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
Email:contact@jsl.co.in • Website:www.jyotistructures.in

Ref: JSL/RP/GEN/2021-22/90

Date: August 6, 2021

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**

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on August 6, 2021.

Ref: Board Meeting Intimation Letter dated July 30, 2021 having Ref No. JSL/RP/GEN/2021-22/77

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 the Company, at their meeting held today i.e. August 6, 2021 has inter alia considered and approved the **Standalone Unaudited Financial Results together with Limited Review Report for the Quarter and Half Year ended September 30, 2020**

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

Thanking You.
Yours Faithfully,

For **Jyoti Structures Limited**

JYOTI STRUCTURES LTD. MUMBAI

Ms. Vandana Garg
Chairperson of the Board
(Erstwhile Resolution Professional and
Member of Monitoring Committee for
Implementation of Approved Resolution Plan)
IP Reg. No.: IBBI/IPA-001/IP-P00025/2016-17/10058
vskgarg0899@gmail.com/vandanagarg@bdo.in

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

(INR in Lacs)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-20	30-06-20	30-09-19	30-09-20	30-09-19	31-03-20
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	Audited
1	**Revenue from operations**						
	(a) Revenue from operations	-	-	81.15	-	81.15	207.05
	(b) Other Income	-	-	0.10	-	5.55	39.18
	Total Revenue	**-**	**-**	**81.25**	**-**	**86.70**	**246.23**
2	**Expenses**						
	(a) Cost of materials consumed	84.39	-	375.55	84.39	578.64	659.86
	(b)Changes in inventories of finished goods,work-in-progress and stock-in-trade *	-	-	9.66	-	83.84	102.55
	(c) Erection and sub-contracting expenses	32.03	-	208.64	32.03	403.89	1,135.19
	(d) Employee benefits expense	110.74	83.12	341.35	193.86	545.23	1,087.92
	(e) Finance cost	37,119.35	35,537.07	33,499.64	72,656.42	68,618.05	147,321.74
	(f) Depreciation and amortisation expense	240.42	279.80	756.52	520.22	1,191.03	1,584.12
	(g) Other expenses	1,618.77	-417.69	-1,260.98	1,201.08	-459.31	78,356.48
	Total expenses	**39,205.70**	**35,482.30**	**33,930.38**	**74,688.00**	**70,961.42**	**230,247.86**
3	**Profit / (Loss) before exceptional items and tax (1-2)**	**-39,205.70**	**-35,482.30**	**-33,849.13**	**-74,688.00**	**-70,874.72**	**-230,001.63**
4	Exceptional items	-	-	-	-	-	-
5	**Profit / (Loss) before tax(3-4)**	**-39,205.70**	**-35,482.30**	**-33,849.13**	**-74,688.00**	**-70,874.72**	**-230,001.63**
6	**Tax expense**						
	(i) Current Tax	-	-	-	-	-	-
	(ii) Deferred Tax	-	-	-	-	-	-
7	**Profit / (Loss) for the period from continuing operations**	**-39,205.70**	**-35,482.30**	**-33,849.13**	**-74,688.00**	**-70,874.72**	**-230,001.63**
8	**Profit / (Loss) for the period from discontinuing operations before tax**	-	-	-	-	-	-
9	Tax expense of discontinuing operations	-	-	-	-	-	-
10	**Profit / (Loss) for the period from discontinuing operations after tax**	-	-	-	-	-	-
11	**Net Profit/ (Loss) for the period (7+10)**	**-39,205.70**	**-35,482.30**	**-33,849.13**	**-74,688.00**	**-70,874.72**	**-230,001.63**
12	**Other Comprehensive Income**						
	A. Items that will not be reclassified to profit or loss	290.43	290.43	-	580.86	-	17.29
	B. Items that will be reclassified to profit or loss	2.07	4.95	-26.53	7.02	-707.97	-8.31
13	**Total Comprehensive Income for the period comprising profit/(loss) and other comprehensive income for the period(11+12)**	**-38,913.20**	**-35,186.92**	**-33,875.66**	**-74,100.12**	**-71,582.69**	**-229,992.65**
14	Details of equity share capital						
	Paid-up equity share capital, face value of INR 2/- each	2190.55	2190.55	2190.55	2190.55	2190.55	2190.55
15	**Earnings per share**						
	(a) Basic earnings/ (loss) per share	INR-35.8	INR -32.4	INR-30.9	INR-68.19	INR-64.71	INR -209.99
	(b) Diluted earnings/ (loss) per share	INR-35.8	INR -32.4	INR-30.9	INR-68.19	INR-64.71	INR -209.99

Sr. No	Notes
1)	The above results have been approved by the board at their meetings held on August 06, 2021. The Statutory Auditors of the Company have carried out the limited review for the half year ended September 30, 2020.
2)	The statement includes the figures / amounts for the Quarter ended on date in respect of its eleven unaudited branches at Bangladesh, Bhutan I, Bhutan II, Kenya, Tanzania, Tajikistan, Georgia, Rwanda, Tunisia, South Africa and Uganda. Further the details of three branches at Egypt, Kuwait & Dubai not available, hence the same have not been considered in the above financials.
3)	Hon'ble National Company Law Tribunal, Mumbai vide Order No. CP/1137/I&BP/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 fulfilment of conditions precedent.
4)	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". Details of geographical segment is not available.

JYOTI STRUCTURES LTD. MUMBAI

5)	Cost of material consumed includes Bought-out materials purchased / return / adjusted for supplies to customers under the contracts.
6)	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, even if bank statements are not available.
7)	In view of uncertain nature of projects, complex situations, performance issues, deterioration in client relationship, delays in contracts, probability of liquidation damages, unsettled or unaccepted claims, BG invocations, arbitration, disputes, non-availability of balance confirmation from clients, penalties etc. It is evident that there is a potential probability of substantial write down of the receivable.
8)	Provisions are done based on best estimates made by ERP and may change significantly based on the outcome of matters stated in 7 above.
9)	Previous period figures have been re-arranged, re-grouped, re-calculated and re-classified, wherever necessary.

For Jyoti Structures Limited

Vandana Garg
Erstwhile Resolution Professional and Member of Monitoring Committee for implementation of Resolution Plan
Registration No: IBBI/IPA-001/IP-P00025/2016-2017/10058

Place : Mumbai
Date : August 06, 2021

JYOTI STRUCTURES LIMITED

STANDALONE BALANCE SHEET AS AT 30TH SEPTEMBER 2020

	As at 30-Sep-2020 INR In Lacs	As at 30-Sep-2019 INR In Lacs
ASSETS		
1) NON CURRENT ASSETS		
a) Property, Plant and Equipment	**3,684.42**	4,952.33
b) Other Intangible Assets	**0.47**	-
c) Investment in Subsidiaries and Joint Venture	**667.04**	667.04
	4,351.93	5,619.37
d) **Financial Assets**		
i) Investment	**46.68**	47.97
ii) Other Financial Assets	**522.13**	527.89
	568.81	575.86
TOTAL NON CURRENT ASSETS	**4,920.74**	6,195.23
2) CURRENT ASSETS		
a) Inventories	**3,977.89**	3,976.79
b) **Financial Assets**		
i) Trade Receivables	**134,695.02**	210,995.14
ii) Cash and Cash Equivalents	**1,576.49**	930.19
iii) Bank Balances other than (ii) above	**886.97**	886.97
iv) Other Current Financial Assets	**5,622**	5,427
v) Current Tax Asset (Net)	**453**	-
	143,233.92	218,239.78
c) **Other Current Assets**	**11,392.87**	11,720.71
TOTAL CURRENT ASSETS	**158,604.68**	233,937.28
TOTAL	**163,525.42**	240,132.51
EQUITY AND LIABILITIES		
1) EQUITY		
a) Equity Share Capital	**2,190.55**	2,190.55
b) Other Equity	**-1,036,229.20**	-803,000.58
TOTAL EQUITY	**-1,034,038.65**	-800,810.03
2) LIABILITIES		
A NON CURRENT LIABILITIES		
a) FINANCIAL LIABILITIES		
i) Long Term Borrowings	-	-
ii) Other Financial Liabilities	-	-
	-	-
b) Long Term Provisions	**1,320.30**	2,102.98
c) Deferred Tax Liabilities (Net)	**33.37**	33.37
TOTAL NON CURRENT LIABILITIES	**1,353.67**	2,136.35
B CURRENT LIABILITIES		
a) Financial Liabilities		
i) Short Term Borrowings	**465,076.60**	409,699.26
ii) Trade Payables	**52,548.65**	51,429.01
iii) Other Current Financial Liabilities	**668,043.75**	277,956.20
	1,185,669.00	739,084.47
b) Other Current Liabilities	**8,347.66**	297,964.94
c) Short Term Provisions	**2,193.74**	1,756.78
TOTAL CURRENT LIABILITIES	**1,196,210.40**	1,038,806.19
TOTAL	**163,525.42**	240,132.51

JYOTI STRUCTURES LTD. MUMBAI

JYOTI STRUCTURES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2020

			Half Year Ended 30-Sep-2020 INR In Lacs	Half Year Ended 30-Sep-2019 INR In Lacs
I	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit/(Loss) Before Taxes	[A]	**-74,688.01**	-70,874.74
	ADJUSTMENTS FOR			
	i) Depreciation and Amortisation		**520.22**	1,191.03
	ii) Interest Expense		**72,656.42**	68,618.05
	iii) Interest Received		**-**	-5.55
	iv) Exchange (Loss)/Gain in translating the financial statements of foreign operations		**990.47**	-1,791.79
		[B]	**74,167.11**	68,011.74
	Operating Profit before Working Capital changes	[A÷B] = [C]	**-520.90**	-2,863.00
	ADJUSTMENTS FOR			
	i) Trade Receivable & Other Receivable, financial assets, Other Current Assets		**305.12**	784.91
	ii) Current Liabilities and Provisions		**278.14**	1,389.56
		[D]	**583.26**	2,174.47
	Cash Generated from Operations	[C+D] = [E]	**62.36**	-688.53
	i) Direct Taxes Paid (Net)		**-**	-
		[F]	**-**	-
	Net Cash (used in) / from Operating Activities	[E+F] = [G]	**62.36**	-688.53
II	**CASH FLOW FROM INVESTING ACTIVITIES**			
	i) Interest Received		-	5.55
	Net Cash (used in) / from Investing Activities	**[II]**	**-**	5.55
III	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Net Cash (used in) / from Financing Activities	**[III]**	**-**	-
	Net Increase/(Decrease) in Cash and Cash Equivalents	**[I + II + III]**	**62.36**	-682.98
	Cash and Cash Equivalents at the beginning of the year		**1,514.13**	1,613.17
	Cash and Cash Equivalents at the end of the year *		**1,576.49**	930.19

*** Cash and Cash Equivalents comprise of :**

Particulars	Half Year Ended 30-Sep-2020 INR In Lacs	Half Year Ended 30-Sep-2019 INR In Lacs
a) Balances with Banks	**1,312.90**	665.60
b) Fixed Deposit with original maturity for less than 3 months	**259.01**	259.10
c) Cash On Hand	**4.57**	5.49
Total	**1,576.49**	930.19

Note :

1 The Statement of cash flow is prepared in accordance with the format prescribed as per Ind-AS 7

2 The details of the transaction of the branches are not available and hence the amount of cash flow as dervied from the branch financial information has not been considered in the Statement of Cash Flows.

JYOTI STRUCTURES LTD. MUMBAI

Independent Auditor's Review Report on Unaudited Standalone Financial Results of JYOTI STRUCTURES LIMITED for Quarter and Half year ended September 30, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

TO
THE BOARD OF DIRECTORS
JYOTI STRUCTURES LIMITED

1. We have reviewed the accompanying statement of unaudited standalone financial results ('the statement') of Jyoti Structures Limited (the "Company") for the quarter ended September 30, 2020 and year to date from 1st April, 2020 to 30th September 2020. The "Statement" has been prepared by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India **(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').**

The Preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) - "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, read with the relevant circulars is the responsibility of Company's management and has been approved by the Board of Directors of the Company.

Our responsibility is to express a conclusion on the statement based on our review. *Because of the matter described in the Basis for Disclaimer of conclusion paragraph, we were not able to obtain sufficient appropriate review evidence to provide a basis for our review conclusion.*

The Hon'ble National Company Law Tribunal, Mumbai ("NCLT") on July 4, 2017 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed against the Company and appointed Ms. Vandana Garg as the Interim Resolution Professional in terms of the Insolvency and Bankruptcy Code, 2016 ("Code"). Further, the Committee of Creditors constituted during the CIRP has confirmed appointment of Ms. Vandana Garg as the Resolution Professional ("RP") to manage the affairs of the Company. In view of the pendency of

the CIRP, the power and responsibilities of the Board of Directors shall vest with the RP under the provisions of the Code. Accordingly, the management of the affairs of the company is vested with the RP till the completion of the CIRP.

We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, do not express an audit opinion.

2. Basis for Disclaimer of Conclusion

i) The Hon'ble National Company Law Tribunal (NCLT) pursuant to application filed under Corporate Insolvency Resolution Process (CIRP) had passed order dated March 27, 2019 approving a plan for resolution of the 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. Since the conditions have not been fulfilled, the standalone financial statement does 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 statements.

Due to these conditions at the date of this report, we are unable to ascertain the impact of the same on the accompanying statements.

ii) The management has prepared these standalone financial results on a going concern basis despite of following facts and circumstances:

a) The company has reported loss after tax of INR 74,688.00 lacs (EBIDT of Rs. -1,511.36 Lacs) during the period;

b) The net-worth of the company has been fully eroded and is INR (-) 10,34,038.65 Lacs as at 30th September 2020;

c) There are no operations at plants during the period and revenue activities have also stopped on the same;

The persistence of above mentioned conditions cast doubt about the company's ability to continue as a going concern.

The Company 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 statements.

G. P. SHARMA & CO. LLP ★ Andheri (W) Mumbai ★

iii) *"Disclaimer of opinion" was issued by the erstwhile auditor in the audit report for each of the financial year ended March 31, 2020 March 31, 2019, March 31, 2018 & March 31, 2017.*

No details / documents have been provided to us with respect to the matters / balances for which disclaimer were issued and hence we are unable to verify the same during current year in so far as it relates to the opening balances for the year.

iv) *There are debits and credits aggregating to Rs. 224.82_lacs and Rs 1,40,359.31 lacs respectively for the period in bank statement(s). No details w.r.t the said entries in bank statement was made available to us and the Company has not taken the effect of the same in books of accounts. In the absence of details, we are unable to comment on the effect of the entries in the statement.*

v) *The unaudited financial statements / balance confirmations and other details in respect of various related parties including subsidiaries 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, loans, advances, receivables, payable, provision for guarantees provided, if any, disclosures for liabilities crystalized or contingent etc..*

vi) The inventory records / stock ledger (being part of books of accounts) are not available due to which we are unable to trace / reconcile the movement, if any, 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 third party appointed for physical verification of inventories could verify only the inventories partially. *We have not verified the inventories and have relied on the Company's representation. Accordingly, we are unable to comment on the impact, if any, on the standalone financial statements.*

vii) **In respect of its expenses:**

) During the period employee costs have been booked as ascertained by the company based on attendance of employees. In view of the underlying records being made available partly, we are unable to comment on the Employee Costs of Rs. 193.86 Lacs debited to statement of profit and loss.

) In the absence of foreign currency(ies) balances in the books of accounts, we are unable to verify the adequacy of foreign exchange gain (net of loss) of Rs. -990.47 lacs (including for foreign branches) in the statements.

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

iii) **Statutory Dues / Compliances**

) The company has been in default w.r.t payment of interest to its lenders, payment of statutory dues to govt. authorities and filing of periodic returns thereof; delay in workers' dues etc., which may entail interest / penalty etc. which is not ascertainable and hence not provided for.

) Balances with statutory authorities and input credits are subject to reconciliation, filing /revision of return(s) 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.

) There are ongoing proceedings / claims pending before authorities under various statutes, the resultant impact, if any, has not been determined.

G. P. SHARMA & CO. LLP Andheri (W) Mumbai Chartered Accountants

ix) Revenue & Contracts and Trade Receivables

a) *In the absence of any documentary evidence of the customers on 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 standalone financial statements. Further, the details of work in progress with the age, stage of completion, acceptability to customers, estimated future cost to completion, progress billing etc. not made available due to which we are unable to comment on the requirements of provision, if any, for WIP, foreseeable losses and income accrued but not due.*

b) *No 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. Accordingly, we are unable to comment on provision, if any, required for the same*

c) As against the total amount of Trade Receivables of Rs. 1,34,695.02 Lacs as at September 30, 2020, Provision for Rs. NIL has been made till September 30, 2020 based on the assessment being made by the company. In the absence of Confirmation from all the parties, pending reconciliation of all parties, disputed dues which are being contested by the company, encashment of guarantees etc. we are unable to comment on the adequacy of the provision made by the company.

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 accompanying standalone financial results:

a) The Company has not appointed Internal Auditors which is not in compliance with Section 138 of the Companies Act 2013;

b) *The company has provided for Nil amount for the quarter ended September 30, 2020 in respect to the interest payable to Micro and Small Enterprises.* Further, no provision for interest payable in respect of delayed payments to other vendors have been made

d) Due to the directors being disqualified by MCA 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. The filings are under process;

e) Due to the directors being disqualified by MCA, 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 and is under process;

xi) The Standalone Financial Statements include out of the <u>total fourteen branches</u>

a) Unaudited Management reported amounts for the period ended *September 30, 2020*- eleven branches;

b) Unaudited Amounts till *December 31, 2017* – one branch;

c) These results do not include the amounts in respect of two of the branches of the company.

The financial statements include the assets, liabilities, income and expenditure in respect of fourteen branches are subject to changes on completion of audit. In the absence of details, we are unable to comment on the impact, it may have on the standalone financial statements.

G. P. SHARMA & CO. LLP Andheri (W) Mumbai Chartered Accountants

Further, there are transactions and balances for inter branch and Head office, which has not been eliminated. Further, the foreign exchange rates considered for translating the items in statement of profit and loss is also not being correctly taken.

A summary table is reproduced below for your perusal.

Particulars	***Branches (in lacs)***
Total Income	*Nil*
Total Expenditure	*485.74*
Total Profit/(Loss) including Other Comprehensive Income	*(485.74)*

We have relied on the information provided by the Company.

xii) We *further draw your attention to the note of erstwhile auditor* :-

During 2017-18, the company had incorporated financial statements of five branches for the period till December 31, 2017. During 2018-19, unaudited financial statements were available, however details w.r.t intervening period from 01.01.2018 to 31.03.2018 is not available. Further there are opening difference in the branch trial balance aggregating to Rs. 69.38 lacs which have been debited to Reserves and Surplus for which the underlying details are not available. This has also resulted in the corresponding period figures not being comparable.

In the absence of details, we are unable to comment the same

xiii) In view of pending confirmations/reconciliation from certain banks and financial institutions / others for different types of accounts and borrowings including non-fund based limits, we are unable to comment on the impact, if any, on the financial results arising out of such pending confirmations / reconciliation.

xiv) The company is carrying Rs. 832.29 Lacs as prepaid expenses as on September 30, 2020 in respect of which the underlying details are not available and hence we are unable to comment on the adequacy of the same being charged off or carried forward.

xv) Others:

a) The company has partially complied with the applicable requirements of

- *Ind AS 1 – Presentation of Financial Statements;*
- *Ind AS 2 – Inventories ;*
- *Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors;*
- *Ind AS 21 – The Effects of Changes in Foreign Exchange Rates;*
- *Ind AS 23 – Borrowing Costs; Ind AS 36 – Impairment of Assets ;*
- *Ind AS 37 - Provisions, Contingent Liabilities & Contingent Assets;*
- *Ind AS 105 Non-Current assets held for sale and discontinued operations;*
- *Ind Ind AS 109 Financial Instruments;*

G. P. SHARMA & CO. LLP Andheri (W) Mumbai Chartered Accountants

- *Ind AS 116 – Leases;*

b) *The internal controls in the company needs to be significantly strengthened considering the following, the impact of which, if any, cannot be ascertained:*

- *The accounting software used is Tally ERP which is an independent standalone accounting system which should be integrated with other operational areas such as Inventory, HR, Production, Sales etc. to have better control having regard to the fact that sufficient details for the same manually are also not available*
- *There has been 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;*
- *The process of controls w.r.t booking and maintenance of back up records in respect of expenses needs to be improved.*
- *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 made available, which is an important control documents for revenue from such activities.*

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) *Amount and period of default in repayment of borrowing and interest have not been provided in order to comply with the presentation and disclosure requirement as per the schedule III of the Companies Act, 2013*

iv) *The additional disclosures as required under schedule – III 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 IndAS; Similarly, the bifurcation between secured and unsecured could not be verified in the absence of details.*

d) *The company has not disclosed the information pursuant to the requirement of 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 and Ind AS 108- Operating Segment.*

e) *Interest on borrowings have been provided as per the amounts reflected in the corresponding loan statements, wherever the same are available. In case where the statements are not available, interest is provided @ 14% p.a. in respect of the borrowings, including in respect of credit card dues, irrespective of the*

contracted rates. In respect of external commercial borrowings, grossing up for tax thereon has not been done. Further, effect of exchange fluctuation on foreign currency loan balances have not been considered for the purpose of calculation of interest. In the absence of the same, we are unable to comment on the impact, if any, on the statements.

f) *Pending the finalisation of claims reconciliation process the ad-hoc accounting of operational and financial creditors as done in the earlier years continue. Further, no interest has been accrued in respect of part of the amount. In the absence of details, we are unable to verify the same.*

3. Basis for Qualified Conclusion

i) In respect of its Fixed Assets

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 quarter under review.

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 and other Investments in subsidiaries / associates / others amounting to aggregate carrying value Rs. 667.04 Lacs are not made available due to which are unable to comment on the existence, title and carrying amount of such investments under Non-current assets.*

b. *There are no documents / working available for assessment of carrying value of all the Non-Current investments, in the absence of which we are unable to comment on the adequacy of impairment loss of Rs. 1,647.77 Lacs and carrying amount of investments as at September 30, 2020.*

The balance of Trade Receivables, Bank Balances (including loan balance) are subject to confirmation, reconciliation and consequential adjustments, if any. Revert in respect of the same has not been received

ii) In respect of its Contingent Liabilities:

In the absence of details of Bank Guarantees(BG), BG Commission, Corporate Guarantees etc. for the quarter ended September 30, 2020, we are unable to comment on the same.

iii) *Balances with banks (including for loans & term deposits), trade and other receivables, advances, TDS and other deposits and various payables are subject to confirmation, 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 financial results, if any is not presently ascertainable.*

Bank statements / confirmation directly from banks in respect of borrowings as well as current and deposit accounts are not available in some cases. In the absence of which, it is not possible to confirm the balances as reported in the financials and as per bank.

iv) The company had issued preference shares of face value of Rs. 2,500 Lacs which were repayable along with 69% redemption premium i.e., Rs.1,725 lacs on 14.03.2018, the company was not able to redeem the same and liability of Rs. 4,225 lacs is in books of accounts.

v). In connection with the existence of material uncertainties over the realizability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount included in standalone financial statements 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 the financial results cannot be ascertained.

4. Disclaimer of Conclusion

Because of the significance of the matters described in paragraph 3 above we have not been able to obtain sufficient appropriate audit evidence to provide a basis for conclusion as to whether this Results:

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 Company for the quarter ended September 30, 2020

For G. P. Sharma & Co. LLP
Chartered Accountants
Firm Registration No.: 109957W/W100247

G. P. SHARMA & CO. LLP
UTKARSH SHARMA
B. COM (F.C.A.)
Member No. 147906
CHARTERED ACCOUNTANTS

CA. Utkarsh Sharma
Partner
UDIN: 21147906AAAAKS9293
Membership No: 147906
Place: Mumbai
Date: 6th August, 2021