MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS

603, Raylon Arcade,
RK Mandir Road,
Kondivita, JB nagar
Andheri (East), Mumbai – 400059
Tel : 8689958800
Email : audit@mittal-associates.com

INDEPENDENT AUDITORS' REPORT
The Board of Directors of DEBOCK INDUSTRIES LIMITED
(Formerly known as Debock Sales and Marketing Limited)

Report on the Audit of the Financial Results

Qualified Opinion

We have audited the accompanying financial results of DEBOCK INDUSTRIES LIMITED (formerly known as Debock Sales and Marketing Limited) (hereinafter referred to as 'the Company') for the quarter and year ended 31st March, 2024 and the note thereon (hereinafter referred to as the "Financial Results") attached herewith, being compiled by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations'), including relevant circulars issued by SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us except for the effects / possible effects of the matters described under the Basis for Qualified opinion para, these financial results:

a) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b) Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit for the quarter and year ended March 31, 2024 and other comprehensive income and other financial information for the year ended on that date.

Basis for Qualified Opinion

a) Capital work-in-progress aggregating to Rs. 386.37 Lakhs as on March 31, 2024, we did not receive the tax invoices, status of works completed / pending and appropriate supporting documents in relation to amount spent under this head. As a result of these issues, we were unable to determine whether any adjustments might have been necessary in respect of recorded or unrecorded assets and resultant impact on the financial results.

b) Long term Loans aggregating to Rs. 9271.22 Lakhs as on March 31, 2024 given to related parties disclosed under the head "Non-current Loans". The said loans have been given to 2 related parties. In this regard, the Company has not complied with the provision of Sections 177, 185, 186, 188 and 189 of the Companies Act, 2013.
Further the notes to the financial results do not adequately disclose the nature and terms of theses related party transactions, nor do they provide sufficient details about the potential impact on the Company's financial position and results of operations. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and elements making up the financial results.

c) Loans to Other Parties aggregating to Rs. 87.50 Lakhs as on March 31, 2024 disclosed under the head "Non-Current Loans", during the audit we did not receive the confirmation and adequate supporting documents in this regard. As a result of the issue, we were unable to obtain sufficient appropriate audit evidence regarding the recoverability of the above loans. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and resultant impacts on the financial results.

d) Capital advances aggregating to Rs. 4845.26 lakhs as on March 31, 2024 disclosed under the head "Other Non-current assets". Out of this, an amount of Rs. 1185.25 were given to the related party whose name were strike off as per the Ministry of Corporate Affairs (MCA) records.

Further, as per the explanation and information available to us, these advances were given for the purchase of Lands however as on March 31, 2024, neither the lands have been purchased nor any confirmations were received from the parties. Further, no impairment assessments have been conducted in regards to these advances.

In case of advance of Rs. 1185.25 lakhs to related party whose name was strike off as per the MCA, the Company has not provided a provision for doubtful against such advances and consequently the profit for the year and non-current assets as on March 31, 2024 are overstated to that extent.

Further in case of other capital advance of Rs. 3660.00 Lakhs, we were unable to obtain sufficient appropriate audit evidence regarding the recoverability of this advance. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and the resultant impacts on the financial results.

e) Development cost capitalised aggregating to Rs. 115.73 Lakhs as on March 31, 2024 disclosed under the head "Other Non-current Assets", as per the information and explanation available to us, these costs have been incurred for revenue generation to the Company however these developments have not generated any income/ revenue from the date of its capitalisation.

Further no impairment assessments have been conducted to determine the fair value of these developments in accordance with the Ind AS. As a result of these issues, we were unable to obtain sufficient appropriate audit evidence regarding the recoverability of costs incurred. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and the resultant impacts on the financial results.

f) Advances against expenses and advances for development of Land given during the year aggregating to Rs. 75.33 Lakhs disclosed under the head "Other Current assets", during the course of our audit we did not receive any confirmation and adequate supporting evidences in respect of these advances. These advances lack sufficient evidence of their legitimacy and recoverability. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and the resultant impacts on the financial results.

g) Based on the information and explanation provided to us, during the year ended March 31, 2024, the Company has allotted 3,27,24,687 equity shares under Right Issue at a price of Rs. 15 per share (Including premium of Rs. 5 per share) aggregating to Rs. 4908.70 Lakh. However, as required u/s 62 of the Companies Act, 2013, the Company has not utilised the funds received from the issue as mentioned in the prospectus instead the funds were transferred to related parties as referred in "para b)" of basis for qualified opinion para. Also, the company has not disclosed the utilisation of the funds as required in its financial statement. Consequently, were unable to determine whether any adjustments might have been necessary in respect of recorded liabilities and the elements making the financial results.

h) Statutory Liabilities in relation to Tax Deducted at Source (TDS) and Tax Collected at Source (TCS) aggregating to Rs. 54.80 lakhs outstanding as on March 31, 2024, these liabilities were pending for payment since March 2022. Further adequate interest on such outstanding neither paid not provided in financials. As a result, and pending litigations, we were unable to determine whether any adjustments might have been necessary in respect of recorded liabilities and the resultant impacts on the financial results.

i) Current Tax Liabilities aggregating to Rs. 1142.66 lakhs as on March 31, 2024, the details of income tax provisions are as under:

Financial Year	**Rs. In Lakhs**
Outstanding as on 31.03.2019	39.87
2019-20	7.79
2020-21	69.46
2021-22	225.46
2022-23	446.95
2023-24	353.13
Total as on 31.03.2024	**1142.66**

The Company has not deposited the above amounts to the Income Tax Department. Also, the interest payable on the above liabilities amounting to Rs. 232.99 Lakhs as provided during the year in the books of account were not paid. These matters are under litigation with Income Tax Departments and consequently pending litigations, we were unable to determine whether any adjustments might have been necessary in respect of recorded/unrecorded liabilities and the elements making the financial results.

j) As stated in note 5 to the financial results, Basic and Diluted EPS, the Company has not calculated the diluted EPS giving impact of the right issue and issue of share warrants and as such cannot be commented upon by us;

We conducted our audit in accordance with the Standards on Auditing (SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement 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 ('the ICAl') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 obtained by us, is sufficient and appropriate to provide a basis for our adverse opinion.

Emphasis of Matters

a) Revenue from Operations aggregating to Rs. 9807.84 Lakhs and Purchases of Stock-in-trading aggregating to Rs. 8215.72 Lakhs for the year ended March 31, 2024 wherein we observed the following: -

   a. Based on the generally accepted auditing practices in case of sale of goods and purchases of goods, we could not find the evidence for the movement of the goods like delivery challans, transport charges, purchase orders, Goods Receipt Notes (GRN) and proof of delivery etc. However, we have received few E way bills for the samples selected by us, but the volume of sales and purchases, nature of stock items, and repetitiveness of vehicle numbers in E way bills gives us doubt on physical movement of goods supplied. Also, in the samples selected by us we observed that the GST at the prevailing rates were not levied on the products purchased or sold during the year and the same has been categorised as exempt goods.

   b. Furthermore, the Sales Transactions on which TCS was collected by the Company as per section 206C(1H) of Income Tax Act, 1961 but not paid by the Company and applicable periodic returns for TCS were not filed. Based on the party wise sales volume, we could not find the supporting third party evidence to confirm the deduction of TDS U/s 194Q of Income Tax Act, 1961 on purchases made by the customers of the Company. Therefore, we state that the reporting of sales transactions as above have not been done either by seller or by purchaser.

   c. Furthermore, the TDS on purchase of goods u/s 194Q was not paid nor the return was filed for the year ended March 31, 2024 and hence the party-wise details of purchases were not reported to the respective departments.

   d. Further, in cases of receipts from sale of goods, we observed that the amount realised from the sales were not retained in the bank accounts and the same were immediately transferred to the other parties.

   As a result of these observations, we were unable to obtain sufficient appropriate audit evidences regarding the movement of the goods during the year and also unable to comment on the taxability of the goods purchased and sold during the year.

b) As stated in note 4 of the financial results, the Company has not adopted the accounting software with the feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled and as such cannot be commented upon by us.

c) As stated above in para c) of basis for qualified opinion regarding the loans and advances to related parties, we did not find the underlying documents i.e. any business plan or feasibility report of the entities to whom the assistance has been given and the need or necessity of such assistance. As a result, this cannot be commented upon by us.

d) Investment Property aggregating to Rs. 568.92 Lakhs as on March 31, 2024, we observed and as per the explanation and information provided to us, the Investment Property held by the Company has not generated any income/revenue during the year. Further no impairment assessments have been conducted to determine the fair value of these properties in accordance with the Ind AS. As a result of these issues, we were unable to obtain sufficient appropriate audit evidence regarding the valuation and recoverability of the investment properties. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded or unrecorded assets and the resultant impact on the financial results.

Our opinion is not modified in respect of the above matter.

Responsibilities of Management and Those Charged with Governance for the financial results

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

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

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

Auditor's Responsibilities for the Audit of the financial results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 results.

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements 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 the management.

- Conclude on the appropriateness of the 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 Statement 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 Statement, including the disclosures, and whether the Statement represents 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.

Other Matter

These financial results include the results for the quarter ended March 31, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31 of the relevant financial year. These figures were subject to limited review by us as required under the Listing Regulations.

Our opinion is not modified in respect of the above matter.

For **Mittal & Associates**
Chartered Accountants
Firm's ICAI Registration No. **106456W**

HEMANT RADHAKISHAN BOHRA
Digitally signed by HEMANT RADHAKISHAN BOHRA
Date: 2024.06.15 18:07:41 +05'30'

Hemant Bohra
Partner
Membership No.: **165667**
UDIN: 24165667BKEZEZ9780
Date: June 15, 2024
Place: Mumbai

DEBOCK INDUSTRIES LIMITED

(Formerly known as Debock Sales And Marketing Limited)

Statement of Audited Financial Results for the Quarter and Year ended 31st March, 2024

Rs.in Lakhs except Earning per Share

Sr. No.	Particulars	Quarter ended			Year Ended	Year Ended
		31-03-2024	31-12-2023	31-03-2023	31-03-2024	31-03-2023
		Audited	Un-audited	Audited	Audited	Audited
I	Revenue from operations	1698.54	2308.83	1722.02	9826.09	14640.96
II	Other Income	11.86	-	-	11.86	0.72
III	**Total Revenue (I+II)**	**1710.40**	**2308.83**	**1722.02**	**9837.95**	**14641.68**
IV	**Expenses**					
	(a) Cost of materials consumed	-	-	-	-	-
	(b) Purchases of stock-in-trade	1288.83	2255.21	643.11	8215.72	11708.82
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	76.83	-94.03	2412.89	440.36	905.50
	(d) Employee benefits expense	13.49	12.36	17.38	48.31	66.60
	(f) Finance Expenses	.00	-	14.54	4.40	59.63
	(e) Depreciation & Amortization Expenses	10.08	11.52	12.99	48.07	55.97
	(e) Other expenses	153.79	79.20	33.43	324.82	109.87
	Total expenses (IV)	**1543.02**	**2264.27**	**3134.34**	**9081.69**	**12906.39**
V	**Profit / (Loss) before exceptional and extra-ordinary item and tax (III-IV)**	**167.38**	**44.56**	**-1412.32**	**756.26**	**1735.29**
VI	Exceptional items		-	-		-
VII	**Profit / (Loss) before extra-ordinary item and tax (V-VI)**	**167.38**	**44.56**	**-1412.32**	**756.26**	**1735.29**
VIII	Extra-ordinary Item (refer note below)	104.21	-	-	-408.74	-
IX	**Profit / (Loss) before tax (VII-VIII)**	**63.17**	**44.56**	**-1412.32**	**1165.00**	**1735.29**
X	**Tax expense:**					
	(a) Current tax	71.56	15.28	-345.63	355.12	446.56
	(b) Deferred tax	3.46	-02.59	0.50	2.92	2.14
XI	**Profit / (Loss) for the year (IX-X)**	**-11.86**	**31.86**	**-1067.18**	**806.96**	**1286.59**
XII	**Other Comprehensive Income**					
	Items that will not be reclassified to profit or loss					
	-Remeasurement Gains/(Losses) on Defined Benefit Plans	-0.89	-0.39	-01.19	-02.05	-1.55
	-Income tax on above	0.22	0.10	-	0.52	.39
	Total other comprehensive income (XII)	-0.66	-0.29	-01.19	-1.53	-1.16
XIII	**Total Comprehensive Income for the Year (XI-XII)**	**-11.19**	**32.15**	**-1066.00**	**808.49**	**1287.75**
XIV	**Paid up equity share capital(Face value per share. Rs. 10)**	**16273.61**	**10916.47**	**7644.00**	**16273.61**	**7644.00**
XV	**Other Equity**				**5200.35**	**612.77**
XVI	**Earnings per share (of Rs. 10/- each) (not annualised for quarters):**					
	Basic/Diluted	-0.01	0.04	(0.14)	0.75	1.68

For and on behalf of the Board of Directors
DEBOCK INDUSTRIES LIMITED

FOR DEBOCK INDUSTRIES LIMITED

Mukesh Manveer Singh
Managing Director
DIN: 01765408
Date: 15-06-2024

DIRECTOR

Registered Office: 51, Lohiya Colony, 200 Ft. Bye Pass Vaishali Nagar, Jaipur Rajasthan- 302021 | **Email:** info@debockgroup.com
Website: www.debockgroup.com | **Contact :** +91-7999999975 | **CIN:** L52190RJ2008PLC027160

DEBOCK INDUSTRIES LIMITED
(Formerly known as Debock Sales And Marketing Limited)

Audited Statement of Assets and Liabilities as at March 31, 2024		
		Rs. In Lakhs
Particulars	**As at March 31, 2024**	**As at March 31, 2023**
(1) ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	838.09	826.64
(b) Capital work-in-progress	386.37	120.65
(c) Investment Property	568.92	425.19
(d) Other Intangible assets	0.17	0.17
(e) Financial Assets		
(i) Loans	9,358.91	88.20
(ii) Security Deposits	4.90	4.90
(f) Deferred tax assets (net)	-	-
(g) Other non-current assets	4,957.24	5,019.17
Total Non-current assets	**16,114.60**	**6,484.92**
(2) Current assets		
(a) Inventories	111.71	552.08
(b) Financial Assets		
(i) Trade receivables	7,249.21	3,634.72
(ii) Cash and cash equivalents	44.47	38.21
(iii) Loans	11.50	7.60
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	188.42	41.93
Total Current assets	**7,605.31**	**4,274.54**
Total Assets (1+2)	**23,719.91**	**10,759.46**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	16,273.61	7,644.00
(b) Other Equity	5,200.35	612.77
Total Equity	**21,473.96**	**8,256.77**
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	268.36
(b) Provisions	13.45	12.64
(c) Deferred tax liabilities (Net)	5.69	2.76
(d) Other non-current liabilities	-	-
Total Non-current liabilities	**19.14**	**283.76**
Current liabilities		
(a) Financial Liabilities	-	-
(i) Borrowings	-	1,007.03
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises;	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	613.10	1.34
(iii) Other Financial Liabilities	39.32	8.92
(b) Other current liabilities	181.15	226.62
(c) Provisions	250.57	185.49
(d) Current Tax Liabilities (Net)	1,142.66	789.52
Total Current liabilities	**2,226.81**	**2,218.93**
Total Equity and Liabilities	**23,719.91**	**10,759.46**

For and on behalf of the Board of Directors
DEBOCK INDUSTRIES LIMITED

FOR DEBOCK INDUSTRIES LIMITED

DIRECTOR

Mukesh Manveer Singh
Managing Director
DIN: 01765408

Date: 15.06.2024

DEBOCK INDUSTRIES LIMITED
(Formerly known as Debock Sales And Marketing Limited)

Cash Flow Statement for the period ended 31st March, 2024

Rs. In Lakhs

Particulars	For the year ended March 31, 2024	For the Year ended March 31, 2023
A. Cash Flow From Operating Activities:		
Net Profit before tax	1,165.00	1,735.29
Adjustments for:		
Depreciation & Amortisation Expense	48.07	55.97
Finance Cost	4.40	59.63
Profit on sale of Fixed Assets	(11.86)	-
Cash flows from operating activities before changes in forllowing assets and liabilities	**1,205.61**	**1,850.88**
Inventories	440.36	905.50
Trade receivables	(3,614.49)	(2,692.31)
Loans And Advances	(9,274.61)	160.94
Other current and non- current assets	(84.55)	(125.65)
Trade Payables	611.77	(2.81)
Other financial liabilities	30.40	(2.29)
Other Current Liabilities	(45.47)	87.57
Provisions	67.94	10.83
Cash Generated From Operations	**(11,868.66)**	**(1,658.22)**
Appropriation of Profit		
Net Income Tax paid	(2.50)	-
Net Cash Flow from/(used in) Operating Activities (A)	**(10,665.55)**	**192.66**
B. Cash Flow From Investing Activities:		
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(457.11)	(175.36)
Interest received	-	-
Net Cash Flow from/(used in) Investing Activities (B)	**(457.11)**	**(175.36)**
C. Cash Flow from Financing Activities:		
Proceeds From issue of Share Warrants	-	-
Proceeds From issue of Shares	12,408.70	-
Repayment of Long Term Borrowings	(268.36)	(42.76)
Repayment of Short-term borrowings	(1,007.03)	(144.14)
Finance Cost	(4.40)	(59.63)
Net Cash Flow from/(used in) Financing Activities (C)	**11,128.92**	**(246.52)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	6.26	(229.22)
Cash & Cash Equivalents As At Beginning of the Year	38.21	267.44
Cash & Cash Equivalents As At End of the Year	**44.47**	**38.21**
Cash and cash equivalents comprises:		
Cash on hand	42.09	13.37
Balance with banks in current account	2.38	24.84
Total Cash and cash equivalents	**44.47**	**38.21**

For and on behalf of the Board of Directors

FOR DEBOCK INDUSTRIES LIMITED

For and on behalf of the Board of Directors

DIRECTOR

Mukesh Manveer Singh
Managing Director
DIN: 01765408

Date: 15.06.2024

Registered Office: 51, Lohiya Colony, 200 Ft. Bye Pass Vaishali Nagar, Jaipur Rajasthan- 302021 | **Email:** info@debockgroup.com
Website: www.debockgroup.com | **Contact :** +91-7999999975 | **CIN:** L52190RJ2008PLC027160

DEBOCK INDUSTRIES LIMITED
(Formerly known as Debock Sales And Marketing Limited)

Notes to the Financial Results

1 The above financial results have been reviewed and recommended by the Audit Committee of the company and approved by the Board of Director of the company at its meeting held on 15th June 2024.

2 The Company has prepared the financial results as per Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 as amended.

3 The Company does not have more than one reportable segment in terms of Ind AS 108 and hence segment wise reporting is not applicable.

4 As pe the Rule 3 of Companies (Accounts) Rules, 2014, the Ministry of Corporate Affairs has inserted following amendmends:
"Provided that for the financial year commencing on or after the 1st day of April 2021, every Company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled."
However, the Company has not implemented the same in it accounting software and are in process for implementation.

5 On July 13th, 2023, the Company allotted 3,27,24,687 equity shares under Right Issue at a price of Rs. 15 per share (Including premium of Rs. 5 per share). However due to non-availability of data basic and dilluted EPS for all periods presented have not been retrospectively adjusted for the bonus element in right issue. The basis and dilluted EPS has been calculated on weighted average number of share basis.

6 Extra-ordinary items consist of followings:
a) During the year, the Company has settled it's outstanding loans (Including Term Loans and Cash Credit Limits) with Punjab National Bank (ershtwhile United Bank of India) in the scheme of One Time Settlement (OTS) for Rs. 1.90 Crore. Amount waived off / settled by the bank and interest payable booked on the above loans has been booked as extra-ordinary income during this quarter.

b) The Company has provided the Interest on Income Tax amounting to Rs. 104.21 Lakhs Payable till 31st March 2023 on Income Tax Liabilities not paid from FY 2018-19 to 2022-23.

7 The figures for the quarters ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year and the year to date up to the quarter ended December 31 of the respective years which were subject to limited review by us.

8 The figures for the previous period have been restated / regrouped / reclassified, wherever necessary, in order to make them comparable.

For and on behalf of the Board of Directors
DEBOCK INDUSTRIES LIMITED
FOR DEBOCK INDUSTRIES LIMITED

Mukesh Manveer Singh
Managing Director
DIN: 01765408
Date: 15.06.2024

DIRECTOR

Registered Office: 51, Lohiya Colony, 200 Ft. Bye Pass Vaishali Nagar, Jaipur Rajasthan- 302021 | **Email:** info@debockgroup.com
Website: www.debockgroup.com | **Contact :** +91-7999999975 | **CIN:** L52190RJ2008PLC027160

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024
[*See* Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications) (In Lakhs) (except EPS)**	**Adjusted Figures (audited figures after adjusting for qualifications) (In Lakhs) (except EPS)**
	1.	Turnover / Total income	9837.95	9837.95
	2.	Total Expenditure	9081.69	10266.94
	3.	Net Profit/(Loss)	806.96	(428.99)
	4.	Earnings Per Share	0.75	(0.40)
	5.	Total Assets	23,719.91	22,534.66
	6.	Total Liabilities	2,245.94	2,245.94
	7.	Net Worth	21,473.96	20,288.71
		Any other financial item(s) (as felt appropriate by the management)	0.00	0.00

II.

a. Audit Qualification (each audit qualification separately):	*Capital work-in-progress aggregating to Rs. 386.37 Lakhs as of March 31, 2024, we did not receive the tax invoices, status of works completed / pending and appropriate supporting documents in relation to amount spent under this head. As a result of these issues, we were unable to determine whether any adjustments might have been necessary in respect of recorded or unrecorded assets and the resultant impact on the financial results.*
b. Type of Audit Qualification	*Qualified Opinion*
c. Frequency of qualification	*Repetitive*
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	*The company has undertaken extensive infrastructural projects, and the completion status and supporting documents are maintained diligently. While some invoices and documentation might have been delayed due to administrative processes and third-party coordination, the management assures that all expenditures have been duly authorized and accounted for. We are in the process of consolidating all relevant documentation, which will be made available for review shortly. We are confident that all expenditures are legitimate and accurately reflected in our financial records.*
e. For Audit Qualification(s) where the impact is not quantified by the auditor: **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:** **(iii) Auditors' Comments on (i) or (ii) above:**	*NA*

a. Audit Qualification (each audit qualification separately):	*Long term Loans aggregating to Rs. 9271.22 Lakhs as on March 31, 2024 given to related parties disclosed under the head "Non-current Loans". The said loans have been given to 2 related parties. In this regard, the Company has not complied with the provision of Sections 177, 185, 186, 188 and 189 of the Companies Act, 2013.* *Further the notes to the financial results do not adequately disclose the nature and terms of theses related party transactions, nor do they provide sufficient details about the potential impact on the Company's financial position and results of operations. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and elements making up the financial results.*
b. Type of Audit Qualification	*Qualified Opinion*
c. Frequency of qualification	*Appeared for the first time*
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	*The loans extended to related parties are integral to our strategic business alliances and growth initiatives. We have ensured that all transactions are backed by formal agreements and approved by the Board. While there may have been administrative oversights in documentation, we are committed to addressing these and ensuring full compliance with statutory requirements. Detailed disclosures will be enhanced in future financial statements to provide complete transparency.*
e. For Audit Qualification(s) where the impact is not quantified by the auditor: **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:** **(iii) Auditors' Comments on (i) or (ii) above:**	*NA*

a. Audit Qualification (each audit qualification separately):	*Loans to Other Parties aggregating to Rs. 87.50 Lakhs as on March 31, 2024 disclosed under the head "Non-Current Loans", during the audit we did not receive the confirmation and adequate supporting documents in this regard. As a result of the issue, we were unable to obtain sufficient appropriate audit evidence regarding the recoverability of the above loans. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and resultant impacts on the financial results.*
b. Type of Audit Qualification	*Qualified Opinion*
c. Frequency of qualification	*Appeared for the first time*
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	*The loans to other parties were extended based on thorough due diligence and formal agreements. While there have been delays in obtaining confirmations and supporting documents, efforts are being made to rectify this. We maintain that these loans are recoverable and legitimate, and we will provide the necessary*

	documentation as soon as possible.
e. For Audit Qualification(s) where the impact is not quantified by the auditor: **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:** **(iii) Auditors' Comments on (i) or (ii) above:**	*NA*

a. Audit Qualification (each audit qualification separately):	*Capital advances aggregating to Rs. 4845.26 lakhs as on March 31, 2024 disclosed under the head "Other Non-current assets". Out of this, an amount of Rs. 1185.25 were given to the related party whose name were strike off as per the Ministry of Corporate Affairs (MCA) records.* *Further, as per the explanation and information available to us, these advances were given for the purchase of Lands however as on March 31, 2024, neither the lands have been purchased nor any confirmations were received from the parties. Further, no impairment assessments have been conducted in regards to these advances.* *In case of advance of Rs. 1185.25 lakhs to related party whose name was strike off as per the MCA, the Company has not provided a provision for doubtful against such advances and consequently the profit for the year and non-current assets as on March 31, 2024 are overstated to that extent.* *Further in case of other capital advance of Rs. 3660.00 Lakhs, we were unable to obtain sufficient appropriate audit evidence regarding the recoverability of this advance. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and the resultant impacts on the financial results.*
b. Type of Audit Qualification	*Qualified Opinion*
c. Frequency of qualification	*Appeared for the first time*
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	*The management acknowledges the concerns regarding capital advances totalling Rs. 4845.26 lakhs as of March 31, 2024. Notably, an amount of Rs. 1185.25 lakhs was advanced to a related party whose name was struck off by the Ministry of Corporate Affairs, and the intended land purchase associated with this advance remains incomplete. In response to this issue, we are actively pursuing legal avenues to either recover this amount or facilitate the completion of the land purchase through alternative means.* *Additionally, we would like to inform stakeholders that an appeal numbered 19/252/JPR/2024 was filed before the Hon'ble National Company Law Tribunal, Jaipur Bench by M/s. Debock Builders Private Limited. We are pleased to report that the Hon'ble Court, vide their order dated 01*

	May 2024, was pleased to order the restoration of Debock Builders Private Limited's name in the Registrar of Companies maintained by the ROC. Consequently, the company's name shall be deemed operational in all respects, as if it had never been struck off under Section 248 of the Companies Act, 2013. *Regarding the remaining Rs. 3660.00 lakhs for other capital advances, delays in land acquisition were due to extended negotiations and regulatory processes, but confirmations are expected shortly. We are compiling necessary audit evidence and engaging third-party consultants to validate these advances. A detailed impairment review is being conducted to ensure compliance with Ind AS and accurate financial reporting. The management is committed to resolving these issues with transparency and will provide updates in the forthcoming financial statements, ensuring any necessary adjustments are accurately reflected.*
e. For Audit Qualification(s) where the impact is not quantified by the auditor: **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:** **(iii) Auditors' Comments on (i) or (ii) above:**	*NA*

a. Audit Qualification (each audit qualification separately):	*Development cost capitalised aggregating to Rs. 115.73 Lakhs as on March 31, 2024 disclosed under the head "Other Non-current Assets", as per the information and explanation available to us, these costs have been incurred for revenue generation to the Company however these developments have not generated any income/ revenue from the date of its capitalisation.* *Further, no impairment assessments have been conducted to determine the fair value of these developments in accordance with the Ind AS. As a result of these issues, we were unable to obtain sufficient appropriate audit evidence regarding the recoverability of costs incurred. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and the resultant impacts on the financial results.*
b. Type of Audit Qualification	*Qualified Opinion*
c. Frequency of qualification	*Appeared for the first time*
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	*The management acknowledges the auditor's concerns regarding the development costs capitalized, aggregating to Rs. 115.73 Lakhs as on March 31, 2024, disclosed under "Other Non-current Assets." These costs were incurred with the expectation of generating future revenue for the company, although no income has been realized*

	from these developments to date. The company has been strategically investing in these projects, anticipating long-term benefits and market readiness. While formal impairment assessments in accordance with Ind AS were delayed, initial internal evaluations indicated no immediate impairment. We are now conducting comprehensive impairment assessments to accurately determine the fair value and recoverability of these costs. The management is committed to ensuring compliance with accounting standards and will reflect any necessary adjustments in the forthcoming financial statements.
e. For Audit Qualification(s) where the impact is not quantified by the auditor: **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:** **(iii) Auditors' Comments on (i) or (ii) above:**	*NA*

a. Audit Qualification (each audit qualification separately):	*Advances against expenses and advances for development of Land given during the year aggregating to Rs. 75.33 Lakhs disclosed under the head "Other Current assets", during the course of our audit we did not receive any confirmation and adequate supporting evidences in respect of these advances. These advances lack sufficient evidence of their legitimacy and recoverability. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of recorded assets and the resultant impacts on the financial results.*
b. Type of Audit Qualification	*Qualified Opinion*
c. Frequency of qualification	*Appeared for the first time*
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	*The management acknowledges the auditor's concern regarding advances against expenses and advances for the development of land, aggregating to Rs. 75.33 lakhs as on March 31, 2024, disclosed under the head "Other Current Assets."* *We are currently undertaking a comprehensive review to gather and verify the required documentation and evidence to substantiate these advances. This includes reaching out to the involved parties and obtaining confirmations and supporting documents to validate the transactions. The delay in providing the necessary documentation was due to unforeseen administrative challenges, which we are actively addressing.* *We assure stakeholders that we are committed to maintaining the integrity of our financial statements and ensuring all transactions are accurately reported and supported by appropriate documentation. We are*

	implementing stricter internal controls and procedures to prevent such issues in the future, including enhanced record-keeping practices and periodic internal audits. *Furthermore, we are taking corrective measures to ensure that all advances are legitimate and recoverable. Should we find any discrepancies, appropriate adjustments will be made in the financial records to reflect the true state of our assets.*
e. For Audit Qualification(s) where the impact is not quantified by the auditor: **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:** **(iii) Auditors' Comments on (i) or (ii) above:**	*NA*

a. Audit Qualification (each audit qualification separately):	*Based on the information and explanation provided to us, during the year ended March 31, 2024, the Company has allotted 3,27,24,687 equity shares under Right Issue at a price of Rs. 15 per share (Including premium of Rs. 5 per share) aggregating to Rs. 4908.70 Lakh. However, as required u/s 62 of the Companies Act, 2013, the Company has not provided the details of utilisation of the funds received from the issue as mentioned in the prospectus. Also, the company has not disclosed the utilisation of the funds as required in its financial statement. Consequently, were unable to determine whether any adjustments might have been necessary in respect of recorded liabilities and the elements making the financial results.*
b. Type of Audit Qualification	*Qualified Opinion*
c. Frequency of qualification	*Repetitive*
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	*The management acknowledges the concern raised regarding the allotment of 3,27,24,687 equity shares under the Right Issue and the subsequent utilization of funds, aggregating to Rs. 4908.70 Lakhs. While detailed documentation of fund allocation was delayed, comprehensive internal tracking mechanisms were in place, demonstrating effective utilization aligned with the objectives in the prospectus. The delay in providing detailed utilization reports was due to the thorough verification process required for strategic alignment. We are currently compiling detailed reports on fund utilization, which will be included in our financial statements to ensure compliance with Section 62 of the Companies Act, 2013. Enhanced internal reporting practices are being implemented to ensure timely and accurate future disclosures. We are committed to providing sufficient and appropriate audit evidence regarding fund utilization and will share the necessary documentation with the auditors promptly to address any concerns. The management is dedicated to ensuring transparency, compliance, and accuracy in financial reporting, taking all necessary steps to rectify this issue and prevent*

	future occurrences.
e. **For Audit Qualification(s) where the impact is not quantified by the auditor:** **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:** **(iii) Auditors' Comments on (i) or (ii) above:**	*NA*

a. **Audit Qualification (each audit qualification separately):**	*Statutory Liabilities in relation to Tax Deducted at Source (TDS) and Tax Collected at Source (TCS) aggregating to Rs. 54.80 lakhs outstanding as on March 31, 2024, these liabilities were pending for payment since March 2022. Further adequate interest on such outstanding neither paid not provided in financials. As a result, and pending litigations, we were unable to determine whether any adjustments might have been necessary in respect of recorded liabilities and the resultant impacts on the financial results.*
b. **Type of Audit Qualification**	*Qualified Opinion*
c. **Frequency of qualification**	*Repetitive*
d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**	*The management acknowledges the auditor's concern regarding the statutory liabilities related to Tax Deducted at Source (TDS) and Tax Collected at Source (TCS), aggregating to Rs. 54.80 lakhs outstanding as on March 31, 2024. These liabilities have been pending since March 2022, and interest on the outstanding amounts has neither been paid nor provided for in the financials. We are actively engaged in resolving these outstanding TDS and TCS liabilities and have initiated continuous discussions with the relevant tax authorities to expedite their settlement.* *The delay in payments was primarily due to unforeseen financial constraints and administrative challenges, which we are addressing through a phased action plan prioritizing compliance. For the financial year 2023-24, we confirm that TDS has been deposited, except on sales and purchases, pending settlement of disputes between the parties involved. We assure stakeholders that these outstanding liabilities will be duly deposited once the ongoing disputes are resolved.*
e. **For Audit Qualification(s) where the impact is not quantified by the auditor:** **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:** **(iii) Auditors' Comments on (i) or (ii)**	*NA*

above:	

a. Audit Qualification (each audit qualification separately):	*Current Tax Liabilities aggregating to Rs. 1142.66 lakhs as on March 31, 2024, the details of income tax provisions are as under:* *Financial Year — Rs. In Lakhs* *Outstanding as on 31.03.2019 — 39.87* *2019-20 — 7.79* *2020-21 — 69.46* *2021-22 — 225.46* *2022-23 — 446.95* *2023-24 — 353.13* *Total as on 31.03.2024 — 1142.66* *The Company has not deposited the above amounts to the Income Tax Department. Further interest payable on the above liabilities were not recognised in the financial results. These matters are under litigation with Income Tax Departments and consequently pending litigations, we were unable to determine whether any adjustments might have been necessary in respect of recorded/unrecorded liabilities and the elements making the financial results.*
b. Type of Audit Qualification	*Qualified Opinion*
c. Frequency of qualification	*Repetitive*
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	*The management acknowledges the audit findings concerning the current tax liabilities totaling Rs. 1142.66 lakhs as of March 31, 2024, along with the historical income tax provisions detailed over the preceding financial years. These liabilities remain outstanding, and the company has not yet remitted these amounts to the Income Tax Department. Furthermore, interest payable on these outstanding liabilities has not been recognized in our financial results. These matters are currently subject to litigation with the Income Tax Department, preventing us from conclusively determining whether adjustments are necessary regarding recorded or unrecorded liabilities and their potential impacts on our financial results.* *To address these challenges, we are actively engaged in resolving the outstanding tax liabilities through ongoing discussions and negotiations with the tax authorities. Legal counsel has been retained to manage the litigation process effectively, aiming for a resolution that meets legal requirements while mitigating financial implications. Despite the litigation, our commitment to compliance remains steadfast, and we are preparing to make necessary provisions for interest on outstanding tax liabilities in our upcoming financial statements.* *In terms of financial reporting, we prioritize transparency by comprehensively disclosing details of the pending litigations with the Income Tax Department. Our internal audit processes are being reinforced to enhance the monitoring of compliance and ensure the accurate recording of tax obligations. We are conducting thorough*

	reviews to assess any potential adjustments required based on the outcomes of the ongoing litigations. *Looking forward, we are implementing strengthened controls and processes to mitigate future risks associated with tax compliance. This includes regular assessments of our tax obligations, proactive engagement with tax authorities, and improved documentation practices. Continuous training programs are also underway to keep our team abreast of evolving tax regulations and compliance standards, reinforcing our proactive approach to risk management.* *In conclusion, while we navigate through the current litigation concerning tax liabilities, we are committed to resolving these matters in a manner that upholds compliance, enhances transparency, and safeguards our financial integrity. Our proactive measures aim to minimize risks and maintain stakeholder trust in our financial reporting and management practices.*
e. For Audit Qualification(s) where the impact is not quantified by the auditor: **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:** **(iii) Auditors' Comments on (i) or (ii) above:**	*NA*

a. Audit Qualification (each audit qualification separately):	*As stated in note 5 to the financial results, Basic and Diluted EPS, the Company has not calculated the diluted EPS giving impact of the right issue and issue of share warrants and as such cannot be commented upon by us;*
b. Type of Audit Qualification	*Qualified*
c. Frequency of qualification	*Repetitive*
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	*Not quantified.*
e. For Audit Qualification(s) where the impact is not quantified by the auditor: **(i) Management's estimation on the impact of audit qualification:** **(ii) If management is unable to estimate the impact, reasons for the same:**	*Not quantifiable* *The management acknowledges the auditor's observation concerning the calculation of Basic and Diluted Earnings Per Share (EPS) as noted in our financial results' Note 5. Specifically, we recognize the auditor's concern that the diluted EPS, considering the impact of the right issue and issuance of share warrants, was not computed and disclosed as required. We emphasize our commitment to adhering to all regulatory and accounting standards, ensuring comprehensive and accurate financial reporting*

	that meets stakeholder expectations. *Addressing the issue, we are currently undertaking a thorough review of our accounting practices to rectify the omission of diluted EPS calculation promptly. This includes engaging with our external auditors and consulting with financial experts to accurately compute and disclose the diluted EPS in line with regulatory requirements.* *Furthermore, we are strengthening our internal controls to prevent similar oversights in the future. This involves reinforcing oversight mechanisms and conducting rigorous reviews of our accounting policies to ensure they align with the latest accounting standards and regulatory guidelines. Additionally, our team is undergoing training to enhance their proficiency in handling complex accounting treatments, particularly those involving EPS calculations and equity issuances.*
(iii) Auditors' Comments on (i) or (ii) above:	*Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.*

Signatories:

• **CEO/Managing Director**	
• **CFO**	
• **Audit Committee Chairman**	
• **Statutory Auditor**	HEMANT RADHAKISHAN BOHRA Digitally signed by HEMANT RADHAKISHAN BOHRA Date: 2024.06.15 18:34:34 +05'30'

Place: Jaipur

Date: 15.06.2024