



JYOTI STRUCTURES LIMITED

Registered & Corporate Office :

Valecha Chambers, 6th Floor, New Link Road,
Oshiwara, Andheri (West), Mumbai – 400 053
Corporate Identity No.:L45200MH1974PLC017494
Tel.: (91-22) 4091 5000 Fax : (91-22) 40915014 / 15
E-mail: contact@jsl.in Web site : www.jsl.in

Ref: JSL/2020-21/01

Date: April 1, 2020

To

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

NSE Scrip Symbol: JYOTISTRUC

Dear Sir/Madam,

Sub: Clarification for Financial results – JYOTISTRUC Email dated March 31, 2020.

Ref: Outcome of Board Meeting (RP) held on March 14, 2020 having ref no. JSL/2019-20/05
Outcome of Board Meeting (RP) held on February 11, 2020 having ref no. JSL/2019-20/04

We wish to inform you that the Company has already declared and submitted its Standalone and Consolidated Audited Financial Results for F.Y. 2017-18 with National Stock Exchange. We have submitted the Standalone Financial Results for F.Y. 2017-18 on February 11, 2020 through outcome and the Consolidated Financial Results for F.Y. 2017-18 were submitted on March 14, 2020.

Please note that the financial results are already accepted and reflecting on National Stock Exchange. Please find enclosed the copy of Consolidated Financial Results for F.Y. 2017-18 along with acknowledgment received from National Stock Exchange for submission of the same.

Kindly be informed and update in your records.

Thanking You.

Yours Faithfully,

For Jyoti Structures Limited

Anil Mishra
Interim CFO in the matter of Jyoti Structures Limited
(Appointed in the CoC Meeting on 10.08.2017)



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Ref: JSL/2019-20/05

Date: March 14, 2020

BSE Limited, Phiroze Jeejeeboy Towers, Dalal Street, Fort, Mumbai 400 001. BSE Scrip Code: 513250	National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. NSE Scrip Symbol: JYOTISTRUC
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Dear Sir/Madam,

Sub: Outcome of Board Meeting held on March 14, 2020.

**Reference: Original Board Meeting Intimation Letter dated 26th February, 2020 and
Postponement of Board Meeting Letter dated 3rd March, 2020 having ref nos. JSL/2019-20/05**

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors (Resolution Professional "RP") of the Company, at their meeting held today i.e. March 14, 2020 has inter alia considered and approved the **Consolidated Audited Financial Results of the Company for the Quarter and Financial year ended 31st March, 2018.**

Kindly acknowledge the receipt and update the same in your records.

Thanking You.

Yours Faithfully,

For Jyoti Structures Limited




Vandana Garg

Resolution Professional in the matter of Jyoti Structures Limited

IP Registration Number: IBBI/IPA-001/IP-P00025/2016-17/10058

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

Sr. No.	Particulars	CONSOLIDATED (Rs. In Lacs)	
		Year Ended	
		31-03-2018	31-03-2017
		Audited	Audited
1	Income		
	(a) Revenue from operations	32,512	90,344
	(b) Other Income	333	1,870
	Total Revenue	32,845	92,213
2	Expenses		
	(a) Cost of materials consumed	8,165	48,115
	(b) Change in inventories of finished goods, work-in-progress and stock-in-trade	4,662	8,637
	(c) Excise duty paid	120	624
	(d) Erection and sub-contracting expenses	16,821	30,846
	(e) Employee benefit expenses	10,622	11,662
	(f) Finance cost	1,01,082	84,527
	(g) Depreciation and amortization expense	2,873	6,333
	(h) Other expenses	3,08,571	44,028
	Total Expenses	4,52,916	2,34,772.77
3	Profit / (Loss) before exceptional items and tax (1-2)	(4,20,070)	(1,42,559)
4	Exceptional items	-	-
5	Profit / (Loss) before tax (3+4)	(4,20,070)	(1,42,559)
6	Tax expense		
	(i) Current Tax		
	(ii) Deferred Tax	(8)	(22)
7	Profit/ (Loss) for the period (5-6)	(4,20,065)	(1,42,537)
8	Other Comprehensive Income		
	A. Items that will not be reclassified to profit or loss	(310)	(31)
	B. Items that will be reclassified to profit or loss	(2,327)	(343)
9	Total Comprehensive Income for the period comprising profit/(loss) and other comprehensive income for the period (7+8)	(4,22,083)	(1,42,849)
10	Details of equity share capital		
	Paid-up equity share capital, face value of Rs. 2/- each	2,191	2,191
	Face Value of Equity Share Capital	2	2
11	Earnings per share (of Rs. 2/- each)		
	(a) Basic earnings/ (loss) per share	(379)	(130)
	(b) Diluted earnings/ (loss) per share	(379)	(130)

- Sr. No. Notes**
- The above results have been approved by the board at their meetings held on March 14, 2020. The Statutory Auditors of the Company have carried out the audit for the year ended March 31, 2018.
 - The above consolidated results includes one audited and three unaudited subsidiaries (including step down subsidiaries) out of total six subsidiaries (including three step down subsidiaries) and two joint ventures for the year ended March 31, 2018. Further, the alignment of accounting policies of foreign subsidiary has not been done in the absence of appropriate information. In the absence of documentary supportings of the transactions, the subsidiary accounts are incorporated in the above statement based on the transactions available in the books of the subsidiaries maintained in the accounting package of the respective subsidiaries.
 - Inter-company/intra-group transactions are under reconciliation and hence, the same has been eliminated to the extent information available.
 - The statement includes the unaudited, management reported figures / amounts for the year ended on date in respect of its seven branches at Bangladesh, Kenya, Tanzania, Tajikistan, Georgia, Rwanda and Tunisia; unaudited management certified figures for the period till December 31, 2017 in respect of its five branches at Bhutan (I & II), South Africa, Uganda and Dubai. The financial information for the quarter ended March 31, 2018 is not available in respect of its five branches at Bhutan (I & II), South Africa, Uganda and Dubai and for the full year ended March 31, 2018 in respect of two of the branches of the company at Kuwait and Egypt and hence the same could not be incorporated in the above results. In the absence of documentary supportings of the transactions, the branch accounts are incorporated in the above statement based on the transactions available in the books of the branches maintained in the Tally accounting package of the respective branches.
 - Hon'ble National Company Law Tribunal, Mumbai vide Order No. CP/1137/A&EP/NCLT/MAH/2017 dated July 04, 2017 appointed Insolvency Resolution Professional, ordering commencement of CIRP and Hon'ble National Company Law Tribunal, Mumbai vide Order No. MA/1129/2019 dated March 27, 2019 approved the Resolution Plan submitted by the Successful Resolution Applicant for the Company, effect of which shall be taken in the books upon fulfillment of conditions precedent as per the plan.
 - The Company adopted Indian Accounting Standards (Ind AS) from 1st April, 2016 and accordingly this financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India.
 - The Company is in the business of execution of projects related to power transmission and as such there are no separate reportable operating segments as defined by Ind AS 108 - "Operating Segments".
 - Cost of material consumed includes Bought-out materials purchased / return / adjusted for supplies to customers under the contracts.
 - On account of loans being reclassified as Non-Performing Assets (NPA) by all lenders, interest has been provided for in the books of accounts based on Master Restructuring Agreement (MRA) entered into with the lenders on September 29, 2014.
 - In view of uncertain nature of projects, complex situations, performance issues, deterioration in client relationship, delays in contracts, termination of contracts, probability of liquidation damages, unsettled or unaccepted claims, BG invocations, arbitration, disputes, non-availability of balance confirmation from clients, penalties etc., there may be a probability of substantial write down of the receivable on completion of reconciliations.
 - The Statement includes the results for the Quarter ended March 31, 2018 being the balancing figure between figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year as previously published.
 - Previous period figures have been re-arranged, re-grouped, re-calculated and re-classified, wherever necessary.

Place: Delhi
 Dated: 14/03/2020



By Order of the Board of Directors
JYOTI STRUCTURES LIMITED
 Ms. Vandana Gag
 Resolution Professional
 IBB/PA-001/IP-P00025/2016-17/10058

JYOTI STRUCTURES LIMITED

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Tel: 4091 5000 Fax: 40915014/15, e-mail: investor@jstl.co.in

(Rs. In Lacs)

	Particulars	CONSOLIDATED	
		As at March 31, 2018	As at March 31, 2017
A	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant & Equipment	8,990	35,122
	(b) Capital work in progress	-	2,637
	(c) Goodwill	11	8
	(d) other intangible assets	-	756
	(e) Investment in subsidiaries/joint venture		
	(f) Investment accounted for using equity method		2,300
	(G) Financial Assets		
	(i) Investments	46	43
	(ii) Loans		
	(iii) Trade Receivable	-	35,078
	(iv) Other Financial Assets	522	576
	Sub-Total - Non-Current Assets	9,569	76,521
2	Current Assets		
	(a) Inventories	5,641	16,026
	(b) Financial Assets		
	(i) Trade receivables	2,43,498	4,97,703
	(ii) Cash and cash equivalents	2,704	4,523
	(iii) Bank Balances other than (ii) above	892	714
	(iv) Loans		
	(v) Others (Advances)	3,756	42,946
	(c) Current Tax Assets		
	(d) Other current assets	12,964	28,363
	Sub-Total - Current Assets	2,69,456	5,00,276
	TOTAL - ASSETS	2,79,025	5,76,797
B	EQUITY AND LIABILITIES		
1	EQUITY		
	(a) Equity Share Capital	2,191	2,191
	(b) Other equity	(5,58,364)	(1,72,157)
	(c) Minority Interest	(214)	17,937
	Sub-Total - Shareholders Funds	(5,56,387)	(1,52,030)
2	LIABILITIES		
	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	3,349	18,295
	(ii) Other financial liabilities	-	455
	(b) Provisions	1,476	1,321
	(c) Deferred tax liabilities (Net)	10	18
	Sub-Total - Non-Current Liabilities	4,835	20,089
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	3,49,458	3,21,449
	(ii) Trade Payables	51,484	46,576
	(iii) Other Financial Liabilities	2,58,693	2,19,511.78
	(b) Other Current Liabilities	1,68,685	1,20,577.70
	(c) Provisions	2,256	632
	Sub-Total - Current Liabilities	8,30,577	7,08,738
	TOTAL - EQUITY AND LIABILITIES	2,79,025	5,76,797

By Order of the Board of Directors
FOR JYOTI STRUCTURES LIMITED

Ms. Vandana Gag

Resolution Professional

IBBI/PA-001/IP-P06025/2016-17/10058

Place: Delhi
Date 14/03/2020



Independent Auditor's Report on Consolidated Financial Results of JYOTI STRUCTURES LIMITED for the Year ended on March 31, 2018 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Jyoti Structures Limited

1. We were engaged to audit the accompanying Statement of Consolidated Ind AS Financial Results of **Jyoti Structures Limited** ("the Holding Company") for the year ended 31st March, 2018 ("the Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

The Statement includes the results of the Holding Company, its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"; the subsidiaries and Joint Ventures collectively referred to as "the components" and individually "the Component"). This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared from the related consolidated financial statements prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated Ind AS financial statements.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

3. **Basis for Disclaimer of Opinion**

- A) *In the absence of the audited financial statements or management certified accounts, for the year ended 31st March, 2018, of three wholly-owned subsidiaries namely Jyoti International Inc, Jyoti Americas LLC and Jyoti Structures Canada Ltd., and two Joint Ventures viz. Gulf Jyoti International LLC and Lauren Jyoti Pvt. Ltd., transactions and*

balances in respect of these have not been incorporated in the Consolidated Financial Results, which is not in compliance with the requirements of Ind AS – 110 issued by ICAI. Further, the details w.r.t. Joint Ventures as required under Ind AS 110 and SEBI (LODR) Regulations, 2015 have not been disclosed.

- B) We were unable to communicate with the auditors of all the components since the communication details were not provided to us. We had shared our requirements with auditors of four components of which communication details were provided to us on 11-Mar-2020 on which revert is awaited. Further, in the absence of full details / records in respect of all the components being available, we are unable to carry out additional procedures in respect to the same. Hence, we were unable to communicate with the component auditors.*
- C) In the absence of details of transactions and balances outstanding with components within the group, the elimination of transactions and balances outstanding within the group done in the consolidated financial results could not be verified by us. Further, the transactions / balances within the group in the books of the holding company as well as in the audited financial statement of one of the subsidiaries have also not been fully eliminated in the absence of relevant details. The same is not in compliance with the requirements of Ind AS 110 issued by ICAI. In the absence of the details being made available, the impact of the same is not ascertainable.
The details in respect of amounts appearing under Other Comprehensive Income w.r.t. components are not available due to which we are unable to comment on the same.*
- D) The requirements of Ind AS – 110 issued by ICAI such as alignment of accounting policies of all component and holding company have not been complied with. Impact, whereof, if any, is not ascertainable in the absence of relevant details being made available.*
- E) The company has considered the management certified accounts of one foreign subsidiary (including three step-down subsidiaries) and audited financial statements of one foreign subsidiary for the purpose of consolidation. These financial statements / accounts have been consolidated on a line by line basis without giving effect, if any, of the differences in the GAAP / accounting framework applicable for the respective foreign countries and India.*
- F) The consolidated financial results include the financial and other information in respect of three subsidiaries (including one foreign subsidiary referred above) based on unaudited financial statements.
The consolidated financial results includes Assets and Liabilities of Rs. 12,304.49 Lacs and Rs. 6,770.17 Lacs respectively as at March 31, 2018 & Income and Total Comprehensive Income of Rs. 6933.25 Lacs & Rs. -5293.31 Lacs respectively for the year ended March 31, 2018 in respect of these unaudited subsidiaries. In the absence of the audited accounts w.r.t. these, we are unable to comment on the amounts of these components considered in the consolidated financial results.*
- G) The amount of Non-Controlling Interest as at March 31, 2017 in respect of the foreign subsidiaries was without considering the amount of "Other Comprehensive Income (OCI)" which should have been considered as per Ind AS 110 issued by ICAI. Necessary impact w.r.t. current year's share of OCI in respect of one of such component have been considered however, in the absence of details the corresponding amounts as at March 31, 2017 have not been restated, which, in our opinion, is not compliance with the requirements of Ind AS 8 and Ind AS 1 issued by ICAI. The impact of the same, in the absence of details, is not ascertainable.*



H) The management has prepared these Consolidated Financial Results on a going concern basis in spite of following facts and circumstances:

- a) The Group has reported loss after tax (including OCI) of INR 422,082.74 Lacs during the year;
- b) The net-worth of the Group has been fully eroded and is (-) INR 556,172.97 Lacs as at 31 Mar 2018;
- c) There are minimal operations at plants at Nashik and Raipur during the current financial year and revenue activities have also stopped on the same, except for a few sites;
- d) The financial statements / details in respect of all the subsidiaries are not available and investments in some of the subsidiaries have been fully impaired in earlier years owing to erosion of net-worth of the entity(ies);
- e) The Auditors of one of the subsidiaries whose audited financials have been considered in the consolidated financial results have drawn attention to the accumulated losses of the said entity;
- f) Legal proceedings are pending before various Judicial Authorities seeking claims / compensations;
- g) Claims for default of requirements of various statutes, listing agreement / SEBI LODR have been made by the regulators / exchanges.

The above mentioned conditions cast significant doubt about the Group's ability to continue as a going concern. The Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet.

I) The holding company has considered closing rate for translation of assets and liabilities of foreign components and average of buying and selling rate of the last working day of the financial year for translation of items appearing in statement of profit and loss of foreign components, which is not in line with requirements of Ind AS 21.

J) **In respect of the holding company:**

i) The Hon'ble NCLT pursuant to application filed under CIRP had passed order dated March 27, 2019 approving a plan for resolution of the holding company, which shall, amongst others, require giving effect to changes in the reported amount of assets and liabilities, the effect of which shall be taken in the books upon fulfilment of conditions precedent as per the plan. Accordingly, the consolidated financial results do not include any adjustment which may arise from giving effect to the approved plan. Further, the effect of the process of claims reconciliation has not been fully taken in the financial results, which have been further stated at Note No. 5 of the consolidated financial results. Due to these conditions at the date of this report, we are unable to ascertain the impacts of the same on the consolidated financial results.

ii) During the year, upto December 2017 the company was using SAP and thereafter due to non-availability of access and other factors, the holding company has migrated the entire data from April 2017 on standalone Tally software. The same is not integrated with other modules such as Inventory, HR, Production, Sales etc. which is a serious control lapse in our view considering the size and nature of business of the holding company.

Further, the data have been migrated from SAP dump to Tally of which no independent migration / system audit have been carried out. In view of these control issues, we are unable to comment on the impact, if any, these may have on these consolidated financial results.

The approvals, process notes, authorisations etc. necessary in case of manual



processes are not fully available due to which we are unable to satisfy ourselves on the existence, operativeness and effectiveness of internal controls in respect of transaction / balances for and as on the period from 1 Apr 2017 to 4 Jul 2017 in respect of the holding company. Impact of the same, if any, on the consolidated financial results is not ascertainable.

- iv) The percentage of vouchers / records available with the holding company w.r.t. expenses (other than consumption of inventory, stores, purchases, HR related, depreciation, provisions, interest) is around 20% only, most of which is related to pre-CIRP period. We have selected our sample from these available vouchers and hence are not able to comment on the remaining part. In view of these, we are unable to comment on the impact, if any, on the consolidated financial results.*
- v) The financial statements and other details in respect of various subsidiaries, associates and joint ventures of the company are not available due to which we are unable to comment on the impact it may have on the carrying amount and the impairment, if any, in respect of investments, advances, receivables and payable, the requirement of provisioning for guarantees provided, disclosures for liabilities crystalised or contingent.*
- vi) There are no inventory records / stock ledger (being part of books of accounts) available due to which we are unable to trace / reconcile the movement in the same through purchase, sales, consumption etc. and comment on the provision, if any, required based on the condition and usability of the stocks. Further, the physical verification of inventories of holding company was not carried out during the year under audit. In view of these, we are unable to comment on the impact, if any, on the statement.*
- vii) In respect of its expenses:*
 - a) The details for cross checking the employee costs, such as employee wise HR data, grade, scale, attendance records, payroll details etc. are not available due to which we are unable to check the amount of Employee Costs debited to statement of profit and loss for the year ended March 31, 2018 amounting to Rs. 8,812 lacs.
Similarly, the details for Rs. 663 Lacs included in retainership charges are not available due to which we are unable to verify the same.*
 - b) The details, break up, working papers in respect of most of the amount of assets, liability income and expenses for the amount stated therein pertaining to the period prior to the initiation of CIRP process are not available and hence we are unable to comment in respect of such balances / amounts appearing in the consolidated financial results.*
 - c) The basis for amortisation of finance cost amounting to Rs. 1,010 Lacs and the underlying records / vouchers and supporting in respect of expenses aggregating to Rs. 4,424 Lacs are not available due to which we are unable to verify the same.*

In view of these details not being available, we are unable to comment, of the impact on the consolidated financial results.

viii) Statutory Dues / Compliances

- a) The working / reconciliation of returns filed for various statutory dues such as Excise, VAT, GST, TDS, Service tax, EPF, ESI etc. are not available due to which we are unable to comment on the statutory compliances and whether the amounts are in agreement with the books or not and the consequential*



impact it may have on the consolidated financial results.

- b) There has been regular default w.r.t. payment of interest to its lenders, payment of statutory dues to govt. authorities (GST, VAT, TDS, PF, ESI, Service Tax, Employee liabilities etc.), delay in worker dues etc., which may entail interest / penalty etc. which is not ascertainable and hence not provided for. Adhoc / partial provision in some identified cases for holding company have been made against the same.

Further, in respect of periodic returns of GST to be filed, the holding company is filing Nil returns in few cases instead of taking the actual figures of sales, purchase etc. and determining the amount of tax due and payable, which may invite penal consequences, impact whereof we are unable to comment.

- c) Balances available with statutory authorities and input credits are subject to reconciliation, filing of return and admission by the respective statutory authorities and no provision has been made thus, we are unable to comment whether any provision for impairment in the value of such receivables is required. Further, in the absence of any details being available and / or being under reconciliation an amount of Rs.77.29 Crore being refund receivable have been expensed off. In the absence of sufficient details in respect of the same, we are unable to comment in respect of the same.

ix) Revenue & Contracts and Trade Receivables

- a) In the absence of any documentary evidence from the parties / customers for the continuation of live contracts, we are unable to comment on the status of the contracts and adjustment, if any required for the same in the statement. Further, the details of work in progress with the age, stage of completion, acceptability to customers, progress billing etc. are not available due to which we are unable to comment on the requirements of provision, if any, for WIP.
- b) No detailed workings are available for the calculation of liquidated damages contractually leviable for delay in completion of contracts and the costs for Defect Liability Period (DLP) which are contractually required to be incurred for specified periods. In the absence of such contract wise evaluation, we are unable to comment on the adequacy of adhoc provision of Rs. 1700 Lacs as at March 31, 2018 (including Rs. 100 Lacs created during the year);
- c) During the year no provision has been made for loss on future cost to complete ongoing work-in-progress. No supporting working for such estimate of cost to completion was provided to us for our verification. In absence of sufficient appropriate audit evidence of provision of loss on future cost to complete work-in-progress, we are unable to comment, if any provision for loss on future cost is required for the completion of the contract.

x) Identified non compliances of Companies Act

We are unable to comment on the impact, if any, of these identified non-compliances of the provisions of Companies Act, 2013 on the consolidated financial results:

- a) The Company has not appointed Internal Auditors as required by Section 138 of the Companies Act 2013;
- b) The company has provided for an amount of Rs. 184.28 Lacs as at March 31, 2018 in respect to the interest payable to Micro and Small Enterprises for which no working are available;
- c) Annual Return in DPT - 3 has not been filed in respect of Public Deposits accepted by the company as required under the Companies Act, 2013;
- d) The compliances w.r.t various filings with the Ministry of Corporate Affairs



- and entries / up-dation of various registers / forms as required under the Companies Act, 2013 have not been done;
- e) Effect of exchange fluctuation have not been taken in respect of assets / liabilities in foreign currency in the absence of the corresponding amount of foreign currency being available, which is also not in compliance with the requirements of Ind AS 21 issued by ICAI.
 - f) There have been default in conduct of general meeting in a timely manner.

xi) Related Party

- a) As at the year end, there are outstanding advances / loans / ICD to parties (including related parties) for which the required documents providing the detail terms and conditions are not available due to which we are unable to comment on the recoverability of such loans / advances.
- b) Outstanding loans and advances to related parties including subsidiaries and joint ventures against which the aggregate amount receivable as on 31 Mar 2018 amounted to Rs. 344 Crore. In the absence of the documents pertaining to such advances, confirmation of balances, financial statements / other information of these companies and independent evaluation of recoverability of these amounts, we are unable to comment on the adequacy of the adhoc provision of Rs. 302 Crore made against such advances.
- c) The basis / premise for determining the amount at which the transactions are being entered into with related parties till the period 4-July-2017 are not available and hence we are unable to comment on the reasonableness / genuineness of the same and the corresponding compliances of the Companies Act, 2013 in respect thereto.

xii) Details not available either fully or partially

- a) In respect of the following items the same status is continued as was existing on March 31, 2017 or December 31, 2017 for which no details / documents are available, in the absence of which we are unable to comment on the impact on the same:
 - a. Provision made for Impairment of Investments of Rs. 1642.77 Lacs; Advances to Related parties of Rs. 302.35 Crs as at December 31, 2017 are continuing without any up-dation / reassessment thereto. In the absence of related working papers, we are unable to comment on the adequacy of such provisions;
 - b. Provision for Onerous contracts – same provision continuing as on December 31, 2017 – Rs. 17 Crore; for which no details / basis is available;
 - c. Unbilled Revenue of Rs. 48.45 Crore is continuing as such since 1-Apr-2017, the amount has slightly reduced from Rs. 52.42 Crore as on 1 Apr 2017. However, no details as to the party wise details, basis, work wise details etc. are available;
 - d. Retainership Charges payable – Rs. 6.94 Crore of which Rs. 5.94 Crore is continuing since December 31, 2017;
- b) The statement include the assets, liabilities, income and expenditure in respect of 7 branches for the year ended March 31, 2018 and in respect of 5 branches for the 9 months ended December 31, 2017 which have been included based on management accounts of these branches.
Further, the results of operations and position as on 31-Mar-2018 in respect of 2 branches have not been considered in the statement.
The same are subject to changes on completion of audit. Further, in the absence of underlying details, we are unable to comment on the impact, it may have on the



statement.

- c) We understand that the holding company had been subject to forensic audit, the report of which is not available for our perusal. In the absence of the same, we are unable to comment on the impact of the same, if any, on the consolidated financial results.
- d) In view of pending confirmations/reconciliation from certain banks and financial institutions for different types of accounts and loans including non-fund based limits, we are unable to comment on the impact, if any, on the consolidated financial results arising out of such pending confirmations / reconciliation.
- e) An amount of Rs. 11 Crore has been paid during the quarter ended June 30, 2017, as advance payment, the base documents and reason for the same are not available. The same is still continuing as such, in the absence of the details, we are unable to comment on the requirement of any provision, with respect to the same.

xiii) Others:

- a) The statement / confirmation for WCDL, Overdraft, External Commercial Borrowing, Term Loan, Bills, Hire Purchase, LC Devolvement are not available and hence we are unable to cross check / verify the outstanding amount as reported in the financial statements.
- b) The internal controls needs to be significantly strengthened considering the following, the impact of which, if any, cannot be commented upon:
 - i) The company does not have an Internal Audit system for the period under audit despite the same being a mandatory requirement under section 138 of the Companies Act, 2013;
 - ii) The accounting software used is Tally which is an independent standalone accounting system with no integration with various other operational aspects such as Inventory, HR, Production, Sales etc. which in our view is a serious control deficiencies having regard to the fact that sufficient details for the same manually are also not available;
 - iii) There is no system of Risk Control Matrix / Process Controls in place to check the adherence to guidelines, wherever framed by company and to monitor deviations, if any, with respect to prior to CIRP period
 - iv) The underlying records for monitoring the progress of work for billing such as Measurement book and reconciliation of the same with Invoices raised / WIP are not available, which is an important control documents for revenue from such activities.
 - v) There are instances observed during pre CIRP period, where the expenses are not supported by Purchase orders, invoices are processed without PO and / or invoices and other back up documents due to which we are unable to ascertain the adherence of the process framed for such expenses
- c) With respect to disclosure requirements of Schedule - III to the Companies Act, 2013, identified non-compliances or non-availability of details are as under:
 - i. Bifurcation of interest payable on loan is not being done properly, in view of some part of it being included with principal and part of it being disclosed under Interest Payable.
 - ii. the entire amount of trade receivables have been classified as current notwithstanding the contracted terms with the respective customers;
 - iii. The disclosures pertaining to Preference Shares holding, terms, redemption etc., are not available and hence we are unable to verify and comment on the same.



- iv. The additional disclosures as required under schedule - III as reported are as compiled by the management and have been provided to the extent details are available with the management. In the absence of underlying details, we are unable to verify and comment in respect of the same;
- v. Classification as current and non-current for various items of assets and liabilities has not been done as per contracted terms as required under Ind AS;

4. Basis for Qualified Opinion

A) The Group has not disclosed the information pursuant to the requirement of Ind AS - 108 on Segment Reporting in respect of its geographical segments (viz. within India & Outside India), the same is also not in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B) In August 2013, Jyoti International Inc., a subsidiary company, has issued subordinated debt of USD 1,30,00,000 and preferred stock Series A of USD 1,00,00,000. In April 2014, the company issued additional 47 shares of Series A preferred stock, at USD 4,00,000 per share, for additional gross proceeds of USD 1,88,00,000. Cumulative dividend accrues on these preferred stocks of Series A, on a daily basis at the rate of 0.01% per year on the original purchase price, per share. The said subsidiary company has a contingent liability of USD 3,47,00,000 for above mentioned preferred stock variable return along with its accretion of USD 1,14,53,076 for the year ended 31st March, 2016.

As per preferred stock agreement, that Company and the Holding company, planned to settle the variable return due on 28th August, 2016 through the issuance of common stock of the Holding company. However, no details are available whether the parties have exercised the right, hence we are unable to comment on the same.

C) In respect of holding Company:

i) In respect of its Fixed Assets

- a) Fixed assets register providing inter-alia details of the assets, location, identification number, useful life etc. is not available, in the absence of which we are unable to comment on the maintenance of adequate records w.r.t. fixed assets. Further, the assets have not been physically verified during the year under audit.
- b) As per the details of fixed assets provided to us, in excel sheets, the carrying amount as on 31-Mar-2017 is not in agreement with the carrying amount of PPE as per the audited financial statements as on March 31, 2017. In the absence of the reconciliation for the same, we are unable to comment on the opening difference of Rs. 266 Lacs in the carrying amount.
- c) The amount of depreciation / amortisation w.r.t. the PPE and Intangible Assets charged by the company in its book is not as per the corresponding useful life as per Companies Act, 2013 as followed by the company. In view of the details not being available, we are unable to fully verify the depreciation and amortisation expenses of Rs. 2708.77 Lacs charged by the company. The impact, if any, on account of the same is not ascertainable.
- d) The details of movement in fixed assets are not available in respect of the assets added, sold / discarded / transferred etc.

ii) In respect of its Investments:

- a) The original share certificates / holding statement (viz. from DP / other sources) to substantiate the ownership of the company towards equity Investments in subsidiaries / associates / others amounting to aggregate carrying value Rs. 672.03 Lacs are not available due to which are unable to



comment on the existence, title and carrying amount of such investments.

- b) *There are no documents / working available for assessment of carrying value of these investments in the absence of which we are unable to comment on the adequacy of impairment loss of Rs. 1642.77 Lacs for the year and carrying amount of investments as at 31-Mar-2018.*
- iii) *Inventories as on 31-Mar-2018 of Rs. 5003.65 Lacs includes stocks (including WIP) with third parties for which neither confirmation from third parties are available nor have they been physically verified. The impact on verification/ confirmation, if any, is not presently ascertainable.*
- iv) *As against the total amount of Trade Receivables of Rs. 426,151.55 Lacs as at March 31, 2018, Provision for Rs. 190,219.39 Lacs has been made till December 31, 2017 which is continuing as such without any reassessment based on status till the date of this report. In the absence of which, we are unable to comment on the adequacy of the existing provision, which may be required to be modified based on updated status.*
- v) *External confirmation in respect of the parties selected on test basis had been sought for which no revert has been received. We are unable to comment whether any provision or adjustment is required against the same.*
- vi) *With respect to the revenue of the company, details / vouchers and supporting with respect to export sales of Rs. 6377 Lacs (other than those from foreign branches); lease rentals of Rs. 137 Lacs and Interest Income are not available and hence we are unable to comment on the impact, if any, on the availability of the details in respect of the same.*
- vii) *Contingent Liabilities*
- a) *The company had in the past given corporate guarantees of Rs. 350.57 Crore for its subsidiary / associate company for loans and other matters. The financial statements and other operating details in respect of these companies are not available. The liability of these corporate guarantee, if invoked by lender has not been ascertained in the absence of which we are unable to comment whether any provision in respect of the same is required or not.*
- b) *During the year Corporate Guarantee amounting to Rs. 349.87 Crore given to the lenders of a subsidiary company in respect of borrowings made such subsidiary had been invoked by the lenders. The claim in respect of such guarantee made to the Resolution Professional but was rejected and hence the provision of Rs. 349.87 Crore made in respect of the same has been reversed during the quarter ended March 31, 2018. In the absence of further details and pending giving effect of the plan as approved by the Hon'ble NCLT, we are unable to comment on the impact, if any, it may have on the statement.*
- viii) *Balances with banks, trade and other receivables, advances, TDS and other deposits and various payables are subject to confirmation and reconciliation and consequential adjustments, if any. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable. Impact whereof on the statement, if any is not presently ascertainable.*
- ix) *The company had issued preference shares of face value of Rs. 2500 Lacs which are repayable along with premium, the details w.r.t. the terms of the same are not*



available in the absence of which we are unable to comment on the amount accrued as expenses on account of such premium for the year ended and as at March 31, 2018.

- x) Bank statements / confirmation directly from banks in respect of borrowings as well as current and deposit accounts are not available in many cases. In the absence of which, it is not possible to confirm the balances as reported in the financials and as per bank. Bank wise details for statements available and period for which available have been shared separately.
- xi) In connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount included in financial and other assets which are past due/ subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets. Pending such determination, the impact on statement cannot be ascertained.
- xii) Notwithstanding the legal / arbitral steps being initiated by the company, guarantees invoked by the banks aggregating have been fully provided for during the year. Necessary impact on recovery of the same shall be accounted for in the year the amount is received. Impact whereof is not presently ascertainable.
- xiii) The company has accounted for an aggregate amount of Rs. 51,433 Lacs as Other Expenses during the year with corresponding credit to Trade Payables / Financial creditors and other financial liability consequent upon the exercise of reconciliation of claims of operational creditors and financial creditors by RP. The amount has been accounted for on adhoc basis as expenses for the year without considering the effect of prior period expenses, nature of expenses, input tax credit available, nature of vendor, statutory deductions etc. In the absence of the detailed working being available, we are unable to comment on the impact, if any, it may have on the statement.

5. Disclaimer of Opinion

Because of the significance of the matters described in paragraphs 3 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether this Statement:

- a) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and, Disclosure Requirements) Regulations, 2015, as modified; and
- b) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and Total comprehensive loss and other financial information of the Group for the year ended March 31, 2018.

6. The Consolidated financial results includes the results of the following entities:

Sr. No.	Name of the entity
A	Subsidiaries
1	Jyoti Energy Limited\$
2	JSL Corporate Services Limited\$
3	Jyoti Structures Africa (Pty) Limited#
4	Jyoti Structures FZE*



\$ As per unaudited financial statements

As per audited standalone financial statements

* As per the unaudited Consolidated Financial Statements, including its subsidiaries Jyoti Structures Namibia (Pty) Ltd.; Jyoti Structures Nigeria Ltd.; and Jyoti Structures Kenya Ltd., which are indirect Subsidiary of the Holding Company.

7. Previous year figures have been audited by another firm of chartered accountant, on which they have issued a Disclaimer of Opinion.

**For MKPS & Associates
Chartered Accountants
Firm's Regn. No. 302014E**


**CA Narendra Khandal
Partner
M. No. 065025**

**UDIN : 20065025AAAACB7305
Mumbai, March 14, 2020**

