



TARAPUR TRANSFORMERS LTD.

Date: 25th June 2026

To,
Senior Manager – Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, BKC,
Bandra East, Mumbai 400051.

Reference: NSE email dated June 22, 2026

Subject: Reply to Deficiency Query regarding Statement of Impact of Audit Qualifications / Declaration of Unmodified Opinion.

Dear Sir,

Referring to your email dated June 22, 2026 wherein you have sought clarification regarding the Statement of Impact of Audit Qualifications in case of modified opinion(s)/ Declaration of unmodified opinion submitted is not in the format prescribed by SEBI-SOI not signed by CFO , we are writing to respond to the query raised by NSE.

Query: The Statement of Impact of Audit Qualifications in case of modified opinion(s)/ Declaration of unmodified opinion submitted is not in the format prescribed by SEBI-SOI not signed by CFO

Clarification:

With reference to the deficiency/query raised by NSE in respect of the Outcome of Board Meeting for approval of Financial Results submitted on Wednesday, May 27, 2026, wherein it has been observed that the Statement of Impact of Audit Qualifications / Declaration of Unmodified Opinion is not in the prescribed format prescribed by SEBI-SOI and is not signed by the Chief Financial Officer (CFO), we wish to submit the following:

At the time of the Board Meeting held on May 27, 2026, our Chief Financial Officer, Ms. Vaishali Pawar, was attending to an unforeseen family emergency and was out of town. Further, due to internet connectivity issues at her location, she was unable to participate in the Board Meeting through Video Conferencing (VC) or other Audio-Visual Means (OAVM). Consequently, her signature could not be obtained on the Statement of Impact of Audit Qualifications / Declaration of Unmodified Opinion prior to submission of the outcome to the Exchange.

The omission was purely procedural and inadvertent, and there was no intention to withhold any information from the Exchange. The Company remains committed to ensuring full compliance with the provisions of the SEBI (LODR) Regulations, 2015 and the circulars issued thereunder.

The omission has since been rectified and the Company is submitting the Statement on Impact of Audit Qualifications in the prescribed format, duly signed by the Chief Financial Officer along with the other requisite signatories, for the records of the Exchange.

We request you to kindly take the above clarification on record and treat the matter as complied with. We assure you of our continued commitment towards compliance with the provisions of the SEBI (LODR) Regulations, 2015 and other applicable regulatory.

Yours faithfully.

For Tarapur Transformers Limited,

Yash Betkar
Director
DIN: 10944640

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of Tarapur Transformers Limited pursuant to the Regulation 33 and 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
**The Board of Directors,
Tarapur Transformers Limited**

Report on the audit of the Financial Results

Qualified Opinion

1. We have audited the accompanying financial results of **Tarapur Transformers Limited** ("the Company") for the quarter and year ended March 31, 2026 ("financial results") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in paragraph 1 below in the Qualifications section, the Financial Results:
 - i. are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
 - ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and year then ended March 31, 2026 except in Annexure I Statement on Impact of Audit Qualifications.

Basis for Qualified Opinion

1. With Regards to non-receipt of Balance Confirmations

The company has sent balance confirmation letters to parties who are not covered in the register maintained under section 189 of the Companies Act, 2013, but in many of the cases the company have not received written confirmation confirming the balance outstanding as at March, 31, 2026. The details of the parties for whom the balance confirmation have not been received are as under:



G R A N D M A R K & ASSOCIATES
CHARTERED ACCOUNTANTS

H.O.: 118, L.G.F. Navjivan Vihar, Opp Geetanjali Enclave, Malviya Nagar, New Delhi-110017

Mumbai Branch : A-406, Shalibhadra Apartments, Datta Mandir Road, Malad East, Mumbai – 400 097

Tel.: 011-42705151, Phone 90224 95856 Email : rahuldrolia@grandmarkca.com

Branches: AHMEDABAD | BENGALURU | BHOPAL | CHANDIGARH | CHENNAI | COIMBATORE | DEOGHAR | GURUGRAM | HYDERABAD | INDORE | KARNAL | KOCHI | KOLKATA | LUCKNOW | MUMBAI | NEW DELHI | RAIPUR | THIRUVANANTHAPURAM | UDAIPUR | VUAYAWADA

Sr.No.	Name of the Party	Amount in INR Lakhs	Dr./Cr.
1	Lamcotec SRL	64.20	Dr.
2	Panchganga Ispat Private Limited	23.00	Dr.
3	EMD - Transmission corporation of Andhra Pradesh Limited (Hyderabad)	1.00	Dr.
4	EMD - Bihar State Electricity Board	2.00	Dr.
5	EMD- Gujarat State Fertilizers & Chemicals Limited	2.00	Dr.
6	EMD- Haryana Vidyut Prasaran Nigam Limited	2.00	Dr.
7	EMD - Jaipur Vidyut Vitaran Nigam Limited (Jaipur)	1.00	Dr.
8	EMD - Tamil Nadu Electricity Board-Permanent EMD	20.00	Dr.
9	Security Deposit Haryana Vidyut Prasaran Nigam Limited -W-2	5.00	Dr.
10	Security Deposit Haryana Vidyut Prasaran Nigam Limited -W-3	5.00	Dr.
11	Security Deposit Haryana Vidyut Prasaran Nigam Limited -W-5	5.00	Dr.
12	Security Deposit - KSEB (Alappuzha)	1.33	Dr.
13	Asmi Developers	192.86	Dr.

Our opinion on the standalone financial results for the year ended 31 March 2025 was also qualified in respect of this matter

2. With Regards to Non-compliance of Ind AS 116 Leases.

Company is paying lease rental for its registered office and one property at Pali. The details of both the leases are as under :

Sr. No.	Name of the Lessor	Details of the Property	Tenure of Lease	Amount of Lease Paid during FY 2025-26 as per agreement	Amount of Lease Booked in P&L in 2025-26	Amount of Lease Payable during FY 2026-27	Interest Free Deposit Paid
1	Narendra Tiwari	S-101, Rajiv Gandhi Complex, Ekta Nagar, Kandivali (West), Mumbai - 400067	22 months	2,25,918.00	2,25,000.00	1,96,680.00	50,000.00
2	Sadanand Patil	Godown No.3, Sadanand Rice Mill, Behind Gram Sachivalaya, Vada - 421303, Vada Manor Road, Kanchad, Palghar	33 months	2,64,000	2,40,000	11,000	60,000

However as the lease term is more than 12 months in both the cases, the company needs to comply with Ind AS 116 and create a Right of Use of the leased Asset and a corresponding lease liability by discounting the lease rentals over the lease term with market rate of Effective Rate of Interest.

Further there is interest free deposit also being paid to the lessor which also needs to be bifurcated into fair value of lease and as per Ind AS 109, a financials asset component by discounting the deposit at the EIR prevailing in the market for similar kind of companies. This financial asset should form part of RoU which will get depreciated and on the other hand the interest income will be accrued on this financial asset. This entire accounting has not been done by the company and lease is being accounted for as usual by debiting the expense to P&L and the entire deposit being created as asset. Since the information regarding EIR, and amortization of the lease rentals during the lease term is not available, the



quantification of the RoU and lease liability for the lease rentals and the fair value of deposit cannot be quantified

3. With regards to No documentation of Loans & Advances granted

Further in respect of loans granted, no documentation has been provided to us till date i.e. no loan agreements or MoUs has been provided to us for any of the loans granted which are either written off or still continuing in books. Our opinion on the standalone financial results for the year ended 31 March 2025 was also qualified in respect of this matter.

4. With Regards to breach of limits of section 186 of The Companies Act, 2013

The Company has advanced loans to parties of Rs. 457.77 lakhs (for which no provision is made) which is in excess of the limits prescribed under section 186 of the Companies Act, 2013. Details of the limits breached in terms of amount will be captured in the clause iv of the Companies (Auditor's Report) Order, 2020 forming Annexure-A of the detailed Audit Report to be attached along with annual report

5. Non-Compliance of section 194A of Income Tax Act, 1961

The Company has borrowed funds from a company named Abhivadan Properties Private Limited of Rs. 220.50 lakhs. The Balance as on March 31, 2026 is Rs. 247.52 lakhs and the interest provided for during the year is Rs. 33.67 lakhs on which the TDS as prescribed under section 194A @ 10% is not deducted and paid to the TDS Department. However, no TDS has been deducted on the interest provided. In light of the Income Tax Provisions, this interest will be disallowed and going by the effective tax rate applicable to the company of 25.17%, an amount of Rs. 10.10 lakhs will be disallowed and tax impact of the same will be Rs. 2.54 lakhs

6. With regards to Going Concern principal of the Company

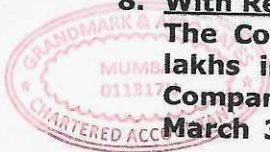
The net worth of the Company i.e. Share Capital plus Reserves Plus Securities Premium is negative Rs. 186.21 lakhs/-. Due to negative net worth, a material uncertainty exists that casts a significant doubt on the ability of the Company to continue as a going concern. Further, the management has not provided any disclosures regarding this in the results, and hence this point is qualified.

7. With Regards to Contingent Liability

As stated in Note 7 to the accompanying standalone financial results, the Company's contingent liabilities as at 31 March 2026 include certain contingent liabilities aggregating to Rs. 959.71 lakhs pertaining to litigations pending with various authorities, for which the Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as provision or contingent liabilities as at 31 March 2026 in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the accompanying statements.

8. With Regards to Non-provision of Interest

The Company had borrowed funds from Gaganbase Vincom of Rs. 300/- lakhs in May 2024 @ 18% per annum rate of interest. However, the Company has not been providing interest since January 2025 onwards till March 31, 2026 amounting to Rs. 67.50 lakhs. The Company has also not



made any provision for penal interest claimed by Gaganbase. As a result the loss for the year ended 31st March 2026 is understated by Rs. 67.50 Lacs & current liabilities as at 31st March, 2026 are also understated by Rs. 67.50 Lacs and reserves are overstated by Rs. 67.50 Lacs. The amount of penal interest cannot be quantified as the details have not been received from Gaganbase. Further, Gaganbase has confirmed the balance outstanding as on March 31, 2026.

9. With Regards to No Physical Verification of Property, Plant & Equipment

The Company has not conducted any physical verification of property, plant & equipment during the year ended March 31, 2026. Pending physical verification report of the property, plant & equipment, we are unable to comment on the authenticity of the amounts appearing in the Fixed Asset Register maintained by the company in respect of property, plant and equipment with aggregate gross block of Rs.2286.31 lakhs and net block of Rs. 375.22 lakhs as at March 31, 2026.

Emphasis of Matters

10. We draw attention to Note No.8 of the accompanying statement, which relates to Ind-AS 105 – Non-Current Assets held for sale and discontinued Operations. As per this standard, if it is highly probable that the company will sell its Fixed Assets in next one year and immediate sale is possible in present condition, management is committed to sell the asset, active efforts are being made to find a buyer and asset is being marketed at reasonable price then the asset has to be re-classified as 'Non-Currents held for Sale' .
However, in this case, shareholders authorization was obtained during the AGM of FY 2024-25, So the condition of management is committed to sell the asset however, the other conditions are not being met i.e. as the factory Land and Building is currently mortgaged with Upsurge Investment & Finance Limited against the loan availed from them, so until the loan is repaid and the mortgage is satisfied, the land and building cannot be transferred and hence due to this condition not being met, the asset cannot be classified as Non-Current assets held for Sale.
11. As per the Loan Agreement of Upsurge Investment & Finance there was a repayment schedule being attached for repayment of principal and interest. However, on analysis and scrutiny of the ledger, it is observed that only the interest is being accrued and the repayment of principal is not being done. Further, Upsurge Investment & Finance has confirmed the balance outstanding as at March 31, 2026.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2026 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Financial Results which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The



Financial Results has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2026 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed 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 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 the 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 give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, 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 financial reporting process of the Company.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the Financial Results 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

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

- Identify and assess the risks of material misstatement of the Financial Results, 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 adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.



- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the Company to express an opinion on the Financial Results.

Materiality is the magnitude of misstatements in the Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Results.

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.

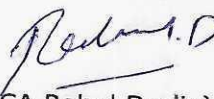
Other Matter

The Financial Results includes the results for the Quarter ended March 31, 2026 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report on the Financial Results is modified and qualified in respect of this matter.



For and on behalf of
M/s. GRANDMARK & Associates
 Chartered Accountants
 ICAI Firm Regn No. 011317N


 (CA Rahul Drolia)
 Partner

Place : Mumbai
 Dated: May 27, 2026
 UDIN : 26140934KUSUEX7395

Membership No. 140934

ANNEXURE I

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

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2026
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(Rs. In Lacs)

I	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	139.75	139.75
	2	Total Expenditure	324.42	391.92
	3	Net Profit/(Loss)	-184.67	-252.17
	4	Earnings Per Share	-0.947025107	-1.293178758
	5	Total Assets	1163.56	1163.56
	6	Total Liabilities	1349.76	1417.26
	7	Net Worth	-186.23	-253.70
	8	Any other financial item(s) (as felt appropriate by the management)		
I	<u>Audit Qualification (each audit qualification separately):</u>			
I	a) Details of Audit Qualification:			
	1) <u>With Regards to non-receipt of Balance Confirmations</u>			
	The company has sent balance confirmation letters to parties who are not covered in the register maintained under section 189 of the Companies Act, 2013, but in many of the cases the company have not received written confirmation confirming the balance outstanding as at March, 31, 2026. The details of the parties for whom the balance confirmation have not been received are as under:			
	Sr.No.	Name of the Party	Amount in INR Lakhs	Dr./Cr
	1	Lamcotec SRL	64.20	Dr.
	2	Panchganga Ispat Private Limited	23.00	Dr.
	3	EMD - Transmission corporation of Andhra Pradesh Limited (Hyderabad)	1.00	Dr.
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12	Security Deposit - KSEB (Alappuzha)	1.33	Dr.
13	Asmi Developers	192.86	Dr.

2) **With Regards to Non-compliance of Ind AS 116 Leases.**

Company is paying lease rental for its registered office and one property at Pali. The details of both the leases are as under :

Sr. No.	Name of the Lessor	Details of the Property	Tenure of Lease	Amount of Lease Paid during FY 2025-26 as per agreement	Amount of Lease Booked in P&L	Amount of Lease Payable during FY 2026-27	Interest Free Deposit Paid
1	Narendra Tiwari	S-101, Rajiv Gandhi Complex, Ekta Nagar, Kandivali (West), Mumbai - 400067	22 months	2,25,918.00	2,25,000.00	1,96,680.00	50,000.00
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However as the lease term is more than 12 months in both the cases, the company needs to comply with Ind AS 116 and create a Right of

Use of the leased Asset and a corresponding lease liability by discounting the lease rentals over the lease term with market rate of Effective Rate of Interest.

Further there is interest free deposit also being paid to the lessor which also needs to be bifurcated into fair value of lease and as per Ind AS 109, a financials asset component by discounting the deposit at the EIR prevailing in the market for similar kind of companies. This financial asset should form part of RoU which will get depreciated and on the other hand the interest income will be accrued on this financial asset . This entire accounting has not been done by the company and lease is being accounted for as usual by debiting the expense to P&L and the entire deposit being created as asset. Since the information regarding EIR, and amortization of the lease rentals during the lease term is not available, the quantification of the RoU and lease liability for the lease rentals and the fair value of deposit cannot be quantified

3) With regards to No documentation of Loans & Advances granted

Further in respect of loans granted, no documentation has been provided to us till date i.e. no loan agreements or MoUs has been provided to us for any of the loans granted which are either written off or still continuing in books. Our opinion on the standalone financial results for the year ended 31 March 2025 was also qualified in respect of this matter.

4) With Regards to breach of limits of section 186 of The Companies Act, 2013

The Company has advanced loans to parties of Rs. 457.77 lakhs (for which no provision is made) which is in excess of the limits prescribed under section 186 of the Companies Act, 2013. Details of the limits breached in terms of amount will be captured in the clause iv of the Companies (Auditor's Report) Order, 2020 forming Annexure-A of the detailed Audit Report to be attached along with annual report

5) Non-Compliance of section 194A of Income Tax Act, 1961

The Company has borrowed funds from a company named Abhivadan Properties Private Limited of Rs. 220.50 lakhs. The Balance as on March 31,206 is Rs. 247.52 lakhs and the interest provided for during the year is Rs. 33.67 lakhs on which the TDS as prescribed under section 194A @ 10% is not deducted and paid to the TDS Department. However, no TDS has been deducted on the interest provided. In light of the Income Tax Provisions, this interest will be disallowed and going by the effective tax rate applicable to the company of 25.17%, an amount of Rs. 10.10 lakhs will be disallowed and tax impact of the same will be Rs. 2.54 lakhs

6) With regards to Going Concern principal of the Company

The net worth of the Company i.e. Share Capital plus Reserves Plus Securities Premium is negative Rs. 186.21 lakhs. Due to negative net worth, a material uncertainty exists that casts a significant doubt on the ability of the Company to continue as a going concern. Further, the management has not provided any disclosures regarding this in the results, and hence this point is qualified.

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As stated in Note 7 to the accompanying standalone financial results, the Company's contingent liabilities as at 31 March 2026 include certain contingent liabilities aggregating to Rs. 959.71 lakhs

pertaining to litigations pending with various authorities, for which the Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits.

In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as provision or contingent liabilities as at 31 March 2026 in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the accompanying statements.

8) With Regards to Non-provision of Interest


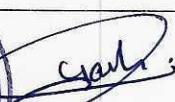

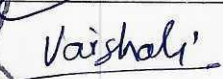



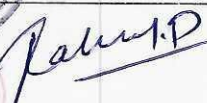

The Company had borrowed funds from Gaganbase Vincom of Rs.3,00,00,000/- in May 2024 @ 18% per annum rate of interest. However, the Company has not been providing interest since January 2025 onwards till March 31,2026 amounting to Rs. 67.50 lakhs . The Company has also not made any provision for penal interest claimed by Gaganbase. As a result the loss for the year ended 31st March 2026 is understated by Rs. 67.50 Lacs & current liabilities as at 31st March, 2026 are also understated by Rs. 67.50 Lacs and reserves are overstated by Rs. 67.50 Lacs. The amount of penal interest cannot be quantified as the details have not been received from Gaganbase. Further, Gaganbase has confirmed the balance outstanding as on March 31, 2026

9) With Regards to No Physical Verification of Property, Plant & Equipment

The Company has not conducted any physical verification of property, plant & equipment during the year ended March 31, 2026. Pending physical verification report of the property, plant & equipment, we are unable to comment on the authenticity of the amounts appearing in the Fixed Asset Register maintained by the company in respect of property, plant and equipment with aggregate gross block of Rs.22,86,31,108.67 and net block of Rs. 3,75,22,258.77 as at March 31, 2026.

b)	Type of Audit Qualification : Qualified Opinion
c)	Frequency of qualification: Repetitive
d)	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>With reference to point no 5 :</p> <p>Due to oversight of the accounts team, the TDS was not deducted and paid. The same will be complied in subsequent period. If not paid, then the company will disallow the interest expenses as per the provisions of the Income Tax Act, 1961</p> <p>With reference to point no.7:</p> <p>The disputed dues pertaining to Karnataka Power Transmission Corporation Limited and Sales Tax/MAHAVAT Department have been contested and the matter is pending with the court for the appointment of the arbitrator.</p>

	<p>With reference to point no.8: The Company has not been accruing and paying the interest as per the repayment schedule. Due to financial difficulties, the company has limited resources to survive and therefore the company has requested Gaganbase to waive the regular interest provision and payment. Gaganbase has agreed to the same and has provided us extension. The company had paid a lumpsum amount of Rs.30 lakhs in the month of march 2026. Further the balance as at March 31, 2026 is also being confirmed by Gaganbase.</p>
e)	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>With reference to point no 1: Company has received balance confirmation from some of the Companies and is rigorously following up with the rest of the borrowers. Company expects to receive balance confirmation from all the companies to whomsoever advances have been given. Efforts are made to regularize arrears and recovery against overdue principal and interest. The Documentation for these loans and advances were not entered into at the time of granting the loans. The impact of this cannot be given as it will not impact the financials and is a procedural deficiency</p> <p>With reference to point no 2: As the management was not aware of the accounting to be done for lease as per Ind AS 116, it was not done, However, in the subsequent period, the same will be complied with</p> <p>With reference to point no.3: Management is in the process of entering into the paperwork of the loans and advances given which are good</p> <p>With reference to point no 4: These Loans and Advances have been given in the past when the limits were adhered to and complied. However, now due to losses the net worth of the company is getting eroded and so the limits have been breached. However the management is committed to make efforts and recall these advances and make good the non-compliance</p> <p>With reference to point no 6: The Company has Land and Building and Plant & Machinery located at Pali , Vada, wherein the company is into the</p>

	<p>process of reviving the facility and restarting the operations. So although net worth is negative, the going concern doubt is not valid</p> <p>With reference to point no 9: As can be seen from the financial performance of the company, the company is in financial difficulties and is working on a very thin manpower force. Due to thin manpower, the company does not has relevant skilled manpower to conduct the physical verification of the fixed assets lying at the factory premises at Village Pali, Vada. However, Management is In the process of either hiring the manpower and getting the physical verification completed as soon as possible</p>
	(iii) Auditors' Comments on (i) or (ii) above: Non-Satisfactory
Signatories 	
Yash Betkar	Executive Director  
Vaishali Pawar	CFO  
Michael Dalmet	Audit Committee Chairman  
Rahul Drolia	Statutory Auditor   
Place: Mumbai	
Date: May 27, 2026	