | 23 | 982,627 | 1,099,192 |
| Employee benefit expenses | 24 | 52,645,113 | 65,482,056 |
| Finance costs | 25 | 110,308 | 1,140,025 |
| Depreciation and amortization expense | 26 | 2,789,251 | 3,742,026 |
| Other expenses | 27 | 65,126,300 | 40,642,995 |
| Total Expenses | | 257,623,543 | 297,979,988 |
| Profit / (loss) before exceptional and extraordinary items and tax | | (15,943,857) | (5,077,478) |
| Exceptional Items | | | |
| Prior period items (net) | 28 | (415,889) | (1,804,956) |
| Profit/Loss before tax | | (15,527,968) | (3,272,522) |
| Tax expense | | | |
| Current tax | | 2,925,182 | - |
| Tax adjustments for earlier years | | - | 32,210,867 |
| Deferred tax | 11 | 1,720,509 | (316,581) |
| Profit/Loss for the period | | (16,732,641) | (35,799,970) |
| Earning per equity share (nominal value Rs.10 (previous year Rs.10) | 29 | | |
| Basic | | (11.54) | (24.69) |
| Diluted | | (11.54) | (24.69) |

Summary of significant accounting policies 1
The notes from 1 to 36 are an integral part of this financial statements

As per our attached report of even date
For Ambavat Jain & Associates LLP For and on behalf of the Board
Chartered Accountants
FRN 109681W

Chief Financial Officer Managing Director
DIN: 02642157

Kamal Sharma Company Secretary Director
Partner DIN : 07183938
Membership No. 112843
UDIN:22112843AHHDM04613

Place : Mumbai Place : Mumbai
Date : 30.03.2022 Date : 30.03.2022

Maharashtra Small Scale Industries Development Corporation Limited

CIN: U74999MH1962SGC012501

Cash Flow Statement for the year ended 31 March 2020

| | 31 March 2020 | 31 March 2019 |
|--|----------------------|----------------------|
| Cash flow from operating activities | | |
| Profit/Loss before exceptional and extraordinary items and tax | (15,943,857) | (5,077,478) |
| Adjustments: | | |
| Depreciation and amortisation | 2,789,251 | 3,742,026 |
| Fixed Asset written off | 24,070,716 | - |
| Interest and dividend income | (45,174,842) | (39,235,302) |
| Bad Debts written off | - | 1,270 |
| Grant in aid taken to statement of profit and loss | (42,338) | (42,338) |
| Transfer to marketing risk reserve | 5,131 | 8,548 |
| Operating profit/Loss before working capital changes | (34,295,939) | (40,603,274) |
| Changes in working capital: | | |
| (Increase) / decrease in trade receivables | 106,953,694 | (4,507,813) |
| (Increase) / decrease in inventories | 1,196,914 | 950,567 |
| (Increase) / decrease in other current assets | 17,949,342 | (17,738,299) |
| (Increase) / decrease in short-term loans and advances | 27,673,299 | 10,185,834 |
| (Increase) / decrease in long-term loans and advances | (322,661) | (9,802,656) |
| (Increase) / decrease in other non-current assets | 6,601,623 | 7,869,398 |
| Increase / (decrease) in trade payables | (66,264,566) | 5,760,462 |
| Increase / (decrease) in long term provisions | (2,476,091) | (16,740,987) |
| Increase / (decrease) in short term provisions | 18,393,944 | (15,374,911) |
| Increase / (decrease) in other current liabilities | 70,210,969 | 33,429,291 |
| Cash generated from operations | 145,620,528 | (46,572,389) |
| Taxes paid (net of refunds) | (8,307,794) | (32,210,867) |
| Net cash generated from operations before exceptional and extraordinary items | 137,312,734 | (78,783,256) |
| Prior period items (net) | 415,889 | 1,804,956 |
| Net cash generated from operating activities | 137,728,623 | (76,978,300) |
| Cash flow from investing activities | | |
| Purchase of tangible, capital work in progress | (17,919) | (2,681,167) |
| Interest and dividend income | 45,174,842 | 39,235,302 |
| Net cash flow from investing activities | 45,156,923 | 36,554,135 |
| | | |
| Cash flow from financing activities | - | - |
| | | |

| | | |
|---|--------------------|---------------------|
| Net increase / (decrease) in cash and cash equivalent | 182,885,546 | (40,424,165) |
| Cash and cash equivalents at the beginning of the year | 559,813,741 | 600,237,906 |
| Cash and cash equivalents at the end of the year (refer note 16) | 742,699,287 | 559,813,741 |
| Summary of significant accounting policies | | |

The notes from 1 to 36 are an integral part of this financial statements

As per our attached report of even date

For Ambavat Jain & Associates LLP

For and on behalf of the Board

Chartered Accountants

FRN 109681W

Chief Financial Officer

Managing Director

DIN: 02642157

Kamal Sharma

Company Secretary

Director

Partner

DIN : 07183938

Membership No. 112843

UDIN:22112843AHHDM04613

Place : Mumbai

Place : Mumbai

Date : 30.03.2022

Date : 30.03.2022

Maharashtra Small Scale Industries Development Corporation Limited

CIN: U74999MH1962SGC012501

Notes forming part of the financial statements

1 Significant Accounting Policies

a. Accounting Convention

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). All the assets and liabilities are classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013.

b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Examples of such estimates include computation of percentage of completion which requires the group to estimate the efforts expended to date as a proportion of the total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefits plans, income taxes, and the useful lives of fixed assets and intangible assts.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates.

c. Fixed Assets, including intangible assets and capital work-in-progress

(a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss/Re-stated Value, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition and any obligatory decommissioning costs for its intended use.

(b) Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

(c) Certain directly attributable pre-operative expenses during construction period are included under Capital Work-in-Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

(d) In case of lease-hold lands, original cost revalued by the valuer is considered in the accounts.

d. Depreciation

- (a) Depreciation on Tangible Fixed Assets are provided using Straight Line Method based on estimated useful life or on the basis of depreciation rates prescribed under schedule II of the Companies Act, 2013. Intangible assets are amortized over their estimated useful lives on straight line basis. Individual low cost assets (acquired for Rs. 5,000/- or less) are depreciated 100%.
- (b) Amortisation of assets acquired under finance lease is spread over the lease term.
- (c) Lease-hold Lands, where revalued, are amortized in the balance period of lease.

e. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired.

f. Leases

- (a) Lease payments under an operating lease are recognized as expense in the profit and loss account as per terms of lease agreement.
- (b) Finance leases prior to 1st April, 2001: Lease rental recognized as expense in the profit and loss account as per terms of lease agreement.
- (c) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and the present value of the minimum lease rental is recorded as fixed assets with corresponding amount shown as unsecured Loan. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to profit and loss account as interest cost.
- (d) Fixed Assets acquired and given on Lease are shown as part of Fixed Assets.

g. Government Grants

Government grants related to Leasehold land are treated as deferred income which are recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset, i.e., such grants are allocated to income over the periods and in the proportions in which depreciation on those assets is charged. Govt. grants in related to other fixed assets are presented in the balance sheet by showing the grant as a deduction from the gross value of the asset concerned in arriving at their book value. Further, Government grants which are receivable as compensation for expenses or losses incurred in a previous accounting period or for the purpose of giving immediate financial support to the enterprise with no further related costs, are recognized and disclosed in the statement of profit and loss.

h. Investments

- (a) Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.

(b) Current investments are stated at lower of cost and fair value.

i. Inventories

Raw material and stock in transit are valued at lower of cost or replacement value , stock in process is valued at lower of cost or Net Realisable Value, finished goods are valued at lower of cost or Net Realisable Value and trading goods are valued at lower of cost or market value.

j. Revenue Recognition

All incomes and expenses have been accounted on accrual basis in accordance with generally accepted accounting principles in India & relevant provision of the Companies Act 2013 except following:

- (a) In marketing, Government department purchases and corresponding rebate on purchases are accounted as purchases on receipt of invoice from sundry creditors and corresponding sales are accounted in books by raising bills.
- (b) Grants in Aid under various schemes, dividends on investments and interest on income tax refunds are accounted for on receipt basis.
- (c) Purchases are stated net of discounts, returns, VAT, Excise and rate differences.
- (d) Sales are stated at net of discounts, returns, VAT, Excise, rebates and rate differences.

k. Employee benefits

a. Provident fund

Corporation's contribution to Recognized provident fund, pension fund paid/ payable during the year is debited to Profit & Loss account.

b. Gratuity

Corporation has covered gratuity liability with LIC, under employees group gratuity cum life assurance scheme. A liability towards the same is recognized and accounted on the basis of actuarial valuation.

c. Leave encashment

Leave encashment liability occurs due to retirement, superannuation, resignation or death. Leave encashment is recognized and accounted on the basis of actuarial valuation.

l. Transactions pertaining to previous years

Prior period expenses paid during the year and income received during the year which were not accounted for on accrual basis is shown as transactions pertaining to previous years.

m. Income taxes

Current tax

Current income-tax expense is recognised in accordance with the provisions of Indian

Income Tax Act, 1961. Minimum alternate tax (MAT) paid in accordance to the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT credit is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it, will flow to the Company and the asset can be measured reliably.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the Balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the period that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance sheet date.

n. Provisions and contingencies

The Corporation creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources. Provisions are recognised when there is present legal or constructive obligation as a result of a past event and it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are measured at the management's best estimate of the outflow required to settle the obligations at the Balance Sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

o. Preliminary expenses

Preliminary expenses are charged off to the Statement of profit and loss in the year in which they incurred.

p. Share issue expenses

Expenses incurred in connection with fresh issue of share capital are charged off to the Statement of profit and loss in the year in which they are incurred.

Maharashtra Small Scale Industries Development Corporation Limited

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Notes to financial statements for the year ended 31 March 2020

Note 2: Share Capital

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|--------------------|--------------------|
| Authorised : 20,00,000 (previous year 20,00,000) equity shares of Rs.100/- each | 200,000,000 | 200,000,000 |
| | 200,000,000 | 200,000,000 |
| Issued : 14,50,099 (previous year 14,50,099) equity shares of Rs.100/- each | 145,009,900 | 145,009,900 |
| Subscribed & fully paid-up : 14,50,099 (previous year 14,50,099) equity shares of Rs.100/- each | 145,009,900 | 145,009,900 |
| Total | 145,009,900 | 145,009,900 |

Reconciliation of the number of equity shares :

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---|---------------|-----------------|---------------|-----------------|
| | Number | (Amount in Rs.) | Number | (Amount in Rs.) |
| Shares outstanding at the beginning of the year | 1,450,099 | 145,009,900 | 1,450,099 | 145,009,900 |
| Shares issued / bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,450,099 | 145,009,900 | 1,450,099 | 145,009,900 |

Rights, preferences and restrictions attached to shares

The Corporation has one class of equity shares having a face value of Rs.100/- each. Each shareholder is eligible for one vote per one share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Corporation after distribution of all preferential amounts, in proportion to their shareholding.

List of shareholders holding more than 5% of total number of shares issued by the Corporation:

| Sr. | Name of Share holder | 31 March 2020 | | 31 March 2019 | |
|-----|--|------------------|--------------|------------------|--------------|
| | | No. of shares | % of shares | No. of shares | % of shares |
| | | held | held | held | held |
| 1 | Dr. N. K. Bhosle, Dy. Secretary, Industries and Representative of the Governor of Maharashtra. | 1,440,093 | 99.31 | 1,440,093 | 99.31 |
| | Total | 1,440,093 | 99.31 | 1,440,093 | 99.31 |

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Notes to financial statements for the year ended 31 March 2020

Note 3: Reserves and surplus

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|-------------------|-------------------|
| Capital reserve | | |
| At the commencement of the year | 44,785 | 44,785 |
| Add : Transferred from surplus | - | - |
| At the end of the year | 44,785 | 44,785 |
| Export incentive reserve | | |
| At the commencement of the year | 375,000 | 375,000 |
| Add : Transferred from statement of profit and loss written back in the current year | - | - |
| At the end of the year | 375,000 | 375,000 |
| Grant in aid | | |
| At the commencement of the year | 769,115 | 811,453 |
| Less: Transferred from statement of profit and loss (refer note 3.1) | (42,338) | (42,338) |
| At the end of the year | 726,777 | 769,115 |
| Grant received for Paithani | | |
| At the commencement of the year | 6,519,550 | 6,519,550 |
| Less: Utilised in construction of fixed assets | - | - |
| At the end of the year (refer note 3.2) | 6,519,550 | 6,519,550 |
| Marketing risk & development reserve | | |
| At the commencement of the year | 4,056,053 | 4,047,505 |
| Add: Transferred from statement of profit and loss (refer note 3.3) | 5,131 | 8,548 |
| Less: Utilization for payment | - | - |
| At the end of the year | 4,061,184 | 4,056,053 |
| Revaluation reserve | | |
| At the commencement of the year | 47,988,823 | 49,848,074 |
| Less: Transferred from statement of profit and loss (refer note 3.4) | (1,854,071) | (1,859,252) |
| At the end of the year | 46,134,751 | 47,988,823 |

| | | |
|--|--------------------|--------------------|
| Contingency reserves | | |
| At the commencement of the year | 251,277 | 251,277 |
| Add: Transferred from statement of profit and Loss | - | - |
| At the end of the year | 251,277 | 251,277 |
| Surplus in statement of profit and loss | | |
| At the commencement of the year | 326,530,955 | 362,330,925 |
| Add: Transferred from statement of profit and loss | (16,732,641) | (35,799,970) |
| Transfer from reserves | | |
| Less : Appropriations : | | |
| Proposed dividend | | |
| Tax on proposed dividend | | |
| Interim dividend | | |
| Transfer to general reserves | | |
| At the end of the year | 309,798,313 | 326,530,955 |
| | | |
| Total | 367,911,637 | 386,535,557 |

3.1 Corporation has purchased leasehold rights in the premises “World Trade Centre” for 60 years for Rs. 25,40,250/-. The same is being written off over a period of 60 years (Rs. 42,338/- every year). Against this, Grant has been received for Rs. 25,40,250/-. The same is shown under “Reserves and Surplus – Grant in Aid” & Rs. 42,338/- is being transferred to the statement of Profit & Loss account every year.

3.2 The Corporation had received grant of Rs. 1,26,94,000/- in the earlier years for construction of Paithani Development Centre. The Corporation had purchased looms amounting to Rs. 49,95,000/- by utilising this grant and deducted the said amount of Rs. 49,95,000/- from the grant received. The Corporation had received Grant of Rs. 5,00,000 in FY 2008-09 & also received subsidy of Rs. 21,00,000/- in FY 2010-11 for purchase of 100 looms. Since this subsidy pertains to utilisation of Rs. 49,95,000/- (deducted from Govt. grants in the year 2009-10) towards purchase of looms, the said subsidy of Rs. 21,00,000/- was added to Govt. Grants. During FY 2013-14 corporation has utilised Rs. 37,79,450/- on account of construction of compound wall in paithani Development Centre. The balance of Rs. 65,19,950/- is shown under the head Gov. Grants.

3.3 The Corporation is crediting 0.1% of rebate earned on marketing business to Marketing Risk Reserve as per the Board resolution passed earlier.

3.4 The Corporation has amortised Rs.18,54,071/- from Revaluation Reserve and corresponding amount has been credited to leasehold land to reduce the value thereon.

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Notes to financial statements for the year ended 31 March 2020

Note 4: Long-term borrowings

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|------------------|------------------|
| Unsecured : | | |
| Industries & Labour Dept., Maharashtra Govt. Edu. Unemployment Hire Purchase Scheme (Refer Note 4.1) | 1,318,000 | 1,318,000 |
| Industries & Labour Dept., Maharashtra Govt. Seed Capital (Refer Note 4.1) | 6,403,332 | 6,403,332 |
| Deposit received from unit holders | | |
| Total | 7,721,332 | 7,721,332 |

4.1 The above loans are outstanding since long back. Management is of the opinion that the scheme amounts reflected in books of accounts are very old and neither reconciled nor payable. Government Department. has also not claimed these amounts from Corporation. Hence, Corporation has not provided interest expenses since 2007-08. The interest expenses provided but not paid till 2007-08 of Rs.1,18,23,707/- is shown in the current liabilities. interest expenses from 2007-08 to 2019-20(13 years) of Rs. 39,41,554/- is shown as contingent liability.

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Notes to financial statements for the year ended 31 March 2020

Note 5: Long term provisions

(Amount in Rs.)

| Particulars | 31-Mar-20 | 31-Mar-19 |
|--|-------------------|-------------------|
| Provision for employees' benefits | | |
| - Gratuity (refer note 5.1 and note 31(A)) | 80,336,075 | 80,336,075 |
| - Leave encashment (refer note 31(B)) | 13,922,891 | 16,398,982 |
| Provision for Income Tax | 2,925,182 | 487,145 |
| Total | 97,184,148 | 97,222,202 |

5.1 The above account is not reconciled. The above account includes payment received from LIC for payment of gratuity. The payment made against this amount is debited to advance to gratuity trust.

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Notes to financial statements for the year ended 31 March 2020

Note 6: Trade payables

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|--------------------|--------------------|
| Due to Micro and Small Enterprises (Also, refer note (6.1)) | - | - |
| Due to others (refer note 6.2) | 332,281,844 | 398,546,410 |
| Total | 332,281,844 | 398,546,410 |

6.1 Information related to Micro and Small Enterprises, as defined in the Micro, Small and Medium enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Corporation:

| | Particulars | 31 March 2020 | 31 March 2019 |
|-------|---|---------------|---------------|
| (i) | Principal Amount Outstanding | - | - |
| (ii) | Interest on Principal amount due | - | - |
| (iii) | Interest and Principal amount paid beyond appointment day | - | - |
| (iv) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act | - | - |
| (v) | The amount of interest accrued and remaining unpaid at the end of the year | - | - |
| (vi) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act | - | - |

6.2 The trade payables are subject to scrutiny, reconciliation and consequential adjustments.

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Notes to financial statements for the year ended 31 March 2020

Note 7: Other current liabilities

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|--------------------|--------------------|
| Interest accrued and due on borrowings (refer note 4.1 and note 7.1) | 11,823,707 | 11,823,707 |
| Advance from customers (refer note 7.2) | 124,192,480 | 174,914,070 |
| Raw material dues and refund payable (refer note 7.3) | 183,719 | 183,719 |
| Book overdraft (refer note 7.4) | - | 4,133,456 |
| Retention money | 1,239,761 | 533,674 |
| Security and other deposits (refer note 7.5) | 112,086,441 | 112,703,174 |
| Contributions received (refer note 7.6) | 5,452,989 | 5,452,989 |
| Employee benefits (refer note 7.7) | 4,246,213 | 5,421,315 |
| Statutory dues (refer note 7.8) | (1,271,183) | 7,047,984 |
| Other miscellaneous liabilities (refer note 7.9) | 462,282,216 | 327,811,285 |
| Branch & Division | 35,780,273 | 34,974,248 |
| HO Adjustment | (35,780,271) | (34,974,246) |
| Total | 720,236,344 | 650,025,375 |

- 7.1 Interest accrued and due on borrowings represent unsecured loans taken long back and not repaid/utilised till date. The Corporation has provided interest till FY2007-08. (refer note 4.1)
- 7.2 Advance from customers, raw material and refund payable, security and other deposits are subject to scrutiny, reconciliation and consequential adjustment.
- 7.3 Raw material dues and refund payable neither reconciled nor any balance confirmation available. Hence, the same is subject to reconciliation and consequential adjustment.
- 7.4 MSSIDC allotted plot at Wada. However, the agreement is not executed with one party and the premises is not utilised by said party due to removal of HT line of MSEB. Security and other deposit payable neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.
- 7.5 Contribution received from Government Department neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.
- 7.6 Employee benefits neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.

- 7.7 Statutory dues are not reconciled and shown net of payable and receivable. The same is subject to Assessment & Appeals on various statutory matters. There are various statutory matters outstanding on which demands are outstanding.
- 7.8 The amount includes Rs. 15,50,00,000 payable to Mohit Minerals Pvt. Ltd. The Corporation has appointed Mohit Minerals Pvt. Ltd. as handling agent for distribution of coal. He has submitted Bank Guarantee of Rs.15,00,00,000 and deposited Rs. 50,00,000 as Security Deposit. due to some dispute, the corporation has encashed this bank guarantee. the dispute went for Arbitration and the arbitration award passed by authority went against the corporation. The corporation has filed appeal against the award in Bombay High Court. The Corporation has deposited Rs.22,00,00,000 with High Court on 11.01.2018. Balance amount is subject to reconciliation and consequential adjustment. The matter is yet to be decide by the Hon'ble High Court.

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Notes to financial statements for the year ended 31 March 2020

Note 8: Short-term provisions

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|-------------------|-------------------|
| Provision for employees' benefits | | |
| - Provision of gratuity(refer note 33(A)) | 7,089,071 | |
| - Leave encashment (refer note 31(B)) | - | 7,232,039 |
| Other provisions | | |
| - Provision for arrears of rent (refer note 8.1) | - | - |
| - Provision for expenses (refer note 8.2 and 8.3) | 78,254,309 | 59,717,397 |
| Total | 85,343,380 | 66,949,436 |

8.1 "Krupanidhi Limited is subsidiary of MSSIDC Limited. HO building premises is taken on lease from BPT.

Case history

Mumbai port Trust has filed suit against the Krupanidhi Limited in the year 1985, on the allegation that this company had committed breach of terms and conditions of the indenture of lease by assigning a major portion of the demised premises to Maharashtra Small Scale Industries Development Corporation Ltd., without the consent of Mumbai port Trust. The suit was decided by his Honour Learned Judge Shri M B Mali on 31st August, 2001 and the same was decreed in favour of Mumbai port Trust and the Company were ordered to handover vacant possession of the suit premises within a period of three months from the date decree and it was directed that mesne profit should be ascertained. The Company being aggrieved by the said Judgement and decree dated 31.08.2001 preferred an appeal no. 704 of 2001 in small causes Court, Mumbai through Advocate Shri. Amin Nathani.

Meantime Krupanidhi Ltd. has received a statement of Accounts from Mumbai Port Trust through their Advocate, in the Court during the hearing on 13.03.2008, showing the arrears of Rent etc., amounting to Rs. 2,95,20,970 payable to Mumbai Port Trust for the period from 01.01.1971 to 31.03.08. The Krupanidhi Ltd have forwarded the said statement to all our unit holders/ members requesting them to make the payment of arrears as per their share. The corporation has share of expenses of Rs. 1,83,03,001/-, hence the same has been provided earlier.

BPT has raised demand of arrears to Krupanidhi Limited of Rs. 2,95,20,970/- in 2007-08. This subject matter is in Court and Krupanidhi Limited. is perusing matter to respective authority.

Krupanidhi Limited has issued arrears of demand to respective shareholders and we are the major shareholder in Krupanidhi Limited and at present 62 percent shareholding with MSSIDC.

As per the accounting standard (AS) 21 we have to consolidate the balance sheet of MSSIDC Limited and Krupanidhi Limited as per the Company Act 2013. The Krupanidhi Limited raised the demand of arrears to MSSIDC, therefore we have to make provision in books of accounts FY-2014-15. The 62 percent share of 2,95,20,970/- is work out Rs. 1,83,03,001.00/- The Corporation has booked provision in books of accounts in FY-2014-15 and Corporation finally made payment on 05.02.2019."

- 8.2 Provision for expenses includes Rs.2,63,25,359/- towards additional lease premium payable to CIDCO for non-fulfillment of condition of minimum construction at Kalamboli Godown, Thane. The provision was provided in books of accounts in F.Y.2012-13.
- 8.3 Provision for expenses includes Rs.2,72,64,845/- towards arrear of rent payable to Mumbai Port Trust. The provision was provided in books of account in F.Y. 2009-10. This provision is kept in the books of account since Mumbai Port Trust has raised fresh demand vide their letter dated 02.08.2017 for Rs.45,88,82,204/-

Note 9: - Property Plant & Equipment

| Note 9.1:- Tangible Assets | ORIGINAL COST | | | | DEPRECIATION | | | (Amount in Rs.) | |
|------------------------------|-----------------------------|---------------|-------------------|-----------------------------|-----------------------------|------------------|-----------------|-----------------------------|-----------------------------|
| | Balance as at 01 April 2019 | Additions | Disposals | Balance as at 31 March 2020 | Balance as at 01 April 2019 | Depreciation | Impairment loss | Balance as at 31 March 2020 | Balance as at 31 March 2019 |
| Freehold land | 76,426 | - | - | 76,426 | - | - | - | 76,426 | 76,426 |
| Leasehold land | 211,005,076 | - | - | 211,005,076 | 156,243,485 | 1,854,071 | - | 52,907,520 | 54,761,591 |
| Building on leasehold land | 57,182,892 | - | 24,025,844 | 33,157,048 | 15,309,297 | 856,482 | - | 16,991,269 | 41,873,595 |
| Residential flats | 4,103,472 | - | - | 4,103,472 | 2,052,051 | 66,767 | - | 1,984,654 | 2,051,421 |
| Office premises | 11,419,807 | - | - | 11,419,807 | 4,611,815 | 268,846 | - | 6,539,147 | 6,807,992 |
| Paiethani dev centre | 182,226 | - | - | 182,226 | 122,044 | 17,980 | - | 42,202 | 60,182 |
| Plant and machinery | 7,858,417 | - | - | 7,858,417 | 4,442,982 | 261,801 | - | 3,153,634 | 3,415,435 |
| Office Equipments | 10,485,744 | 14,699 | - | 10,500,443 | 9,889,354 | 116,815 | - | 494,275 | 596,390 |
| Furniture and fixtures | 14,683,098 | - | - | 14,683,098 | 10,866,132 | 314,726 | - | 3,502,240 | 3,816,966 |
| Electrical fitting | 2,904,329 | - | 44,872 | 2,859,457 | 1,394,499 | 192,190 | - | 1,272,767 | 1,509,830 |
| Vehicles | 5,322,038 | - | - | 5,322,038 | 4,394,083 | 266,707 | - | 661,248 | 927,955 |
| Computers | 22,436,845 | - | - | 22,436,845 | 21,272,426 | 66,164 | - | 1,098,255 | 1,164,419 |
| Tangible assets | 347,660,370 | 14,699 | 24,070,716 | 323,604,353 | 230,598,167 | 4,282,549 | - | 88,723,636 | 117,062,202 |
| Assets less then Rs. 5,000 | 853,278 | 3,220 | - | 856,498 | 853,278 | 3,220 | - | - | - |
| Total Tangible Asstes | 348,513,648 | 17,919 | 24,070,716 | 324,460,851 | 226,208,542 | 4,285,769 | - | 88,723,636 | 117,062,202 |
| Previous year | 345,832,481 | 2,681,167 | - | 348,513,648 | 226,208,542 | 5,242,903 | - | 117,062,202 | 119,623,938 |

| Note 9.2:- Intangible Assets | ORIGINAL COST | | | | DEPRECIATION | | | (Amount in Rs.) | |
|--------------------------------|-----------------------------|-----------|-----------|-----------------------------|-----------------------------|----------------|-----------------|-----------------------------|-----------------------------|
| | Balance as at 01 April 2019 | Additions | Disposals | Balance as at 31 March 2020 | Balance as at 01 April 2019 | Depreciation | Impairment loss | Balance as at 31 March 2020 | Balance as at 31 March 2019 |
| Leasehold rights | 6,370,805 | - | - | 6,370,805 | 3,113,452 | 357,553 | - | 2,899,800 | 3,257,353 |
| Total Intangible Asstes | 6,370,805 | - | - | 6,370,805 | 3,113,452 | 357,553 | - | 2,899,800 | 3,257,353 |
| Previous year | 6,370,805 | - | - | 6,370,805 | 2,755,077 | 358,375 | - | 3,257,353 | 3,615,728 |

Notes :

- (i) Amortisation has been provided in proportion to Lease Period from the year in which possession of lands is taken, although the agreements to lease stipulate that they will come into force after the execution of lease agreements.
- (ii) The Corporation has Amortised Lease Hold Rights of the premises in World Trade Centre over its useful life of 60 years.
- (iii) Total Depreciation (including amortisation of lease hold right) for the year of Rs.4285769/- includes Amortisation of revaluation reserve of Rs.18,54,071/-

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Notes to financial statements for the year ended 31 March 2020

Note 10: Non-current investments

(Valued at cost unless stated otherwise)

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|----------------|----------------|
| Quoted investments | | |
| Investment in equity instruments | | |
| 1,60,000 (previous year:1,60,000) equity shares of Mah. Ind & Tech Consultancy Org. Ltd., of Rs.10/- each, fully paid up (refer note 10.1 & 10.2) | 40,000 | 40,000 |
| Unquoted investments | | |
| Investment in equity instruments | | |
| 1 (previous year: 1) equity share of Mah. State Handloom Co-op Fed. Ltd., of Rs.250/- each, fully paid up | 250 | 250 |
| 620 (previous year: 620) equity shares of Krupanidhi Limited of Rs.100/- each, fully paid up | 62,000 | 62,000 |
| Total | 102,250 | 102,250 |

Note:

10.1 Original Shares 400 purchased @100 per share (Rs. 40,000), thereafter bonus share 600 allotted to the Corporation.Total no. of share 1000 is subdivide @ 10 each per share and fresh 9000 share @ 10 per share allotted to the corporation. Around 2013-14 fresh bonus share 150,000 allotted to the corporation,Thus total no. of Share is 160,000.

10.2 During the Year 2013-2014 Mitcon listed its share on recognised stock exchange in India, therefore investment in the shares of Mitcon is quoted shares after their listing.

10.3 Market Value per share is Rs. 39.85 as on 24.3.2020, thus value of investment is Rs.63,76,000. (160,000 share @39.85 each)

Maharashtra Small Scale Industries Development Corporation Limited

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Notes to financial statements for the year ended 31 March 2020

Note 11: Deferred tax assets (net)

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|-------------------|-------------------|
| Deferred tax liability | | |
| Opening balance | 2,817,562 | 1,870,732 |
| Timing difference on tangible assets depreciation and impairment | | |
| Effects of lease accounting | | |
| Disallowance U/s 43B | (923,725) | 946,830 |
| PL Encashment | | |
| Total | 1,893,837 | 2,817,562 |
| Deferred tax assets | | |
| Opening balance | 15,855,674 | 15,225,425 |
| Disallowance U/s 40(a) | - | 128,680 |
| Disallowance U/s 43B | 796,783 | - |
| Provision for Bad Debts & Rent Receivable | | |
| Timing difference on tangible assets depreciation and impairment | - | 501,569 |
| Total | 16,652,457 | 15,855,674 |
| Net deferred tax assets/(liability) | 14,758,620 | 13,038,112 |
| Profit & Loss Impact | 1,720,509 | (316,581) |

11.1 During the year, Deferred Tax Assets are not recognized in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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Notes to financial statements for the year ended 31 March 2020

Note 12: Long term loans and advances

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|--------------------|--------------------|
| (Unsecured, Considered Good, unless otherwise stated) | | |
| Capital Advances | - | - |
| <i>(Unsecured considered good)</i> | | |
| Security deposits (refer note 12.1) | | |
| - Unsecure, considered good | 255,662,953 | 257,973,286 |
| - Unsecure, considered doubtful | - | 5,296,427 |
| - Less: Provision for doubtful deposits | - | (5,296,427) |
| | 255,662,953 | 257,973,286 |
| Advance recoverable in cash or in kind or for value to be received | | |
| - Unsecured, considered good | - | |
| - Unsecured, considered doubtful | - | |
| - Less: Provision for doubtful advances | - | |
| Advances to suppliers | | |
| Less : Provision for doubtful advances | | |
| Loans to Employees | | |
| - <i>Secured considered good</i> | | |
| - Housing and other loans | | |
| Other advances and balances | | |
| - GST receivable | 2,632,994 | - |
| - Advance tax and TDS | 59,319,540 | 51,498,891 |
| - Other advances | - | - |
| Total | 317,615,487 | 309,472,177 |

12.1 The amount includes Rs. 15,50,00,000 payable to Mohit Minerals Pvt. Ltd. The Corporation has appointed Mohit Minerals Pvt. Ltd. as handling agent for distribution of coal. He has submitted Bank Guarantee of Rs.15,00,00,000 and deposited Rs. 50,00,000 as Security Deposit. due to some dispute, the corporation has encashed this bank guarantee. the dispute went for Arbitration and the arbitration award passed by authority went against the corporation. The corporation has filed appeal against the award in Bombay High Court. The Corporation has deposited Rs.22,00,00,000 with High Court on 11.01.2018. Balance amount is subject to reconciliation and consequential adjustment. The matter is yet to be decide by the Hon'ble High Court.

12.2 Advance Tax and TDS is subject to reconciliation and consecuential adjustment .

Note 13: Other non-current assets

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|--------------------|--------------------|
| Others | | |
| Advance to gratuity trust (refer note 13.1) | 157,814,747 | 164,416,370 |
| Bank deposits (due to mature after 12 months from reporting date) | | |
| Long term trade receivables | | |
| - Unsecured considered good | - | - |
| - Unsecured Considered Doubtful | - | - |
| - Less: Provision for doubtful receivables | - | - |
| Bank deposits (due to mature after 12 months from reporting date) | | |
| Deposits | | |
| Advance income tax | - | - |
| Advance to suppliers | - | - |
| Divedend receivable | - | - |
| Total | 157,814,747 | 164,416,370 |

13.1 The above accounts are not reconciled. As per the balance confirmation available with LIC, the balance with LIC is only of Rs. 4,40,05,871/-. The corporation has not reconciled this account since long and actual payment made for gratuity is also debited to this account. due to error in accounting, there is excess balance shown in this account by Rs. 11,38,08,876/-

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Notes to financial statements for the year ended 31 March 2020

Note 14: Inventories

(valued at cost or lower of net realizable value)

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|------------------|------------------|------------------|
| Raw materials | 175,296 | 389,583 |
| Work-in-progress | 778,841 | 695,965 |
| Finished goods | 3,048,128 | 1,431,715 |
| Traded goods | 3,041,075 | 5,722,991 |
| | | |
| Total | 7,043,339 | 8,240,253 |

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Notes to financial statements for the year ended 31 March 2020

Note 15: Trade receivables

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|--------------------|--------------------|
| Receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| - Secured, considered good | - | - |
| - Unsecured, considered doubtful (refer note 15.1) | 310,166,658 | 394,984,375 |
| - Less: Provision for bad and doubtful receivables | (31,931,673) | (26,485,000) |
| | 278,234,985 | 368,499,375 |
| Other receivables | | |
| - Secured, considered good | - | - |
| - Unsecured, considered good (refer note 15.2) | - | 16,689,304 |
| Total | 278,234,985 | 385,188,679 |

15.1 The Trade Receivables are subject to scrutiny, reconciliation, consequential adjustments. The amount Includes Rs. 32,94,45,285 /- (Previous year Rs. 37,44,10,020 /-) less earlier provision Rs.2,64,85,000 under sundry debtors, which is outstanding for over three years as per ageing using TALLY accounting software. The Management is of opinion that some of the debtors pertaining to marketing activity which are backed by creditors, and some of the debtors legal cases are filed which result will be favorable . Hence no provision is made against these debtors.

Trade Receivables of Rs. 8,73,05,634 was due from M/S. Metal Tube Rolling Mills (MTRM). The matter went under arbitration. Advocate of the Corporation has finally completed argument before the Arbitrator in April 2011. The arbitrator has passed the award on 14.06.2011 in favour of the Corporation directing the MTRM to deposit Rs. 16,99,56,060 plus interest. The Arbitration award was challenged by MTRM. The case challenging the Arbitration Award was decided in favour of MSSIDC by Bombay High Court on 27/08/2018. The Caveat was filed in Hon'ble Supreme Court within the stipulated time. The corporation filed execution application dated 27.07.2016 for claim of Rs. 50,64,73,685 at Bombay High Court. Further, the Execution proceeding is in process at Hon'ble High Court.

Trade Receivables includes Rs. 5,62,79,307 receivable from Mehta Group of industries. The Corporation has filed civil suit as well as u/s 138 (cheque bouncing) on Mehta Group of Companies (1. Prithavi Espat, 2. Holum Iron Steel, 3. Parshwa Engg., 4. Munish Forge Ltd.)

Prithavi Espat- The Corporation had filed special Civil Suit No. 574/2002 for recovery Rs. 1,13,35,861/- in the court of Civil Judge Senior Division Nagpur . The said suit dismissed by Court on 13-11-2008 for default. (As Corporation's advocate was absent and nobody was present on behalf of Corporation . We have filed Civil Suit for restoration of original recovery suit which was dismissed in default. The summons issued to defedents are returned back with endorsement left the address above 6-7 years back. The Court has directed to

issue fresh Summons on new address as we do not have new address summons cannot be issued. Amarchand Mehta died on 09-11-2008 The matter is pending before the 16th Joint Civil Judge , Senior Division Nagpur for further steps. (Next Date 25-06-2019)

"Holum Iron Steel-SCS no 9/2016 – mssidc file affidavit on evidence on 25/10/2016. mssidc adv. take chif on 22/02/2017 and court passed the order of no cross. defendant no. 3 bipin babulal mehata filed application for setting aside order of no cross. the corporation filed objection on application. for hearing on application for setting aside order of no cross. in this matter stay has been granted by the hon'ble high court to proceed in this matter . the matter is fixed on 20-06-2019.

WP No 6587/2017- Hon'ble High Court by its order dated 13.12.2017 granted Ad. Interim relief in terms of prayer clause (ii) by way of Ad Interim relief further proceeding pending before the Hon'ble District Judge Nagpur . In special (commercial) Civil Suit No. 9 / 2016 be stayed during the pendency of writ petition until further orders. And This notice for respondents returnable. Since notices could not be served upon respondents due to non availability of addresses . Paper publication order has been passed by the Court. Notice published in news paper by dt .17/8/2018 . Matter is pending for further steps. "

Parshwa Engg SCS No 14/2016- mssidc file affidavit for evidence on 25/10/2016. mssidc adv. take chif on 22/02/2017 and court passed the order of no cross. defendant no. 3 bipin babulal mehata filed application for setting aside order of no cross. the corporation filed objection on application. for hearing on application for setting aside order of no cross. the matter is pending before the hon'ble district judge, nagpur for framing issues. the matter is fixed on 20-06-2019

"Munish Forge Ltd- RDN/145/2017- The suit is decreed with first on dated 17-04-2017 by Civil Judge Senior Division . The defendant are directed to pay an amount of Rs. 5043435/- with interest @ 27% per annum till its realization. This is a regular Darkhast for execution of decree of Rs. 25785135/- in this matter summons have not been served to the respondents due to non availability of the Noticee. The matter is pending before the Civil Judge Sr. Division , Nagpur

RCA 303/ 2017- Civil Case No. 621/2002 decided in favour of MSSIDC on 17.04.2017. Bipin Mehta being Respondant No.3 of the said case has challenged to squash and set aside impugned and decree dtd. 17.04.2017 before District Judge. We have filed Written Reply by our Advocate on 10.07.2017. This appeal has been filed by Bipin Mehta against the Corporation where in we have filed our written submission. It is kept of hearing on 19-06-2019."

"Khutale- sundry debtor includes receivable from m/s. khutale steel rolling mills pvt ltd. ("khutale"), satara for rs. 42,52,635. khutale unauthorizedly removed raw material supplied under warehousing credit scheme and has an outstanding of rs. 42,52,635 as on date. the judgment delivered in favour of the corporation in civil suit filed by the corporation in satara court against khutale for recovery and the original decree execution papers were submitted to hon'ble high court, mumbai. the matter is pending before high court. notice of motion no. 843 of 2013 is filled in high court judicature at bombay. the notice of motion, which is filled for restoration is pending with hon'ble high court.

15.2 This amount is subject to scrutiny , reconciliation and consequential adjustment.

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Notes to financial statements for the year ended 31 March 2020

Note 16: Cash and bank balances

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|--------------------|--------------------|
| Cash and cash equivalents | | |
| Cash on hand | 56,149 | 41,668 |
| Balances with banks | | |
| - in current accounts | 428,043,139 | 54,572,073 |
| - in deposit account (with maturity upto 3 months) | - | - |
| Other bank balances | | |
| - Deposits with maturity more than 3 months but less than 12 months | 314,600,000 | 505,200,000 |
| - Balances with bank held as margin money | - | - |
| Total | 742,699,288 | 559,813,741 |

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Notes to financial statements for the year ended 31 March 2020

Note 17: Short-term loans and advances

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|-------------------|-------------------|
| Unsecured considered good, unless otherwise states: | | |
| Loans and advances to employees | | |
| - Housing and other loans | - | 58,623 |
| - Salary advances | 2,924,461 | 2,304,927 |
| Advance to suppliers (refer note 17.1) | 35,237,036 | 58,682,552 |
| Advance recoverable in cash or in kind or for value to be received(ref note 17.2) | | |
| - Unsecured, considered good | (2,401,952) | 144,871 |
| - Unsecured, considered doubtful | 16,099,484 | 13,021,406 |
| - Less: Provision for doubtful loans and advances | (16,099,484) | (13,021,406) |
| | (2,401,952) | 144,871 |
| Other Advances and Balances (Ref Note 17.3) | | |
| - Exhibition and Training | 3,001,752 | 5,243,623 |
| Total | 38,761,297 | 66,434,596 |

17.1 Advance to suppliers are subject to scrutiny, reconciliation and consequential adjustments.

Advance to Suppliers includes Advance of Rs. 29.42 lakhs which was paid on 24.11.2003 to M/s. Inter National Steel Industries (ISI), Mumbai, towards raw material transaction. Since the amount was outstanding and FIR was lodged with Economic Offence Wing (EOW) on 22.12.2004, the matter is under investigation. Further, the Corporation has also filed 2 criminal complaints against ISI and the same are pending before Metropolitan Magistrate Court (Esplanade), Mumbai. The Corporation have submitted fresh addresses of accused to the Hon'ble Court. Hon'ble Court issued non-bailable warrant on fresh addresses. The accused are absconding and concern police department are searching for the absconded accused. Balance amount is also subject to reconciliation and consequentile adjustment

17.2 Balance amount is subject to reconciliation and consequentiles adjustment

17.3 Balance amount is subject to reconciliation and consequentiles adjustment

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Notes to financial statements for the year ended 31 March 2020

Note 18: Other current assets

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|--------------------|--------------------|
| Unsecured considered good, unless otherwise states | | |
| Interest Accrued on fixed deposits | 10,319,503 | 22,977,286 |
| Claim recoverable (refer note 18.2) | 1,093,784 | 1,082,542 |
| Rent receivable (refer note 18.1) | 95,415,159 | 105,687,256 |
| - Less: Provision for doubtful rent receivable | | (4,824,614) |
| | 95,415,159 | 100,862,642 |
| Prepaid expenses | 206,689 | 62,009 |
| Preoperative Expenses | - | - |
| Total | 107,035,136 | 124,984,478 |

18.1 The Corporation is to receive Rs.35,44,918/- towards rent receivable from Hindustan Zinc Ltd. The case went to Arbitration and Arbitration Award was passed in the favour of the Corporation asking Hindustan Zinc Ltd. to pay Rs.27,40,046/- to the Corporation. Hindustan Zinc Ltd. has moved Udaipur District Court against the Arbitration Award. Hindustan Zinc has shown willingness to settle the matter and the final settlement claim is received by corporation on 24.02.2019 .

The Corporation had given their godowns on rental basis to Thakkar Warehousing Agency (TWA). The party has sublet the said godowns to 5 parties. There was a dispute between the Corporation and TWA and the matter was handed over to the arbitration. The arbitrator has given their award in favour of the Corporation for Rs.2.59 Crores on 08.10.2010 on which TWA has filed petition in the court of Law challenging the arbitration award, which has been admitted by the court. The Corporation has filed an appeal before divisional bench to challenge the order of the single bench of admission of the petition of TWA. The appeal of the Corporation is admitted and pending for final hearing.

The Corporation has allotted 2863 sq.ft space at Krupanidhi Building First floor, Mumbai to MIDC for running IPFC (Investor Promotion & Facilitation Cell) wef 27.08.2013 @ 130 per sq.ft. The rental income booked in FY 2019 -20 Rs. 68.65 lacs, however same has been recovered in 2021-22.

18.2 Claim amount recoverable is not reconciled and there is no recovery of this amount since long.

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Notes to financial statements for the year ended 31 March 2020

Note 19: Revenue from operations

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|-------------------------|--------------------|--------------------|
| Sale of products | | |
| - Finished goods | 1,656,117 | 1,160,145 |
| - Traded goods | 139,934,215 | 200,579,819 |
| | 141,590,332 | 201,739,964 |
| Total | 141,590,332 | 201,739,964 |

Breakup of revenue from sale of products

| Note 19.1: | 31 March 2020 | 31 March 2019 |
|--------------------------|--------------------|--------------------|
| Manufactured goods | | |
| - Cotton paithani sarees | 681,956 | 5,960,258 |
| - Coir Products | 974,161 | 2,947,546 |
| Traded goods | | |
| - Marketing sales | 119,821,137 | 171,233,570 |
| - Handicraft sales | 20,113,078 | 21,598,590 |
| Total | 141,590,332 | 201,739,964 |

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Notes to financial statements for the year ended 31 March 2020

Note 20: Other income

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|--------------------|-------------------|
| Interest income | 45,174,842 | 39,075,302 |
| Dividend income from - long term investments | - | 160,000 |
| Rental income (refer note 20.1) | 42,205,859 | 50,431,715 |
| Liabilities written back to the extent no longer required | 71,354 | 82,347 |
| Other non-operating income | 2,798,882 | 1,413,181 |
| Rebate Income | 5,273,414 | - |
| Commission | 4,565,003 | - |
| Contribution from shareholders | - | - |
| Prior Period Item | - | - |
| less: Inter Company Transaction | - | - |
| Total | 100,089,354 | 91,162,546 |

Note 20.1:.. Renal Income of godown no.D-10 including 7 Parties at Thane is subjudice. Out of which two parties rent were booked.

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Notes to financial statements for the year ended 31 March 2020

Note 21: Cost of materials consumed

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|------------------|------------------|
| Raw material consumed | | |
| - Opening inventory | 389,583 | 240,957 |
| - Add : Purchases | 970,691 | 1,374,507 |
| - Less : Inventory at the end of the year | 175,296 | 389,583 |
| Cost of raw materials consumed during the year | 1,184,977 | 1,225,881 |

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Notes to financial statements for the year ended 31 March 2020

Note 22: Purchases of traded goods

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|------------------------------------|--------------------|--------------------|
| Marketing and handicraft purchases | 134,784,967 | 184,647,813 |
| Total | 134,784,967 | 184,647,813 |

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Notes to financial statements for the year ended 31 March 2020

Note 23: Changes in inventories of finished goods, work-in-progress and stock-in-Trade

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|--|------------------|------------------|
| (Increase)/Decrease in stocks | | |
| Stock at the end of the year: | | |
| - Finished goods | 2,800,349 | 1,431,715 |
| - Work-in progress | 778,415 | 695,965 |
| - Stock in trade | 3,289,280 | 5,722,991 |
| Total A | 6,868,044 | 7,850,670 |
| Less: Stock at the beginning of the year: | | |
| - Finished goods | 1,431,715 | 1,231,907 |
| - Work-in progress | 695,965 | 673,099 |
| - Stock in trade | 5,722,991 | 7,044,857 |
| Total B | 7,850,670 | 8,949,863 |
| | | |
| (Increase)/Decrease in stocks (A-B) | 982,627 | 1,099,192 |

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Notes to financial statements for the year ended 31 March 2020

Note 24: Employee benefit expenses

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|-------------------|-------------------|
| Salaries, wages and bonus | 42,767,775 | 60,777,123 |
| Contribution to provident and other funds | 3,789,547 | 4,549,519 |
| Gratuity | 5,683,610 | 20,000 |
| Staff welfare expenses | 404,181 | 135,414 |
| Total | 52,645,113 | 65,482,056 |

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Notes to financial statements for the year ended 31 March 2020

Note 25: Finance costs

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|----------------------|----------------|------------------|
| Bank charges | 68,249 | 95,601 |
| Interest paid others | 42,059 | 1,044,424 |
| Total | 110,308 | 1,140,025 |

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Notes to financial statements for the year ended 31 March 2020

Note 26: Depreciation and amortization expense

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|------------------|------------------|
| Depreciation of tangible assets (Also, refer note 9) | 4,285,769 | 5,242,903 |
| less: Inter Company Transaction | | |
| Amortisation of Intangible Assets | 357,553 | 358,375 |
| | 4,643,322 | 5,601,278 |
| less: Transfer to Revaluation reserve | 1,854,071 | 1,859,252 |
| less: Debit pertaining to previous year (short Amort. Of Last year) | - | - |
| Total | 2,789,251 | 3,742,026 |

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Notes to financial statements for the year ended 31 March 2020

Note 27: Other expenses

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 | 31 March 2018 |
|--|-------------------|-------------------|-------------------|
| Power and fuel | 842,685 | 1,409,997 | 1,486,695 |
| Freight, clearing and forwarding | 5,675 | 165,073 | 80,488 |
| Rent | 7,157,143 | 6,969,005 | 11,162,361 |
| Repairs and maintenance | | | |
| - Building | 4,521,363 | 2,876,967 | 3,982,407 |
| - Plant and equipment | - | 752,653 | 638,486 |
| - Other | 544,582 | 515,219 | 989,364 |
| Insurance | 144,404 | 276,145 | 222,045 |
| Rates and taxes | 1,769,240 | 1,904,769 | 4,319,736 |
| Travelling and conveyance | 1,427,613 | 1,595,277 | 2,450,840 |
| Directors' fees | 15,000 | 136,745 | 17,000 |
| Payments to auditors (Also, refer note 27.1) | 500,000 | 500,000 | 500,000 |
| Legal and professional charges | 4,634,931 | 7,423,282 | 5,680,149 |
| Advertisement expenses | 1,218,145 | 1,025,428 | 276,686 |
| Printing and stationery | 383,825 | 501,814 | 505,185 |
| Communication expenses | - | 486,054 | 890,765 |
| Office maintenance | 637,214 | 399,131 | 1,345,062 |
| Vehicle running and maintenance charges | 1,915,812 | 2,419,703 | 2,367,624 |
| Mkt Risk & Devepoment Res. | 5,131 | 8,548 | 639 |
| Bad debts written off | - | 1,270 | 15,969 |
| Security expenses | 4,954,900 | 4,694,084 | 5,302,526 |
| Fixed Asset written off | 24,070,716 | - | - |
| Miscellaneous expenses | 10,377,922 | 6,581,833 | 10,807,308 |
| Total | 65,126,300 | 40,642,995 | 53,041,335 |

| 27.1 Payment to auditors | 31 March 2020 | 31 March 2019 | 31 March 2018 |
|---------------------------|----------------|----------------|----------------|
| As auditor | | | |
| - Statutory audit | 350,000 | 350,000 | 350,000 |
| - Tax audit | 150,000 | 150,000 | 150,000 |
| Reimbursement of expenses | - | - | - |
| Total | 500,000 | 500,000 | 500,000 |

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Notes to financial statements for the year ended 31 March 2020

Note 28: Prior period items (net)

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 |
|------------------------------------|------------------|------------------|
| Income | | |
| Sales | - | 565,927 |
| Rent Income | - | - |
| Registration income | - | - |
| Services Charges/Rebate | - | 63,473 |
| Electricity Charges (Reimbursed) | - | 2,796,764 |
| Reversal of Excess provision | - | 852,500 |
| Miscellaneous Income | 3,301,926 | 108,785 |
| Total A | 3,301,926 | 4,387,449 |
| Expenditure | | |
| Service charges | - | 68,291.00 |
| Office and administrative expenses | - | 190,001.00 |
| Marketing expenses | - | - |
| Rates and taxes | - | 847,992.00 |
| Employee benefit expenses | 716,386 | 39,856.00 |
| Miscellaneous expenses | 152,468 | - |
| Professional Fee | - | 815,000.00 |
| Travelling Exp | - | - |
| Rent and interest expenses | 68,364 | 407,630.00 |
| Office expenses | - | 187,090.00 |
| Rates & Taxes | 672,794 | 26,633.00 |
| Repair & Mintainance Building | 440,432 | |
| Other Expenses | 835,594 | |
| Total B | 2,886,038 | 2,582,493 |
| | | |
| Total (A-B) | 415,889 | 1,804,956 |

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Notes to financial statements for the year ended 31 March 2020

Note 29: Earning per share (EPS)

(Amount in Rs.)

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earning Per Share' - (AS-20), notified by the Company's Accounting.

| Particulars | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Net profit after taxes as per statement of profit and loss attributed to equity shareholders | (16,732,641) | (35,799,970) |
| Weighted average number of equity shares used as denominator for calculating EPS | 1,450,099 | 1,450,099 |
| Basic and diluted | (11.54) | (24.69) |
| Face value per share in rupees | 100 | 100 |

Note 30: Segment reporting

Primary segment reporting (by business segment)

The Corporation has identified its reportable segment for Segment Reporting, in accordance with Accounting Standard 17, as Marketing and Emporium which are primary segment. In addition, the following policies have been followed for Segment Reporting.

- (i) Segment Revenue includes sales and other income directly identifiable with /allocable to the segment with bifurcation of inter segment revenue
- (ii) Expenses that are directly identifiable with /allocable segments are considered for determining the segment results. Expenses which relate to the corporation as a whole and not allocable to segments are included under "Unallocable Expenditure".
- (iii) Income which relates to the Corporation as whole and not allocable to segments is included in "Unallocable Segment"
- (iv) Segment assets & liabilities include those directly identifiable with the respective segments, Unallocable Corporate assets and liabilities represents the assets and liabilities that relate to the corporation as a whole and not allocable to any segment.

Maharashtra Small Scale Industries Development Corporation Limited

CIN: U74999MH1962SGC012501

Notes to financial statements for the year ended 31 March 2020

| Particulars | Marketing Activity 31 March 2020 | Emporium 31 March 2020 | Production activity 31 March 2020 | Upallocated 31 March 2020 | Total |
|--|-------------------------------------|---------------------------|--------------------------------------|------------------------------|----------------------|
| Revenue | | | | | |
| Total revenues | 119,821,137 | 20,113,078 | 972,753 | | 140,906,968 |
| Internal revenue (sales through stock transfer) | - | 681,956 | | - | 681,956 |
| Direct attributable income to segment | 5,273,414 | - | 1,580,173 | | 6,853,586 |
| Other unallocable income | | | | 45,262,043 | 45,262,043 |
| Total revenues | 125,094,551 | 20,795,034 | 2,552,926 | 45,262,043 | 193,704,554 |
| Attributable expenses to segment | 120,557,656 | 14,227,311 | 1,953,317 | - | 136,738,284 |
| Unallocated expenses | | | | 120,774,951 | 120,774,951 |
| Operating profit | 4,536,894 | 6,567,724 | 599,608 | (75,512,908) | (63,808,681) |
| Finance Cost | - | - | | 110,308 | 110,308 |
| Interest income | - | - | | 45,174,842 | 45,174,842 |
| Other income | - | - | | 2,798,882 | 2,798,882 |
| Profit before tax and extraordinary items | 4,536,894 | 6,567,724 | 599,608 | (27,649,492) | (15,945,265) |
| Income taxes/ deferred taxes | - | - | - | (1,720,509) | (1,720,509) |
| Prior Period Adjustment (Net) | - | - | - | 415,889 | 415,889 |
| Net Profit | 4,536,894 | 6,567,724 | 599,608 | (26,344,872) | (14,640,645) |
| Other information | | | | | |
| Segment assets | 201,223,559 | 365,992,581 | 251,144,829 | - | 818,360,968 |
| Unallocated corporate assets | - | - | | 937,327,618 | 937,327,618 |
| Total assets | 201,223,559 | 365,992,581 | | 937,327,618 | 1,755,688,586 |
| Segment liabilities | 387,637,038 | 1,929,740 | 210,467,821 | | 600,034,599 |
| Unallocated corporate liabilities | - | - | | 642,732,448 | 642,732,448 |
| Total liabilities | 387,637,038 | 1,929,740 | | 642,732,448 | 1,242,767,047 |

Maharashtra Small Scale Industries Development Corporation Limited

CIN: U74999MH1962SGC012501

Notes to financial statements for the year ended 31 March 2020

Note 31: Disclosure as required by Accounting Standard (AS)-15 (Revised) on “Employee Benefits”:

A. In respect of Gratuity, a Defined Benefit Scheme (based on actuarial valuation):

The Corporation pays gratuity to the employees whoever has completed five years of service with the Corporation at the Corporation has invested in LIC under employees group gratuity cum life assurance scheme. The liability in respect

The Corporation has obtained gratuity valuation certificate from the actuary, as per actuary valuation certificate the liability

B. In respect of Leave Encashment, a Defined Benefit Scheme (based on actuarial valuation):

| Particulars | 31 March 2020 | 31 March 2019 |
|--|--|--|
| Benefit type | Privilege leave | Privilege leave |
| Method of valuation | Projected unit Credit method | Projected unit Credit method |
| Valuation results | | |
| Discontinuance liability | 18,862,861 | 21,972,424 |
| Projected benefit obligation | 21,011,962 | 23,631,021 |
| Other Results | | |
| Average future service | 4 years | 4 years |
| Current & non-current liability | | |
| Funding status | Unfunded | Unfunded |
| Fund balance | NA | NA |
| Current liability | 7,089,071 | 7,232,039 |
| Non-current liability | 13,922,891 | 16,398,982 |
| Valuation Assumption | | |
| Mortality Rate | Indian Assured Lives Mortality (2006-08) Ult Table | Indian Assured Lives Mortality (2006-08) Ult Table |
| Discount Rate | 5.76% | 6.96% |
| Salary escalation rate | 9.75% | 9.75% |
| Attrition rate | 5.09% | 5.09% |
| Retirement Age | 58 & 60 years | 58 & 60 years |
| Maximum accumulation | 300 days | 300 days |

Maharashtra Small Scale Industries Development Corporation Limited

CIN: U74999MH1962SGC012501

Notes to financial statements for the year ended 31 March 2020

C. In respect of Gratuity, a Defined Benefit Scheme (based on actuarial valuation):

| Particulars | 31 March 2020 | 31 March 2019 |
|--|-----------------------|-----------------------|
| Benefit type | Gratuity | Gratuity |
| Method of valuation | Projected unit | Projected unit |
| | Credit method | Credit method |
| Valuation results | | |
| Discontinuance liability | 46,820,918 | 56,617,354 |
| Projected benefit obligation | 52,484,173 | 61,067,364 |
| Other Results | | |
| Average future service | 4 years | 4 years |
| Current & non-current liability | | |
| Funding status | Funded | Funded |
| Fund balance | 47,108,285 | 44,005,871 |
| Current liability | 2,119,844 | 2,544,897 |
| Non-current liability | 3,256,044 | 14,516,596 |
| Valuation Assumption | | |
| Discount Rate | 5.76% | 6.96% |
| Salary escalation rate | 9.75% | 9.75% |
| Attrition rate | 5.09% | 2% |
| Retirement Age | 58 to 60 years | 58 to 60 years |

Maharashtra Small Scale Industries Development Corporation Limited

CIN: U74999MH1962SGC012501

Notes to financial statements for the year ended 31 March 2020

Note 32: Disclosures in respect of cancellable operating lease

The Corporation has entered into cancellable leasing arrangement for the premises on mutually agreeable terms. The lease rentals of Rs.1,11,62,361 /- (31 March 2017: Rs. 73,71,192/-) are debited under the head "Other expenses-Rent" under note 27.

Note 33: Contingent liabilities and commitments

| Particulars | | 31 March 2020 | 31 March 2019 |
|--|---|---------------|---------------|
| (a) Claims against the Corporation not acknowledged as debt: | | | |
| i) | Mumbai Port Trust (refer note 34.1) | 458,882,204 | 458,882,204 |
| (ii) | WIST – Wadala Godown, Mumbai | 10,832,189 | 10,832,189 |
| (iii) | Savatram Polymers, Akola | 2,465,320 | 2,465,320 |
| (iv) | M/s Ajay Entp, Yavatmal | 624,736 | 624,736 |
| (v) | Shri Industries Aurangabad | 806,971 | 806,971 |
| (vi) | Assistant Commisioner SPF | 618,234 | 618,234 |
| (vii) | Dist Cooperative Industrial Development Society, Nanded | 439,502 | 439,502 |
| (viii) | Grips India, Parbhani | 382,767 | 382,767 |
| (ix) | Maruti Wires, Parbhani | 468,725 | 468,725 |
| (b) Provision for Interest expenses not made of following: | | | |
| (i) | Industries & Labour Dept., Maharashtra Govt. Edu. Unemployment Hire Purchase Scheme | 948,960 | 948,960 |
| (ii) | Industries & Labour Dept., Maharashtra Govt. Seed Capital | 2,689,410 | 2,689,410 |
| (iii) | Mohit Minerals Pvt. Ltd. | 65,000,000 | 65,000,000 |
| (c) Tax Liability not acknowledged as debt and Pending in Appeal with higher | | | |
| (i) | Sales Tax | 22,713,224 | 22,713,224 |
| (ii) | Income Tax | 61,763,413 | 61,763,413 |
| (iii) | Value added tax | 296,309,876 | 296,309,876 |
| (d) Penalty u/s 271B of the Income Tax Act for non-Filing of Tax Audit | | 900,000.00 | 900,000.00 |

33.1 Mumbai Port Trust vide letter dated 02.08.2017 raised demand towards pending regulation / rectification of breaches and liquidation of Port Trust Arrears of Rs.45,88,82,204/- in respect of TW-2 Shed at Cotton Green. The matter is to be placed in board meeting.

Maharashtra Small Scale Industries Development Corporation Limited

CIN: U74999MH1962SGC012501

Notes to financial statements for the year ended 31 March 2020

Note 34: Related party disclosure

a) Names of related parties

As per Accounting Standard 18 – Related Party Transactions, specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), the Corporation's related parties and transactions with them are enumerated below:

(a) Enterprises where control exists:

(i) Subsidiaries:

Krupanidhi Limited

(ii) Key Managerial Personnel one level below the board

Shri Venugopal Reddy Bollavalam-Managing Director

Shri Santosh kumar -Managing Director

Dr. Mary N. Kerketta- Managing Director

Shri S.G.Siddhewad- C.F.O

Shri V.D.Kapate-General Manager One Level Below the Board.

Shri Kush Keshri-Company Secretary

b) The transactions with related parties for the year are as follows:

| Transaction during the year | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Maintenance charges contribution to Subsidiary | | |
| Krupanidhi Limited (Maintenance Charges) | 1,681,243 | 1,278,169 |
| Krupanidhi Limited (Payment made for maintenance charges) | 1,240,811 | 1,278,169 |
| Remuneration to KMP and one level below the board | | |
| Shri Venugopal Reddy Bollavalam-Managing Director Salary | 833,168 | - |
| Shri Venugopal Reddy Bollavalam-Reimbursement of other expenses | 65,388 | - |
| Shri Santosh Kumar-Managing Director Salary | 1,419,463 | 2,324,660 |
| Shri Santosh Kumar-Reimbursement of other expenses | 52,800 | 125,309 |
| Smt. Mary Kerketta - Managing Director | - | - |
| Shri M. V. Waghilkar | - | 258,258 |
| Smt. Leena Bansod- | - | 1,681,065 |
| Shri Kush Keshri-Remuneration | 724,329 | 664,514 |
| Shri V.D.Kapate-Remuneration | 1,271,541 | 1,129,461 |

c) Balance outstanding with related parties:

| Party name | Receivable/payable | 31 March 2020 | 31 March 2019 |
|--------------------|--|---------------|---------------|
| Krupanidhi Limited | Maintenance charges contribution payable | 1,681,243 | 1,278,169 |

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2020

Note : 35 Additional information

(Amount in Rs.)

| Particulars | 31 March 2020 | 31 March 2019 | | |
|---|----------------------|----------------------|-----------------------|----------------------|
| A. C.I.F. Value of Imports by the Company: | - | - | | |
| Raw materials | - | - | | |
| Coal and fuel | - | - | | |
| Trading goods | - | - | | |
| Stores and spares | - | - | | |
| Capital goods | | | | |
| B. Expenditure in foreign currency during the year: | | | | |
| Technical Know-how and professional/consultation fees | - | - | | |
| Interest | - | - | | |
| Foreign travelling | - | - | | |
| Others | - | - | | |
| C. Value of Raw Materials, and Stores and Spares Consumed during the year ended: | | | | |
| | Rs. in lacs | | Percentage (%) | |
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Raw materials: | | | | |
| Imported | - | - | - | - |
| Indigenous | 9.71 | 13.75 | 100% | 100% |
| | 9.71 | 13.75 | | |
| Stores and spares: | | | | |
| Imported | - | - | - | - |
| Indigenous | | - | 100% | - |
| D. Earnings in foreign exchange: | | | | |
| Export of goods on F.O.B. basis | - | - | | |
| Others | - | - | | |

Note 36: The Company has regrouped / reclassified the previous year figures to conform to the current year's presentation.

For Ambavat Jain & Associates LLP
Chartered Accountants
FRN 109681W

Kamal Sharma
Partner
Membership No. 112843
UDIN No.: 22112843AHHDM04613
Place : Mumbai
Date : 30.03.2022

For and on behalf of the Board

Chief Financial Officer Managing Director
DIN: 02642157

Company Secretary Director
DIN: 07183938

Place : Mumbai
Date : 30.03.2022



महालेखाकार का कार्यालय (लेखापरीक्षा) - II महाराष्ट्र-मुंबई शाखा कार्यालय
OFFICE OF THE ACCOUNTANT GENERAL(AUDIT) - II MAHARASHTRA
BRANCH OFFICE MUMBAI

दूरभाष सं./ Tel. No. : 022-22054022 / 022-22057360, फैक्स न. / Fax No.: 022-22092326
ई-मेल / E-mail : agcommaharashtra@cag.gov.in

एजी/लेप-II/मुंबई शाखा/टेक्निकल सेल/MSSIDC/Standalone/2019-20/226

28/11/2022

सेवा में,

प्रबंध निदेशक,
महाराष्ट्र स्माल स्केल इंडस्ट्रीज़ डेव्लपमेंट कॉर्पोरेशन लिमिटेड,
कृपानिधि बिल्डिंग, बॅलार्ड इस्टेट,
फोर्ट, मुंबई
महाराष्ट्र - 400001

Sub: Deficiencies noticed during the audit of Standalone financial statement of Maharashtra Small Scale Industries Development Corporation Limited for the year 2019-20

Sir/Madam,

The Supplementary Audit under section 143(6)(b) of Companies Act 2013 was recently undertaken by this office. The accounts audit highlighted the following issues which need the attention of the Management:

A. COMMENT ON PROFITABILITY

Statement of Profit & Loss

Expenditure (Other expenses)

Legal and professional charges – (note 27)- ₹ 46.34 lakh

1. This does not include provision towards Professional fees of ₹ 1.65 lakh for the services rendered by M/s Little and Co., Mumbai vide Invoice dated 4 March 2020.

This has resulted in understatement of loss and understatement of Trade payable – Due to others by ₹ 1.65 lakh respectively.

B. COMMENT ON FINANCIAL POSITION

Assets

Non-Current Assets

Fixed Assets

Tangible Assets (Note 9.1)

Residential flats

: ₹ 887.24 lakh

2. The above includes ₹ 0.30 lakh being written down value of two flats at Borivali which were demolished under redevelopment agreement in 2015 and the reconstruction activity of which

| CH | MD | JMD | SECY |
|-----|---------------------------------------|-----|-------|
| FC | RECEIVED M.S.S.I.D.C. LTD. 1020 | | LEGAL |
| MRK | 29 NOV 2022 | | ADMN |
| EDP | MUMBAI-400001 S. No. | | RM |
| HCT | PRO | EPP | CM |

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Rohini
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1-12-20*

*True
11/2*

has been stopped. The asset physically being not in existence, should have been removed from the above head. This has resulted in overstatement of Net Fixed assets and understatement of loss to the extent of ₹ 0.30 lakh.

Intangible assets (note 9.2) ₹ 29.00 lakh

3. This does not include provision towards purchase of software (speech to text conversion software) of ₹0.27 lakh from M/s Icons Infocom Pvt Ltd Little during March 2020

This has resulted in understatement of intangible assets and understatement of other current liabilities by ₹0.27 lakh respectively.

Long term loans and advances (note 12): ₹ 3176.15 lakh

Other Advances and balances

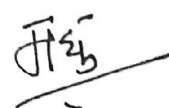
Advance Tax and TDS : ₹ 593.20 lakh

4) This includes TDS of ₹ 8.48 lakh for the financial years ending March 2000, 2002, 2003, 2005 and 2016 for which TDS certificates are not available with the Company. Since the Income Tax assessment for the relevant years are completed, this amount should have been adjusted in the books of the Company.

This has resulted in overstatement of Other Advances and balances (Advance Tax and TDS) and understatement of Loss by ₹ 8.48 lakh.

Management may take necessary action in this regard.

भवदीय,



(मधुसूदनन के नायर)
व. उप महालेखाकार/ AMG-V



KRUPANIDHI LTD

FINANCIAL STATEMENTS OF THE COMPANY

KRUPANIDHI LIMITED

'KRUPANIDHI', 9, VVALCHAND HIRACHAND MARG, BALLARD ESTATE, MUMBAI 400 001.

CIN : U70101MH1964SGC013078

COMPANY INFORMATION

THE BOARD OF DIRECTORS - 2019- 2020

| | |
|---------------------|--|
| CHAIRMAN & DIRECTOR | SHRI VIJAY DIGAMBER KAPATE |
| DIRECTOR | SHRI SURENDRA KUMAR |
| CHIEF ADMN. OFFICER | SHRI PRAKASH Y. RAO |
| ADMN. OFFICER [A/C] | SHRI. CHANDRAKANT WAGHMARE |
| BANKERS | BANK OF INDIA BALLARD ESTATE BRANCH MUMBAI - 400 001. |
| AUDITORS | M/S. R A N K & ASSOCIATES CHARTERED ACCOUNTANT LEVEL 7, ASHOK PREMISES NICOLASWADI ROAD NICCO CIRCLE ROAD ANDHERI [E] MUMBAI 400 069 |
| REGISTERED OFFICE | "KRUPANIDHI," 9, WALCHAND HIRACHAND MARG, BALLARD ESTATE, MUMBAI - 400 001. |

Director's Report

TO,
The Members
Krupanidhi Limited
MUMBAI.

The Directors take pleasure in presenting the **55th ANNUAL REPORT** of your Company along with Profit & Loss Account for the **YEAR ENDING 31st MARCH, 2020** and the Balance Sheet as on that date along with Auditor's Report, the Director's Report and NON REVIEW CERTIFICATE / Comments of CAG on the accounts FOR THE YEAR 2019-2020.

| | |
|------------------|---|
| ACCOUNTS & AUDIT | Your Board is pleased to inform you that the C.A.G. has appointed M/S. R A N K & ASSOCIATES, MUMBAI Chartered Accountants as Statutory Auditor of the Company for the year 2019-2020. Since your company is not a profit making organization all expenses incurred during the year under audit were as per usual practice proposed to be recovered from the members on pro-rata basis. |
|------------------|---|

| | |
|----------------------|---|
| FINANCIAL HIGHLIGHTS | The Company's performance during the year ended 31st March, 2020 is summarized below: Income : 0 Other Income : 1,66,51,346 Total Expenses: 51,64,447 Profit before exceptional items and tax:1,14,86,899 |
|----------------------|---|

| | |
|--|---|
| DIRECTOR'S RESPONSIBILITY STATEMENT | <p>To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:</p> <p>(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;</p> <p>(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;</p> <p>(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;</p> <p>(d) The directors had prepared the annual accounts on a going concern basis; and</p> <p>(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.</p> |
| REVIEW OF OPERATIONS AND FORWARD LOOKING STATEMENT | There was no change in nature of the business of the Company, during the year under review. |
| DIVIDEND | Your Directors regret to announce any dividend on the shares of the Company |
| RESERVES | The Company has not transferred any amount to Specific Reserves during the year 2019-20. |
| SHARE CAPITAL | No Shares were issued during the year. Thus, maintaining Share Capital at Rs. 1,00,000 (1000 shares of Rs. 100 Each). |
| AUDITORS' REPORT | There were 3 emphasis of Matters a, b and c made by the Auditors in their report. |
| STATUTORY AUDITORS | M/s. M R SHARMA & CO, Mumbai Chartered Accountants, Statutory Auditors of the Company are being appointed for the year 2020-2021 vide CAG letter dated no. CA.V/COY/MAHARASHTRA/KRUPAN[1]/1231 Dated 01.09.2020 |

| | |
|---|--|
| INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY | The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. |
| PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 | Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements if any. |
| PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES: | Company has NOT entered into contracts / arrangements / transactions during the financial year with related parties in the ordinary course of business. |
| MATERIAL CHANGES AND COMMITMENTS | There are no material changes and commitments which has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report. |
| WEBLINK OF THE ANNUAL RETURN | The company does not maintain any website. |
| ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO: | <p>The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:</p> <p>(A) Conservation of energy: Energy Conservation measure taken: Adequate Care is taken to minimize the use of electricity by switching off the lights etc. when not in use.</p> <p>(B) Technology absorption: The Company has not imported any technology and hence the question of it's absorption does not arise</p> <p>(C) Foreign exchange earnings and Outgo: Foreign Exchange Earnings – NIL Foreign Exchange Outgo – NIL</p> |
| DIRECTORS AND KEY MANAGERIAL PERSONNEL | Mr. Vijay Kapate, Mr. Surendra Kumar and Mr. Kahnu Charan Sahoo continue to be the directors of the Company. |
| DEPOSITS | The Company has no deposits to report as covered under Chapter V of the Companies Act, 2013. |

You are aware that Mumbai Port Trust {MbPT}, owner of the lease hold land on which the Building Krupanidhi is situated, filed a case in Small Causes Court against your company on the ground that your company has transferred the said premises to its members without obtaining prior consent of MbPT. The Small Causes Court of the Law has passed judgment against your company on 31.08.2001 and directed to evict the premises. The same has been challenged in the Higher Court by preferring an Appeal. The appeal has been admitted and the same was argued at length in the Court of Small Causes, by our Advocate on record.

It is needless to mention here that your company's application for regularization of tenancy is pending with Mbpt.

The company has received the liability statement for Rs.2.96 crores in the Court through the advocate for MbPT, worked out on compromise proposal as per the Supreme Court judgment delivered on 13.01.2004. The Company has already forwarded the copy of statement to its unit holders/members with a request to arrange for payment. As such company has requested every member that they will have to contribute their share of amount against the liability to be paid by your Company.

**Present Status of arrears paid to Mumbai Port Trust
[AS ON DATE]**

| Name | Share amount | Amount Paid | Balance |
|--------------------|--------------------|--------------------|------------------|
| MSSIDC | 1,83,03,002 | 1,83,03,000 | 002 |
| Seamens' PF | 35,42,516 | 35,42,516 | Nil |
| Mumbai Port Trust | 35,42,516 | 35,42,516 | Nil |
| Air India | 26,56,888 | NIL | 2656888 |
| Niyati Consultant | 5,90,419 | 1,00,000 | 490419 |
| Fusion Consultancy | 5,90,419 | NIL | 590419 |
| Rohan Merchant | 2,95,210 | 2,95,210 | NIL |
| Total | 2,95,20,970 | 2,57,83,242 | 37,37,728 |

The Company has paid Rs.2,57,83,242/- to Mumbai Port Trust against the arrears of Rs. 2,95,20,970/-. **The balance amount of Rs. 37,37,728/- have received from the members and yet to pay to Mumbai Port Trust.**

Please note that this liability statement has nothing to do with the Appeal filed by the company against MbPT and all the members AS ON DATE HAVE CONTRIBUTED AS PER THEIR SHARE AS MENTIONED ABOVE.

During the hearing on 16.09.2011 the Hon. Appellate Court has passed an order remanding the matter back to the Trial Court for decision of additional issue no.2, which was not decided by the Trial Court. The Appellate Court has directed Trial Court to give its finding on the said additional issue and appeal was kept pending. **The Trial Court has decided on the issue no. 2 in favour of Mbpt informing that the this Court is having Jurisdiction.**

After having decided by the Trial Court on the Issue no. 2 in favour of MbPT, our appeal came up for hearing on Board in Appellate Court. Matter was adjourned many a times for some or other reasons. Our Advocate on record Smt. Waghmare could not appear in our matter. She has discharged herself from appearing in our matter as she has joined CBI. Shri Jabra, an Advocate, was appeared in our matter as Counsel, instructed by our Advocate Smt. Waghmare. Shri Jabra had appeared in our matter 4 to 5 times and according to him he had argued at length in our matter before the Hon. Court. Hon. Chairman of this company is an employee of MSSIDC working as General Manager, was transferred to Paithan and thereafter to Delhi resulting no one was attending the Court during his transfer period. Counsel Shri Jabra was also not appearing in our matter as there was no response from Krupanidhi Limited.

Finally our Appeal was DISPOSED by the Hon. Court on 5th July, 2013 and Appeal Dismissed without Judgment for want of prosecution.

We have requested our Advocate, Shri Jabra to file an application for restoration of Appeal, at the earliest. But unfortunately our application filed was rejected in the office of the Registrar itself for non removal of objection in the proceeding and non follow up by our Advocate Shri Jabra. Our Company, once again requested our Advocate Shri Jabra to file revised application for restoration of Appeal in the Court of Small Causes. But in spite of our constant follow up with Advocate, the revised application could not be filed by him though the application for condonation of delay was notarised and application for restoration appeal was affirmed though it was ready with him.

Due to failure on part of Advocate Jabra, in filing of revised application for restoration of appeal, Mumbai Port Trust taken the advantage of the same & filed Execution application no. 522 of 2019, served upon the company through Hon. Court, received on 02.12.2019. As our Advocate Shri Jabra has failed to file application for restoration of Appeal, the Company has appointed M/S. LITTLE & CO., and case was handed over to them for defending the Execution Application on our behalf.

PRESENT STATUS OF THE CASE :

1. The Company has filed application for condonation of delay and application for restoration of appeal in the court on 13.12.2019. The matter was listed on Board on 02.01.2020 and during the hearing the Hon. Court directed our Advocate and the court official to issue notice to the other side and adjourned the matter. Thereafter due to NOVAL COVID-19 period our matter did not come up for hearing for some months. Now the Hon. Court has started taking the matter physical hearing and our matter came up for hearing. During the hearing on 12.11.2021 our advocate has filed application for adjournment. The Hon. Court allowed the adjournment application on cost of Rs.10000/- payable to Respondent [MbPT] on next date. The matter adjourned to 15.12.2021 for compliance of the order and for filing evidence by applicant .

2. Regarding Execution Application, the Company has filed affidavit in reply in the Hon. Court on 13.01.2020 and submitted the copy of the same to other side on 22.01.2020. The matter was adjourned as our application for delay condonation is pending in the Court of Law.

ACKNOWLEDGMENTS:

The Board of Directors wish to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the cooperation extended by Banks, Government Authorities, Customers, Shareholders and looks forward to a continued mutual support and co-operation.

Your Directors take this opportunity to express their thanks to all the members and the staff for their valuable co-operation. Your Directors also takes pleasure in placing on record their appreciation of the services rendered by M/s. R A N K & Associates, Chartered Accountants, the Statutory Auditors of our Company. The Directors also thank our Banker for their services rendered to us from time to time.

For & On behalf of the Board of Directors

CHAIRMAN

Place : Mumbai

Date : 15.12.2021

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
M/s. KRUPANIDHI LIMITED

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of M/s. Krupanidhi Limited ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and Profit/Loss, and its Cash Flows for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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 of Matters

- a. We draw attention to point "F" of Note 19 to the accompanying Financial Statements regarding provision of rent including interest thereon created by management of Rs. 1,36,31,184/-, which includes provision for the current year as well as for the period 1st January 2009 to 31st March 2019, which was not provided in the previous accounting periods since no demand is raised till date by the Mumbai Port Trust (MBPT) in respect of rent.

As per supplementary Audit conducted by CAG for the Financial Year 2018-19, it was pointed out that the company should make appropriate provision for rent for the period 1st January 2009 to 31st March 2019 on the basis of mechanism laid down in Supreme Court order dated 13th January 2004 in case of Jamshed Hormusji Wadia versus Bombay Port Trust.

- b. We draw attention to point “P” of Note 19 to the accompanying Financial Statements regarding levy of GST on entire recovery of expense from its members since company have exceeded the limit specified in the CGST Act, 2017 for registration under the said Act. The Management is of opinion that revenue is only in the nature of reimbursement of expenses incurred for the members which is out of the purview of definition of Supply and hence GST should not be levied on such supply.
- c. We draw attention to point “Q” of Note 19 to the accompanying Financial Statements regarding TDS payable on total provision made for rent and interest thereon of Rs. 13,63,118/- which is payable till the date of signing of the financials further provision has also been made for interest due to non-payment of TDS of Rs. 3,68,042 & TDS Return Late Filing fees of Rs. 74,200 due to non-compliance with Income tax provision for which management is in process of complying

Our opinion is not modified in respect of these matters

Responsibility of Management for the Standalone Financial Statements

The Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company’s financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 management 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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Company has no branch office and hence the company is not required to conduct audit u/s 143(8) of the Act
 - d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls,

refer to our separate report in “Annexure B”

- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements and as informed to us any outflow arising out of the said litigation would be recovered from members on as is where is basis – Refer to Note 19 point F to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- i. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions / sub-directions issued by the Comptroller and Auditor General of India, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in “Annexure C”

For R A N K & Associates
Chartered Accountants
Firm Registration No. 105589W

Rahul P. Nahata
(Partner)
Membership No 116511
UDIN: 21116511AAAAEW2947

Date: 09/08/2021

Place: Mumbai

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF THE KRUPANIDHI LIMITED

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Krupanidhi Limited of even date)

- i. In respect of the Company’s Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified by the management at reasonable intervals.
 - (c) In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- ii. There is no inventory in the company and therefore relevant clause is not applicable to the company.
- iii. The Company has not granted any secured/unsecured loans to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act 2013.
- iv. According to the information and explanations given to us, the Company has not accepted any loans from financial institutions or bank or debenture holders.
- v. The Company has not accepted any deposit from the public to which directives issued by the Reserve Bank of India & the provision of section 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposit) Rules, 2014, as amended would apply. Accordingly, Paragraph 3(v) of the order is not applicable to the company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. In respect of Statutory Dues:
 - (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable, except as per details below:

| Name of the Statute | Nature of dues | Period to which the amount relates | Amount due |
|---------------------|---------------------------------------|------------------------------------|------------|
| Income Tax | Late Filing Fees u/s 234E | FY 2014-15 | 11,078 |
| Income Tax | Short Deduction | FY 2012-13 | 6,120 |
| Income Tax | Interest on deduction default u/s 201 | FY 2012-13 | 592 |

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, goods & services Tax outstanding on account of dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence under clause (xiv) of CARO, 2016 is not applicable to the company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For R A N K & Associates
Chartered Accountants
Firm Registration No. 105589W

Rahul P. Nahata
(Partner)
Membership No 116511
UDIN: 21116511AAAAEW2947

Date: 09/08/2021

Place: Mumbai

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF THE KRUPANIDHI LIMITED

(Referred to in paragraph 2-g under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Krupanidhi Limited of even date)

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

We have audited the internal financial controls over financial reporting of Krupanidhi Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate

to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R A N K & Associates
Chartered Accountants
Firm Registration No. 105589W

Rahul P. Nahata
(Partner)
Membership No 116511
UDIN: 21116511AAAAEW2947

Date: 09/08/2021

Place: Mumbai

KRUPANIDHI LIMITED

Krupanidhi, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

Balance Sheet as at 31 March 2020

(Amount in Rs.)

| Particulars | Note | 31 March 2020 | 31 March 2019 |
|--|------|--------------------|--------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 2 | 1,00,000 | 1,00,000 |
| (b) Reserves and Surplus | 3 | - | - |
| (c) Money received against share warrants | | - | - |
| (2) Share Application money pending allotment | | - | - |
| (3) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | | - | - |
| (b) Deferred Tax Liabilities (Net) | | - | - |
| (c) Other Long Term Liabilities | 4 | 46,37,478 | 46,34,978 |
| (d) Long Term Provisions | 5 | 1,22,68,066 | - |
| (4) Current Liabilities | | | |
| (a) Short-Term Borrowings | | - | - |
| (b) Trade Payables | | | |
| (A) Total outstanding dues of micro enterprises and small enterprises; and | | - | - |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | 6 | 41,137 | 2,500 |
| (c) Other Current Liabilities | 7 | 64,74,674 | 58,53,755 |
| (d) Short-Term Provisions | 8 | 8,63,696 | 1,18,688 |
| TOTAL | | 2,43,85,050 | 1,07,09,921 |
| II.ASSETS | | | |
| Non-Current Assets | | | |
| (1) (a) Property, Plant and Equipment | | | |
| (i) Tangible Assets | 9 | 14,204 | 16,479 |
| (ii) Intangible Assets | | - | - |
| (iii) Capital Work in Progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 10 | 46,39,000 | 46,39,000 |

| | | | |
|-----------------------------------|----|--------------------|--------------------|
| (c) Deferred tax assets (Net) | | - | - |
| (d) Long-term loans and advances | | - | - |
| (e) Other non-current assets | 11 | 1,40,81,992 | 4,25,689 |
| (2) Current Assets | | | |
| (a) Current Investments | | - | - |
| (b) Inventories | | - | - |
| (c) Trade receivables | 12 | 55,53,044 | 51,09,232 |
| (d) Cash and cash equivalents | 13 | 16,690 | 4,33,446 |
| (e) Short-term loans and advances | | - | - |
| (f) Other Current Assets | 14 | 80,120 | 86,075 |
| | | | |
| Total | | 2,43,85,050 | 1,07,09,921 |

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For R A N K & Associates
Chartered Accountants
Firm Reg. No.: 105589W

For Krupanidhi Limited

Rahul P. Nahata
(Partner)
Membership No. : 116511

Vijay Kapate
(Chairman and Director)
DIN- 02089898

Surendra Kumar
(Director)
DIN- 08926482

Place :- Mumbai
Date :- 09.08.2021

Place : Mumbai
Date :- 09.08.2021

Place : Mumbai
Date :- 09.08.2021

KRUPANIDHI LIMITED

Krupanidhi, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

Statement of Profit and Loss for the year ended 31 March 2020

(Amount in Rs.)

| Sr. | Particulars | Note | 31 March 2020 | 31 March 2019 |
|-------|--|------|-------------------|------------------|
| I. | Revenue from operations | | | |
| II. | Other Income | 15 | 16,651,346 | 2,253,512 |
| III. | Total Revenue (I+II) | | 16,651,346 | 2,253,512 |
| IV. | Expenses: | | | |
| | Employee Benefit Expense | 16 | 764,162 | 691,373 |
| | Depreciation and Amortization Expense | 17 | 2,275 | 2,642 |
| | Other Expenses | 18 | 4,398,010 | 1,559,497 |
| | Total Expenses | | 5,164,447 | 2,253,512 |
| V. | Profit before exceptional and extraordinary items and tax (III-IV) | | 11,486,899 | - |
| VI. | Exceptional / Extraordinary items -Prior Period Items (Refer Note "G" of General Notes) | | 11,486,899 | - |
| VII. | Profit before tax (V-VI) | | - | - |
| VIII. | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax | | - | - |
| IX. | Profit/ (Loss) for the period from continuing operations (VII-VIII) | | - | - |
| X. | Profit/ (Loss) for the period from discontinuing operations | | - | - |
| XI. | Tax expense of discontinuing operations | | - | - |
| XII. | Profit/ (Loss) from discontinuing operations (after tax) (X-XI) | | - | - |
| XIII. | Profit/ (Loss) for the period (IX+XII) | | - | - |
| XIV. | Earning per equity share: | | | |
| | (1) Basic | | - | - |
| | (2) Diluted | | - | - |

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For R A N K & Associates
Chartered Accountants
Firm Reg. No.: 105589W

For Krupanidhi Limited

Rahul P. Nahata
(Partner)
Membership No. : 116511

Vijay Kapate
(Chairman and Director)
DIN- 02089898

Surendra Kumar
(Director)
DIN- 08926482

Place :- Mumbai
Date :- 09.08.2021

Place : Mumbai
Date :- 09.08.2021

Place : Mumbai
Date :- 09.08.2021

KRUPANIDHI LIMITED

Krupanidhi, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

Cash Flow Statement for the year ended 31 March 2020

(Amount in Rs.)

| | | | |
|-----------|---|------------------|---------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit/(Loss) before tax as per Statement of Profit and Loss Account | - | - |
| | Adjustments For: | | |
| | Depreciation | 2,275 | 2,642 |
| | Sale of Assets | - | - |
| | Purchase of Assets | - | - |
| | Interest Income | -25,119 | -20,898 |
| | Less:- Loss/profit on sale of assets | - | - |
| | Operating Profit Before Working Capital Changes | -22,844 | -18,256 |
| | Adjustments For: | | |
| | (Increase)/Decrease in Other Non Current Assets | -1,36,56,303 | - |
| | (Increase)/Decrease in Trade Debtors | -4,43,812 | 1,99,00,667 |
| | (Increase)/Decrease in Short Term Loans and Advances | - | -17,320 |
| | (Increase)/Decrease in Other Current Assets | 5,955 | -20,898 |
| | Increase/(Decrease) in Long Term Provision | 1,22,68,066 | - |
| | Increase/(Decrease) in Trade Payables | 38,637 | 17,49,927 |
| | Increase/(Decrease) in Other Current Liabilities | 6,20,919 | -3,526 |
| | Increase/(Decrease) in Short Term Provision | 7,45,008 | 10,365 |
| | Cash generated From Operating Activities | -4,44,375 | 2,16,00,959 |
| | Income Taxes Paid /TDS | - | - |
| | Net Cash generated From Operating Activities (A) | -4,44,375 | 2,16,00,959 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of Fixed Assets | - | - |
| | Proceed from sale of Fixed Assets | - | - |
| | Interest Income Received & Other Income | 25,119 | 20,898 |
| | Net Cash generated From Investing Activities (B) | 25,119 | 20,898 |
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Repayment Of Unsecured Loan | - | - |
| | Loan taken/Credtiros bal written off | - | - |
| | Increase/Decrease in Long Term Borrowings | - | - |
| | Increase/Decrease in Long Term Liabilities | 2,500 | -2,21,03,249 |
| | Net Cash used in Financing Activities (C) | 2,500 | -2,21,03,249 |

| | | |
|--|-----------|-----------|
| Net Increase/(Decrease) In Cash And Cash Equivalents: (A+B+C) | -4,16,756 | -4,81,392 |
| Cash and Cash Equivalent at the beginning of the year | 4,33,446 | 9,14,838 |
| Cash and Cash Equivalent at the end of the year | 16,690 | 4,33,446 |

Note: Above Cash Flow Statement is prepared as per Indirect Method prescribed in Accounting Standard 3

For R A N K & Associates

Chartered Accountants

Firm Reg. No.: 105589W

For Krupanidhi Limited

Rahul P. Nahata

(Partner)

Membership No. : 116511

Place :- Mumbai

Date :- 09.08.2021

Vijay Kapate

(Chairman and Director)

DIN- 02089898

Place : Mumbai

Date :- 09.08.2021

Surendra Kumar

(Director)

DIN- 08926482

Place : Mumbai

Date :- 09.08.2021

KRUPANIDHI LIMITED

Krupanidhi, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

“Note-1” SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31ST MARCH, 2020

A. Basis of preparation of Financial Statements –

- (a) **Basic Principles** – The financial statements are prepared under the historical cost convention, on a going concern basis and in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards issued by The Institute of Chartered Accountants of India.
- (b) **Use of Estimates** – The preparation of the financial statements entail the management to make certain estimates and assumptions that affect the facts and figures reported. Disparities between actual result and estimates are recognised in the period in which they materialise.
- (c) **Method of Accounting** – The Company generally follows the accrual method of accounting subject to the extent of determinability of accruals and keeping the materiality concept in view.

B. Revenue Recognition –

- (a) The company is not engaged in any business activity. Expenditures incurred for the maintenance of building during the year is allocated to members on their shareholding ratio and the allocated amount is recognized as revenue in the books on issue of debit notes to the tenement
- (b) All other income having a material bearing on the financial statements are recognized on accrual basis.

C. Property, Plant and Equipment and Depreciation-

- (a) The Tangible Assets are shown at their cost of acquisition less accumulated depreciation. None of the Tangible Assets have been revalued during the year.
- (b) The management has physically verified the assets during the year and no material discrepancies have been noticed on such verification.
- (c) Depreciation is provided on pro-rata basis on the period of usage of the assets, which is rounded off to the nearest month. Depreciations is provided on written down value method.
- (d) In accordance with AS 28, where there is an indication of impairment of the Company’s asset the carrying amounts of the Company’s assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets is estimated, as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account or against revaluation surplus where applicable.
- (e) The revenue expenditure incurred on assets are recovered from members of the company.

D. Investments –

- (a) Current investments are valued at the lower of cost and fair value as at the Balance Sheet date.
- (b) Non-Current investments are carried at cost. However, when there is a decline, other than temporary, in the value of the long-term investment, the carrying amount is reduced to recognize the decline.

E. Inventories-

The Company does not hold any inventory as at 31st March 2020.

F. Prior Period Items-

The Company follows the accrual system of accounting barring the effects and outcome of the provision for expenses which is made on the basis of the materiality concept and wherever ascertainable and treatment of certain items on receipt basis, as stated earlier.

G. Expenditure –

As suggested by CAG the expenditures were allocated based on the space occupied by each tenement till F.Y 2008-09 but as per the decision taken by board meeting held on 8th March 2010, expenses has been allocated as per share holding ratio.

H. Borrowings-

Generally the borrowing costs attributable to acquisition and construction of assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account

I. Foreign Currency Transaction-

During the year company have not entered into any foreign currency transaction.

J. Segmental Information-

Reporting of particulars specified by accounting standards 17-“Segment Reporting” is not applicable as the management is of opinion that the company operates significantly in only a single revenue segment.

For R A N K & Associates

Chartered Accountants

Firm Reg. No.: 105589W

For Krupanidhi Limited

Rahul P. Nahata

(Partner)

Membership No. : 116511

Place :- Mumbai

Date :- 09.08.2021

Vijay Kapate

(Chairman and Director)

DIN- 02089898

Place : Mumbai

Date :- 09.08.2021

Surendra Kumar

(Director)

DIN- 08926482

Place : Mumbai

Date :- 09.08.2021

Krupanidhi Limited

Notes Forming part of the Balance Sheet As At 31st March 2020

Note 2: Share Capital

(Amount in Rs.)

| Sr. No. | Particulars | 31 March 2020 | 31 March 2019 |
|---------|---|----------------------|----------------------|
| 1. | Authorized Capital 50000 equity shares of Rs.100/- each | 5,000,000 | 5,000,000 |
| 2. | Issued , Subscribed & Paid Up Capital 1000 equity shares of Rs.100/- each | 5,000,000 100,000 | 5,000,000 100,000 |
| | TOTAL | 100,000 | 100,000 |

Reconciliation of number of equity shares :

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---|---------------|---------|---------------|---------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 1,000 | 100,000 | 1,000 | 100,000 |
| Add: Shares Issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,000 | 100,000 | 1,000 | 100,000 |

Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.100/- each. Each Shareholder is eligible for one vote per one shares held. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Share held by holding/ultimate holding company and / or their subsidiaries / associates

| Name of Holding Company | No. of Shares | % of Holding |
|-------------------------|---------------|--------------|
| MSSIDCL LTD | 620 | 62% |

List of shareholders holding more than 5% of total number of shares issued by the Company:

| Sr. No. | Name of Share holder | 31 March 2020 | | 31 March 2019 | |
|---------|--|---------------|--------------|---------------|--------------|
| | | No of Shares | % of Holding | No of Shares | % of Holding |
| 1 | Maharashtra Small Scale Industries Development Corporation Limited | 620 | 0.62 | 620 | 0.62 |
| 2 | Mumbai Port Trust | 120 | 0.12 | 120 | 0.12 |
| 3 | Seamen's Provident Fund Organization | 120 | 0.12 | 120 | 0.12 |
| 4 | Air India Limited | 90 | 0.09 | 90 | 0.09 |

Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

Shares reserved for issue under options: NIL

Krupanidhi Limited

Notes Forming part of the Balance Sheet As On 31st March 2020

Note 3: Reserves and Surplus

(Amount in Rs.)

| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
|---------|---|------------|------------|
| | <u>Surplus in statement of profit and loss</u> | | |
| | At the commencement of the year | - | - |
| | Add: Transferred from statement of profit and loss | - | - |
| | At the end of the year | - | - |
| | TOTAL | - | - |

Note 4: Other Long Term Liabilities

(Amount in Rs.)

| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
|---------|---|------------------|------------------|
| 1 | "Security Deposits from members and share holders (Refer "Annexure to Notes" - "I") (Security Deposit for Premises Given on Rent to Members and Shareholder) | 4,630,000 | 4,630,000 |
| 2 | EMD (Refer "Annexure to Notes" - "I") | 7,478 | 4,978 |
| | TOTAL | 4,637,478 | 4,634,978 |

Note 5: Long term provisions

(Amount in Rs.)

| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
|---------|---|-------------------|------------|
| 1 | "Provision for rent (Refer Note "F" of General Notes & ""Annexure to Notes- "IX") (Netoff of TDS Deducted)" | 12,268,066 | - |
| | TOTAL | 12,268,066 | - |

Krupanidhi Limited

Notes Forming part of the Balance Sheet As On 31st March 2020

Note 6: Trade payables

(Amount in Rs.)

| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
|---------|---|---------------|--------------|
| | Dues to micro and small enterprises (Refer Note "K" of General Notes) | - | - |
| | Dues to others | | |
| 1 | M/s Rathod Enterprise | 41,137 | - |
| 2 | Suchi Turnkey Projects Pvt Ltd | - | 2,500 |
| | TOTAL | 41,137 | 2,500 |

Note 7: Other current liabilities

(Amount in Rs.)

| Sr. No. | Particulars | 31 March 2020 | 31 March 2019 |
|---------|---|------------------|------------------|
| 1. | Arrears of Rent (Refer Note "F" of General Notes & "Annexure to Notes"- "II") | 3,737,728 | 3,737,728 |
| 2. | Advance Received from members for Expense | 1,373,827 | 2,116,027 |
| 3. | TDS Payable (Refer Note "Q" of General Notes) | 1,363,118 | - |
| | TOTAL | 6,474,674 | 5,853,755 |

Note 8: Short-term provisions

(Amount in Rs.)

| Sr. No. | Particulars | 31 March 2020 | 31 March 2019 |
|---------|---|----------------|----------------|
| 1. | Provision for employee benefits Salary Payable | 59,065 | 11,133 |
| 2. | Others Provision for expenses (Refer Note "Q" of General Notes & Refer "Annexure to Notes"- "III") | 804,631 | 107,555 |
| | TOTAL | 863,696 | 118,688 |

Krupanidhi Limited

Schedule Forming Part of The Balance Sheet As On 31 March 2020

Note 9: Property, Plant and Equipment

(Amount in Rs.)

| Sr. No. | PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | | |
|---------|--|-------------|----------------|--------------------------|---------------------------|----------------|--------------|--------------------------|---------------------------|----------------|----------------------|----------------------|--|
| | | Rate | 01.04.2019 | Addition during the year | Deduction during the year | 31.03.2020 | 01.04.2019 | Addition during the year | Deduction during the year | 31.03.2020 | WDV as on 31.03.2020 | WDV as on 31.03.2019 | |
| I | Tangible Assets | | | | | | | | | | | | |
| | Furniture & Fixture | 17.91% | 10,812 | - | - | 10,812 | - | - | 10,702 | 10,702 | 107 | 107 | |
| | Water Pump | 13.91% | 21,972 | - | - | 21,972 | - | 724 | 17,492 | 17,492 | 4,480 | 5,204 | |
| | Office Equipments | 13.91% | 601 | - | - | 601 | - | - | 587 | 587 | 17 | 17 | |
| | Cylindrical Plastic Water Tank | 13.91% | 197,543 | - | - | 197,543 | - | 1,551 | 187,944 | 187,944 | 9,600 | 11,151 | |
| | SUB TOTAL (A) | | 230,928 | - | - | 230,928 | - | 2,275 | 216,725 | 216,725 | 14,204 | 16,479 | |
| II | Intangible Assets | | | | | | | | | | | | |
| | SUB TOTAL (B) | | | | | | | | | | | | |
| III | Capital Work-in-progress | | | | | | | | | | | | |
| | SUB TOTAL (C) | | | | | | | | | | | | |
| IV | Intangible Assets Under Development | | | | | | | | | | | | |
| | SUB TOTAL (D) | | | | | | | | | | | | |
| | Total [A+B+C+D] (Current Year) | | 230,928 | - | - | 230,928 | - | 2,275 | 216,725 | 216,725 | 14,204 | 16,479 | |

Krupanidhi Limited

Notes Forming Part of The Balance Sheet As On 31 March 2020

Note 10: Non Current Investment (Valued at cost unless stated otherwise)

| (Amount in Rs.) | | | |
|-----------------|---|------------------|------------------|
| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
| 1 | Investment in Property Leasehold Land & Building | 4,639,000 | 4,639,000 |
| | TOTAL | 4,639,000 | 4,639,000 |

Note 11: Other Non- Current Assets

| (Amount in Rs.) | | | |
|-----------------|---|-------------------|----------------|
| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
| 1 | Bank Deposit (Refer "Annexure to notes" - "IV") | 353,138 | 328,019 |
| 2 | Accrued Rent (Refer "Annexure to notes" - "IX") | 13,631,184 | - |
| 3 | Others (Refer "Annexure to notes" - "IV") | 97,670 | 97,670 |
| | TOTAL | 14,081,992 | 425,689 |

Note 12: Trade receivables

| (Amount in Rs.) | | | |
|-----------------|---|------------------|------------------|
| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
| | (Refer Note "F" of General Notes) (Refer "Annexure to Notes" - "V") | | |
| | Receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| 1 | Secured Considerd good | 4,705,098 | 4,624,546 |
| 2 | Unsecured considerd good | - | - |
| 3 | Doubtful | - | - |
| | Receivables outstanding for a period less than six months from the date they are due for payment | | |
| 1 | Secured Considerd good | 847,946 | 484,687 |
| 2 | Unsecured considerd good | - | - |
| 3 | Doubtful | - | - |
| | TOTAL | 5,553,044 | 5,109,233 |

Krupanidhi Limited

Notes to financial statements for the year ended 31 March 2020

Note 13: Cash & Cash Equivalent

(Amount in Rs.)

| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
|---------|--|----------------|----------------|
| | Cash and Cash equivalent | | |
| 1 | Cash on hand | 409 | 8,300 |
| 2 | Balances with Banks (Refer Annexure to Notes "VI") | 16,281 | 425,146 |
| 3 | Other bank balances | | |
| | Bank deposit with maturity of more than 12 months | 353,138 | 328,019 |
| | | 369,828 | 761,465 |
| | Less:-Amount disclosed as Other non-current assets (Refer Note 11) | -353,138 | -328,019 |
| | TOTAL | 16,690 | 433,446 |

Note 14: Other Current Assets

(Amount in Rs.)

| Sr. No | Particulars | 31.03.2020 | 31.03.2019 |
|--------|--|---------------|---------------|
| 1 | Prepaid Expenses (Refer Annexure to notes "VII") | 80,120 | 86,075 |
| | TOTAL | 80,120 | 86,075 |

Krupanidhi Limited

Schedule Forming Part of The Profit and Loss Accounts As On 31 March 2020

Note 15: Other Income

(Amount in Rs.)

| Sr. No | Particulars | 31.03.2020 | 31.03.2019 |
|--------|--|-------------------|------------------|
| 1 | Contribution from Share Holders (Refer "Annexure to Notes" - "IX") | 16,626,227 | 1,864,175 |
| 2. | Other Receipt (Refer "Annexure to Note" - "VIII") | 25,119 | 389,337 |
| | TOTAL | 16,651,346 | 2,253,512 |

Note 16: Employment Benefit Expenses

| Sr. No | Particulars | 31.03.2020 | 31.03.2019 |
|--------|------------------------|----------------|----------------|
| 1 | Salary, Wages & Bonus | 761,762 | 691,373 |
| 2 | Staff Welfare Expenses | 2,400 | - |
| | TOTAL | 764,162 | 691,373 |

Note 17: Depreciation & Amortisation Cost

(Amount in Rs.)

| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
|---------|--------------|--------------|--------------|
| 1 | Depreciation | 2,275 | 2,642 |
| | TOTAL | 2,275 | 2,642 |

Krupanidhi Limited

Schedule Forming Part of The Profit and Loss Accounts As On 31 March 2020

Note 18: Other Expenses

(Amount in Rs.)

| Sr. No. | Particulars | 31.03.2020 | 31.03.2019 |
|---------|---|------------------|------------------|
| 1 | Account Writing Expenses | 24,000 | 26,000 |
| 2 | Audit Fees (Refer Note "E" of General Notes) | 11,800 | 11,800 |
| 3 | Bank Charges | 649 | - |
| 4 | Building Insurance | 1,92,287 | 1,75,810 |
| 5 | Conveyance Expenses | 3,821 | 1,713 |
| 6 | Drainage Cleaning Expense | 4,800 | 5,200 |
| 7 | Electricity Charges | 58,432 | 77,845 |
| 9 | General Expenses | 19,585 | 38,974 |
| 10 | Repairs to Building | 4,90,109 | 2,63,840 |
| 11 | Ground Rent | 9,768 | 51,742 |
| 12 | Lift Maintenance Expense | 42,756 | 34,986 |
| 13 | Printing & Stationery Expense | 7,859 | 17,381 |
| 14 | Professional and Legal Expense | 2,12,776 | 36,140 |
| 15 | Provision for Rent Including Interest (Current Year) (Refer Note "F" & "G" of General Notes) | 21,44,285 | - |
| 16 | Provision for Interest / Late Filing Fees on TDS Late payment (Refer Note "Q" of General Notes) | 4,46,356 | - |
| 17 | Rates & Taxes | 1,63,908 | 2,24,282 |
| 18 | Typing Expenses | 12,000 | 13,000 |
| 19 | Sweeping Expenses | 26,400 | 28,600 |
| 20 | Water Charges | 5,26,419 | 552,184 |
| | TOTAL | 43,98,010 | 15,59,497 |

Krupanidhi Limited

ANNEXURE TO NOTES:

Amount in Rupees

| Annexure I for Note 4: Other Long Term Liabilities | 31.03.2020 | 31.03.2019 |
|---|------------------|------------------|
| Security Deposits from members and share holders | | |
| - Air India | 8,100 | 8,100 |
| - Mumbai Port Trust | 10,800 | 10,800 |
| - Fusion consultancy private limited | 1,000 | 1,000 |
| - MSSIDC | 55,800 | 55,800 |
| - Rohan Merchant | 900 | 900 |
| - Niyati Consultants | 2,600 | 2,600 |
| - Seamen's Provident Fund | 10,800 | 10,800 |
| Sub Total (A) | 90,000 | 90,000 |
| Deposits from unit holders | | |
| - Air India | 646,645 | 646,645 |
| - Mumbai Port Trust | 633,585 | 633,585 |
| - MSSIDC | 2,859,963 | 2,859,963 |
| - Rohan Merchant | 6,084 | 6,084 |
| - Niyati Consultants | 12,568 | 12,568 |
| - Seamen's Provident Fund | 381,155 | 381,155 |
| Sub Total (B) | 4,540,000 | 4,540,000 |
| TOTAL (A+B) | 4,630,000 | 4,630,000 |
| EMD | | |
| -Suchi Turnkey Projects Pvt Ltd | 7,478 | 4,978 |
| TOTAL | 7,478 | 4,978 |

| Annexure II for Note 7: Other Current Liabilities | 31.03.2020 | 31.03.2019 |
|--|------------------|------------------|
| Arrears of Rent | | |
| Mumbai Port Trust | 3,737,728 | 3,737,728 |
| MSSIDC Limited Expense A/c (Advance) | 1,373,827 | 1,989,943 |
| Seamen's Provident Fund Organisation Expense A/c (Advance) | - | 126,084 |
| TDS Payable | 1,363,118 | - |
| TOTAL | 6,474,674 | 5,853,755 |

Annexure to Notes:

Amount in Rupees

| Annexure III for Note 8: Short Term Provision | 31.03.2020 | 31.03.2019 |
|--|-------------------|-------------------|
| Provision for Expenses | | |
| Account Writing Expense | 4,000 | - |
| Audit Fees | 11,800 | 11,800 |
| Drainage Cleaning Expense | 800 | - |
| Electricity Charges | 4,122 | 5,560 |
| General Expense | - | 3,299 |
| Ground Rent | 1,632 | 1,625 |
| Provision for Tax | - | 3,677 |
| Rent, Rate & Taxes | 81,954 | - |
| TDS Interest & Late Filing Fees Payable | 446,356 | - |
| Security Guards Boards | 18,272 | 18,272 |
| Typing Expense | 2,000 | - |
| Sweeping Expense | 2,600 | - |
| Water Charges | 231,095 | 63,322 |
| TOTAL | 804,631 | 107,555 |

| Annexure IV for Note 11: Other Non-Current Assets | 31.03.2020 | 31.03.2019 |
|--|-------------------|-------------------|
| Bank Deposit | | |
| Fixed Depsoit-356110003378 | 63,538 | 58,406 |
| Fixed Depsoit-356110003379 | 63,533 | 58,402 |
| Fixed Depsoit-356110003533 | 176,791 | 165,463 |
| Fixed Depsoit-356110003483 | 49,276 | 45,748 |
| | 353,138 | 328,019 |
| Other Deposit | | |
| Deposit with Best (Electricity) | 10,795 | 10,795 |
| Deposit with BMC (Water) | 35,900 | 35,900 |
| Deposit with BMC (BPT) | 50,975 | 50,975 |
| | 97,670 | 97,670 |
| TOTAL | 901,616 | 851,378 |

Krupanidhi Limited

| Annexure V for Note 12: Trade Receivables | 31.03.2020 | 31.03.2019 |
|---|------------------|------------------|
| More Than Six Months- Secured Considered Good | | |
| Air India Limited Rent to MbPT Arrear | 2,656,888 | 2,656,888 |
| Fusion Consultancy Private Limited Rent to MbPT Arrear | 590,419 | 590,419 |
| MSSIDC Limited Rent to MbPT Arrear | - | 2 |
| Niyati Consultants Rent to MbPT Arrear | 490,419 | 490,419 |
| Total Arrears (i) | 3,737,726 | 3,737,728 |
| | | |
| Air India Limited Expense A/c | - | 48,698 |
| Fusion Consultancy Private Limited Expense A/c | 66,326 | 79,042 |
| Mumbai Port Trust Expense A/c | 398,066 | 174,365 |
| Niyati Consultants Expense A/c | 137,839 | 200,555 |
| Rohan Merchant Expense A/c | 20,387 | 39,403 |
| Expense Share (ii) | 622,617 | 542,063 |
| | | |
| Maharashtra Industry Trade & Investment Facilitation Cell (iii) (Refer Note "O" of General Notes) | 344,755 | 344,755 |
| Total A (i+ii+iii) | 4,705,098 | 4,624,546 |
| | | |
| Less than Six Months- Secured Considered good | | |
| Air India Limited Expense A/c | 113,670 | 167,776 |
| Fusion Consultancy Private Limited Expense A/c | 59,901 | 37,284 |
| Mumbai Port Trust Expense A/c | 359,405 | 223,701 |
| Niyati Consultants Expense A/c | 59,901 | 37,284 |
| Rohan Merchant Expense A/c | 29,950 | 18,642 |
| Seamen's Provident Fund Organisation Expense A/c | 225,119 | - |
| Total B | 847,946 | 484,687 |
| Total A+B | 5,553,044 | 5,109,233 |

| Annexure VI for Note 13: Cash & Cash Equivalent | 31.03.2020 | 31.03.2019 |
|---|---------------|----------------|
| Balance with Banks (In Current Account) | | |
| Bank of India | 16,281 | 425,146 |
| TOTAL | 16,281 | 425,146 |

Krupanidhi Limited

| Annexure VII for Note 14: Other Current Assets | 31.03.2020 | 31.03.2019 |
|--|---------------|---------------|
| Prepaid Expenses | | |
| Lift Maintenance | - | 5,955 |
| Building Insurance | 80,120 | 80,120 |
| TOTAL | 80,120 | 86,075 |

| Annexure VIII for Note 15: Other Income | 31.03.2020 | 31.03.2019 |
|---|---------------|----------------|
| Other Receipts | | |
| Interest on Fixed Deposits | 25,119 | 23,220 |
| Credit Balance Written Back | - | 366,117 |
| TOTAL | 25,119 | 389,337 |

Annexure IX

Expenses Distribution during the year 01.04.2019 to 31.03.2020

Amount in Rupees

| Particulars | Ratio | Distribution of expenses incurred during the year | Distribution of Rent including interest (Provision)* | Total Expense distributed at the end of year |
|--|-------------|---|--|--|
| Air India Limited | 0.09 | 269,554 | 1,226,807 | 1,496,360 |
| Fusion Consultancy Private Limited | 0.02 | 59,901 | 272,624 | 332,525 |
| Maharashtra Small Scale Industries Development Corporation Limited | 0.62 | 1,856,926 | 8,451,334 | 10,308,261 |
| Mumbai Port Trust | 0.12 | 359,405 | 1,635,742 | 1,995,147 |
| Niyati Consultants | 0.02 | 59,901 | 272,624 | 332,525 |
| Rohan Merchant | 0.01 | 29,950 | 136,312 | 166,262 |
| Seamen's Provident Fund Organisation | 0.12 | 359,405 | 1,635,742 | 1,995,147 |
| TOTAL (FY 2019-20) | 1.00 | 2,995,043 | 13,631,184 | 16,626,227 |
| PREVIOUS YEAR TOTAL (FY 2018-19) | | 1,864,175 | - | 1,864,175 |

| Profit and Loss account | 31.03.2020 | 31.03.2019 |
|--|-------------------|------------------|
| Total Income | -25,119 | -389,337 |
| Total Expense | 3,020,162 | 2,253,512 |
| Expenses over income for distribution | 2,995,043 | 1,864,175 |
| Provision for Rent Including Interest* | 13,631,184 | - |
| Total Expense distributed during the year | 16,626,227 | 1,864,175 |

*The calculation of provision created for period 1st January 2009 to 31st March 2020 has been explained in detail in Note "F" to General Notes

M/s. KRUPANIDHI LIMITED

Krupanidhi, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

Note 19 - General Notes for the period ended on 31st March, 2020

A. Previous year figures are regrouped, recast and reclassified wherever necessary. Figures in brackets are pertaining to previous year.

B. Investments :

The company has not acquired any investment during the year.

C. Borrowing Cost:

The company has not acquired any asset during the year.

D. Related Party Transactions:

Disclosure pursuant to AS 18

Key Managerial Personnel (KMP) and relatives of KMP

| Sr. | Name of the Related Party | Relationship |
|-----|--|-----------------------|
| 1 | Maharashtra Small Scale Industries Development Corporation | Holding Company |
| 2 | Shri Vijay Kapate | Chairman and Director |
| 3 | Shri Ramesh Hotkar | Director |

The transactions between related parties are disclosed as follows:

| Sr | Name of Related Party | Description of Relationship | Nature of Transaction | Amount | Outstanding Balance as at 31st March 2020 | Outstanding Balance as at 31st March 2019 |
|----|--|-----------------------------|-------------------------------|-----------|---|---|
| 1 | Maharashtra Small Scale Industries Development Corporation | Holding Company | Recovery of expenses incurred | 18,56,926 | 13,73,827Cr | 19,88,622 Cr |
| 2 | Maharashtra Small Scale Industries Development Corporation | Holding Company | Security Deposit for premises | Nil | 29,15,763 Dr | 29,15,763 Dr |

Krupanidhi Limited

Krupanidhi, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

| | | | | | | |
|---|--|-----------------|---------------------------------------|-----------|--------------|---|
| 3 | Maharashtra Small Scale Industries Development Corporation | Holding Company | Provision for Rent & Interest thereon | 84,51,334 | 84,51,334 Dr | - |
|---|--|-----------------|---------------------------------------|-----------|--------------|---|

E. Remuneration to Auditors –

| Sr | Particulars | 01-01-2019 to 31-03-2020 | 01-01-2018 to 31-03-2019 |
|----|--------------|-----------------------------|-----------------------------|
| 1. | Audit Fees | 11,800/- | 11,800/- |
| | Total | 11,800/- | 11,800/- |

- F. Mumbai Port Trust owners of the leasehold land on which the building "Krupanidhi" is situated has filed suit for eviction of Krupanidhi Limited on the ground that the company has let out the portion of the said premises to its members without obtaining prior consent of Bombay Port Trust. As informed by company following litigation is pending for arrears of 2.96 crore due to Mumbai port trust the brief detail of history and current status are as follows:-

APPEAL FILED BY KRUPANIDHI LIMITED :-BRIEF HISTORY.

Mumbai Port Trust had filed the suit L.E.& C. SUIT NO. 162/190 of 1985 against the Company in the year 1985, on the allegation that this Company had committed breach of terms and conditions of the Indenture of Lease by assigning a major portion of the demised premises to Maharashtra Small Scale Industries Development Corporation Limited, without the consent of Mumbai Port Trust. The suit was decided by his Honour Learned Judge Shri M B Mali on 31st August, 2001 and the same was decreed in favour of Mumbai Port Trust and the Company were ordered to handover vacant possession of the suit premises. The Company being aggrieved by the said Judgement and decree dated 31st August 2001 preferred an appeal no. 704 of 2001 in Small Causes Court, Mumbai.

Meantime Company has received a statement of Accounts from Mumbai Port Trust through their Advocate, in the Court during the hearing on 13th March 2008, showing the arrears of Rent etc., amounting to Rs. 2.96 crores payable to Mumbai Port Trust for the period from 1st January 1971 to 31st December 2008, as per the Hon. Supreme Court's Compromise Proposal. The Company have forwarded the said statement to all unit holders / members requesting them to make the payment of arrears as per their share.

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PRESENT STATUS OF APPEAL

Company has filed Appeal no. 704 of 2001 in the Court of Small Causes, Mumbai. **During the hearing on 16th September, 2011 the Hon. Appeal Court has passed an order remanding the matter back to the trial court for decision of additional issue no. 2, which was not decided by the trial court. The Court has been directed to give its finding on the said additional issue within two months and the appeal was kept pending before the appellate Court.**

Operative part of the order of the appellate court is as follows:

Additional issue no.2 be referred to the Trial Court for deciding the same after giving opportunity to both the parties. The trial Court is directed to decide the Additional issue no.2 within a period of two months and send back to this Court. Till then the present Appeal should be kept pending before the Appellate Court.

The Trial Court has decided on the issue no. 2 in favour of Mbpt informing that this Court is having Jurisdiction.

After having decided by the Trial Court on the Issue no. 2 in favour of MbPT, our appeal came up for hearing on Board in Appellate Court. Matter was adjourned for some or other reasons. Our Advocate on record Smt. Waghmare could not appear in our matter. She has discharged herself from appearing in our matter as she has joined CBI. It was learnt that Shri Jabra was appearing in our matter as Counsel instructed by our Advocate Smt. Waghmare. Shri Jabra had appeared in our matter 4 to 5 times and according to him he had argued at length in our matter before the Hon. Court.

Hon. Chairman of this company is an employee of MSSIDC working as General Manager, was transferred to Paithan and thereafter to Delhi resulting no one was attending the Court during his transfer period. Counsel Jabra was also not appearing in our matter as there was no response from Krupanidhi Limited.

Finally our Appeal was DISPOSED by the Hon. Court on 5th July, 2013 and Appeal Dismissed without Judgment for want of prosecution.

Now our Company has to file an application for RESTORATION of our Appeal. We have requested Shri Jabra to file an application for restoration of Appeal, at the earliest.

PRESENT STATUS

Our Advocate Shri Jabra has filed an application for restoration of Appeal in the month of May 2016, after obtaining certified copy of Order dt. 05.07.2013. The Registrar has raised some objection on our proceeding and said objection was not removed by our Advocate resulting our application was rejected by office of Registrar in the month of August, 2016. We have once again filed revised application to restore our Appeal on 13th December, 2019, through M/s. Little & Co., Advocate and Solicitor firm. We have filed two applications in the Court of Law. i.e. one application is for delay condonation and second application restoration of Appeal. Due to COVID-19 Pandemic, the matter

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did not come up for hearing for nearly one and half years. Now the matter i.e. delay condonation application has come up for hearing and our Advocate argued on the matter. Now the said matter listed on Board on 30.08.2020 for evidence.

PRESENT STATUS OF PAYMENT MADE AND TO BE MADE TO MUMBAI PORT TRUST

| Unit Holders | Share % | Payment to be made to MbPT | Payment made to MbPT | Payment balance to be made to MbPT |
|--|-------------|----------------------------|----------------------|------------------------------------|
| Maharashtra Small Scale Industries Development Corporation Limited | 62% | 1,83,03,002 | 1,83,03,000 | 2.00 |
| Air India | 9% | 26,56,888 | Nil | 26,56,888 |
| Bombay Dock Labour Board | 12% | 35,42,516 | 35,42,516 | NIL |
| Seamen's Provident Fund | 12% | 35,42,516 | 35,42,516 | NIL |
| Fusion Consultancy Pvt. Ltd. | 2% | 5,90,419 | Nil | 5,90,419 |
| Rohan Merchant | 1% | 2,95,210 | 2,95,210 | NIL |
| Niyati Consultant | 2% | 5,90,419 | 1,00,000 | 4,90,419 |
| Total | 100% | 2,95,20,970 | 2,57,83,242 | 37,37,728 |

As on date Company has paid an amount of Rs. 2,57,83,242/- to Mumbai Port Trust against the arrears of Rs. 2,95,20,970/-. In the financial year 2018-2019 Mumbai Port Trust vide their letter no. FA/Ex-BDLB/AZ [2018] / 3547dt. 23.07.2018 informed that Bombay Dock Labour Board has been merged with Mumbai Port Trust with effect from 01.01.2015 and MbPT is now 12% shareholder of Krupanidhi Ltd. Further they have requested to adjust arrears of rent on account of Erstwhile BDLB from the claim of Rs.2.96 crores payable to MbPT i.e. their share [12%] of Rs.35,42,516/-. The above amount is adjusted as informed to us by company

The above Rent arrears of Rs. 2,95,20,970 is up to 31st December 2008, However no demand has been raised by Mumbai Port Trust (MBPT) till date for the period after 31st December 2008

As per supplementary Audit conducted by CAG for the Financial Year 2018-19, it was pointed out that the company should make appropriate provision for rent for the period 1st January 2009 to 31st March 2019 on the basis of mechanism laid down by Hon'ble Supreme Court in case of Jamshed Hormusji Wadia versus Bombay Port Trust vide order dated 13th January 2004

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Hence management have hereby made provision for Rent along with Interest in accordance with the mechanism provided in the aforesaid judgement, complete calculation of provision is stated as follows:

| Period | Area | Rent | Rent (Rs.) | Total After Adjustments (months) | Total Rent Outstanding | Interest Charged (Compound) | Cumulative Rent Outstanding including 6% Interest (Compound) |
|-----------------------|--------|--------|------------|----------------------------------|------------------------|-----------------------------|--|
| 01.01.2009-31.03.2009 | 652.09 | 93.17 | 60,755 | 3 | 182,266 | - | 182,266 |
| 01.04.2009-30.09.2009 | 652.09 | 93.17 | 60,755 | 6 | 364,531 | - | 5,46,797 |
| 01.10.2009-31.03.2010 | 652.09 | 96.90 | 63,185 | 6 | 3,79,113 | | 9,25,910 |
| 01.04.2010-30.09.2010 | 652.09 | 96.90 | 63,185 | 6 | 3,79,113 | 32,807.82 | 13,37,830 |
| 01.10.2010-31.03.2011 | 652.09 | 100.77 | 65,713 | 6 | 394,277 | | 17,32,107 |
| 01.04.2011-30.09.2011 | 652.09 | 100.77 | 65,713 | 6 | 394,277 | 80,269.80 | 22,06,654 |
| 01.10.2011-31.03.2012 | 652.09 | 104.80 | 68,341 | 6 | 410,048 | | 26,16,702 |
| 01.04.2012-30.09.2012 | 652.09 | 104.80 | 68,341 | 6 | 410,048 | 1,32,399.25 | 31,59,150 |
| 01.10.2012-31.03.2013 | 652.09 | 109.00 | 71,075 | 6 | 426,450 | | 35,85,600 |
| 01.04.2013-30.09.2013 | 652.09 | 109.00 | 71,075 | 6 | 4,26,450 | 1,89,548.98 | 42,01,599 |
| 01.10.2013-31.03.2014 | 652.09 | 113.36 | 73,918 | 6 | 443,508 | | 46,45,107 |
| 01.04.2014-30.09.2014 | 652.09 | 113.36 | 73,918 | 6 | 443,508 | 2,52,095.94 | 53,40,711 |
| 01.10.2014-31.03.2015 | 652.09 | 117.89 | 76,875 | 6 | 461,248 | | 58,01,960 |
| 01.04.2015-30.09.2015 | 652.09 | 117.89 | 76,875 | 6 | 461,248 | 3,20,44.67 | 65,583,651 |
| 01.10.2015-31.03.2016 | 652.09 | 122.61 | 79,950 | 6 | 479,698 | | 70,63,349 |
| 01.04.2016-30.09.2016 | 652.09 | 122.61 | 79,950 | 6 | 4,79,698 | 3,95,019.04 | 79,38,067 |
| 01.10.2016-31.03.2017 | 652.09 | 127.51 | 83,148, | 6 | 4,98,886 | | 84,36,953 |
| 01.04.2017-30.09.2017 | 652.09 | 127.51 | 83,148, | 6 | 4,98,886 | 476,283.99 | 94,12,123 |
| 01.10.2017-31.03.2018 | 652.09 | 132.61 | 86,474 | 6 | 518,842 | | 99,30,965 |
| 01.04.2018-30.09.2018 | 652.09 | 132.61 | 86,474 | 6 | 518,842 | 5,64,727.39 | 1,10,14,534 |
| 01.10.2018-31.03.2019 | 652.09 | 137.91 | 89,933 | 6 | 539,595 | | 1,15,54,130 |
| 01.04.2019-30.09.2019 | 652.09 | 137.91 | 89,933 | 6 | 5,39,595 | 6,60,872.05 | 1,27,54,597 |

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| Period | Area | Rent | Rent (Rs.) | Total After Adjustments (months) | Total Rent Outstanding | Interest Charged (Compound) | Cumulative Rent Outstanding including 6% Interest (Compound) |
|---------------------------|--------|--------|------------|----------------------------------|------------------------|-----------------------------|--|
| 01.10.2019-31.03.2020 | 652.09 | 143.43 | 93,530 | 6 | 561,179 | 3,82,637.91 | 1,36,98,414 |
| Add Service Charges | | | | | | | 82,058 |
| Less Amount Paid | | | | | | | -1,49,288 |
| Amount Payable | | | | | | | 1,36,31,184 |
| Less: TDS deducted | | | | | | | -13,63,118 |
| Net Amount Payable | | | | | | | 1,22,68,066 |

THE PAYMENT OF ARREARS HAS NOTHING TO DO WITH THE APPEAL FILED BY THE COMPANY AGAINST MUMBAI PORT TRUST.

G. Prior Period Items:

Amongst provision created during the year for Rent as explained in detail above of Rs. 1,36,31,184, There is Prior Period expense of Rs. 1,14,86,899. (Previous year Rs. NIL), bifurcation is shown as follows:

| Particulars | Amount (Rs) |
|--|--------------------|
| 2019-20 | 21,44,285 |
| Prior years (01st January 2009 to 31st March 2019) | 1,14,86,899 |
| Total | 1,36,31,184 |

- H. Having regard to nature of operation, i.e allocation of deficit towards members and non - provisioning of taxes in normal course of business and as per prudence norms deferred tax provision have not been made.
- I. Employee's welfare fund consists of contribution of the Company and its employee. Employee Staff welfare fund and interest thereon have been invested in the Fixed Deposits at the banks Fixed deposit 31.03.2020 is Rs. 3,53,138 (31.03.2019 = Rs. 3,28,019)
- J. The Company has not made a provision of gratuity for the year since provision of relevant Act is not applicable to the company. The accumulated provisions is for the year 31.03.2020 is NIL (31.03.2019 Rs. 0)
- K. Company is still in the processes of identifying Micro, small and Medium Enterprises Development Act, 2006 hence we are unable to provide the amounts due to such enterprises. As per book of accounts Trade payable consist EMD from suppliers amounting to Rs. 41,137.
- L. The company does not have any employee drawing salary over the limits as specified.

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- M. At the end of financial year ,the day to day expenses for the year 2019- 2020 incurred for maintaining and running the company are recovered from unit holder, the expenses for the year 2019-2020 are distributed in the ratio of share holding by way of debit note and shown as debtors.
- N. In the absence of individual confirmation of account, Balances have been taken from Books of Accounts as follows:
- Trade Receivables amounting to Rs. 55,53,044/-
 - Trade Payables amounting to Rs. 41,137/-
 - Long Term Security Deposit for rent has been taken from unit holder amounting to Rs. 45,40,000/-
 - Deposit from unit holder amounting to Rs. 90,000/-
 - Advance amounting to Rs. 13,73,827/-
 - Arrears of Rent amounting to Rs. 37,37,728/-
 - Long term provision for rent amounting to Rs. 1,22,68,066/-
- O. Trade receivable includes Rs. 3,44,755/- receivable from Maharashtra Industry Trade & Investment Facilitation Cell (MAITRI) for paying salary to security guards provided at Development Commissioner's Residence and same is unpaid since 2017. Management is regularly following up with them through communication letters along with relevant statement showing arrears and salary of the security guards.
- P. Management is not charging GST on recovery of expenses incurred during the year although in current financial year it has exceeded limit specified in CGST Act, 2017 for the registration under the said Act. Management is of view that company is not providing service of maintaining the premises for the purpose of earning profit out of it and this is exclusively in the nature of reimbursement of expenses incurred for its members and hence it is out of the ambit of definition of supply.
- Q. TDS payable as shown under other current liability on provision created for rent arrears and interest thereon payable to Mumbai Port Trust amounting to Rs. 13,63,118 has not been paid till the date of signing.

Total provision for interest and late payment for FY 2019-20 is as follows:

| Particulars | Amount (Rs) |
|--------------------------------|-------------|
| Late Fees for Quarter 1 | 4,114 |
| Late Fees for Quarter 4 | 74,200 |
| Interest on non-payment of TDS | 3,68,042 |
| Total | 4,46,356 |

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Above provision for interest on non-payment of Rs. 3,68,042/- of TDS & late filing fees of Rs. 74,200 has been provided for in books of accounts for which management is still in process of regularizing the said non-compliance at earliest.

| | | | |
|----|---|-----|-----|
| R. | Estimated amount of contracts remaining to be executed on Capital Account | NIL | NIL |
| S. | Value of Imports on CIF Basis | NIL | NIL |
| T. | Value of Exports on FOB Basis | NIL | NIL |
| U. | Expenditure in Foreign Currency | NIL | NIL |
| V. | Foreign Currency Exposure | NIL | NIL |
| | Managerial Remuneration | NIL | NIL |

W. Earnings Per share

Earnings per share as required by Accounting Standard 20 – Earning per Share issued by the Institute of Chartered Accountants of India is given below

Earnings per Share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of equity share outstanding during the year. The net profit considered for calculation of EPS as follows

| Particulars | For the year ended 31.03.2020 | For the year ended 31.03.2019 |
|---|-------------------------------|-------------------------------|
| Profit after taxation as per profit and loss account | 0.00 | 0.00 |
| Net Profit for calculation of basic/diluted EPS | 0.00 | 0.00 |
| Weighted average number of equity shares outstanding | 1,000 | 1,000 |
| Basis & Diluted earnings per share (Face value Rs 100 per share) | 0.00 | 0.00 |

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED.

For R A N K & Associates
Chartered Accountants
Firm Reg. No.: 105589W

For Krupanidhi Limited

Rahul P. Nahata
(Partner)
Membership No. : 116511

Vijay Kapate
(Chairman and Director)
DIN- 02089898

Surendra Kumar
(Director)
DIN- 08926482

Place :- Mumbai
Date :- 09/08/2021

Place : Mumbai
Date :- 09/08/2021

Place : Mumbai
Date :- 09/08/2021



महालेखाकार का कार्यालय (लेखापरीक्षा)-III, महाराष्ट्र - मुंबई शाखा कार्यालय
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT) - II MAHARASHTRA
BRANCH OFFICE MUMBAI

दूरभाष सं/ Tel No.: 022-22054022 / 022-22507360, फ़ैक्स नं.: / Fax No.: 022-22092326
ई-मेल/ email: agcommuMaharashtra@cag.gov.in

संख्या/No. गोपनीय

मले/लेप-II /मुंबई शाखा/ टेक्निकल सेल/कृपानिधी/२०१९-२०/२१९

दिनांक/Date : 15.11.2021

सेवा में,
प्रबंध निदेशक,
कृपानिधी लिमिटेड,
मुंबई

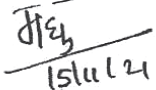
विषय : ३१ मार्च, २०२० को समाप्त हुए वर्ष के कृपानिधी लिमिटेड, मुंबई के लेखों पर कम्पनी अधिनियम, २०१३ की धारा १४३(६)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ ।

महोदय/ महोदया,

३१ मार्च २०२० को समाप्त हुए वर्ष के कृपानिधी लिमिटेड, मुंबई के लेखों पर कम्पनी अधिनियम, २०१३ की धारा १४३ (६)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक का अ-समीक्षा प्रमाणपत्र (NRC) संलग्न है ।

वार्षिक आमसभा (A.G.M.) होने के पश्चात, वार्षिक रिपोर्ट की तीन मुद्रित प्रतियाँ कृपया इस कार्यालय भेज दें, साथ ही उपरोक्त लेखों के वार्षिक प्रतिवेदन को विधानसभा में प्रस्तुत करने कि तिथी को भी इस कार्यालय को सूचित करें ।

संलग्नक : यथोपरि

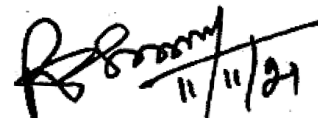
भवदीय,

15/11/21
(मधुसूदन के नाँवर)
उपमहालेखाकार/AGM-V

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KRUPANIDHI LIMITED, MUMBAI FOR THE YEAR ENDED 31ST MARCH 2018.

The preparation of Financial Statements of **Krupanidhi Limited, Mumbai** for the year ended **31st March 2020** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report Dated **09 August 2021**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Krupanidhi Limited for the year ended 31 March 2020 under section 143(6)9a) of the Act.

**For and on behalf of
The Comptroller and Auditor General of India**



(R. Thiruppathi Venkatasamy)
ACCOUNTANT GENERAL (AUDIT)-II

Place : Nagpur
Date : 11.11.2021