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.co.in Web site : www.jyotistructures.in

Ref No: JSL/RP/GEN/2020-21/32 January 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

Sub: Annual Report of the Company for the financial year 2017-18

Dear Sir/Madam,

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual report for the financial year 2017-18 as circulated to the shareholders through electronic mode today.

The said Annual report is placed on the Company's website i.e. http://jyotistructures.in/download/ANNUAL%20REPORT%20FY%202017-18.pdf

Please acknowledge the receipt and update the records.

Thanking You.
Yours Faithfully,

For Jyoti Structures Limited

Sonali K. Gaikwad
Company Secretary
ACS 31201

JYOTI STRUCTURES LIMITED

ANNUAL REPORT
2017-18

***BOARD OF DIRECTORS**

S. D. Kshirsagar	Chairman
K. R. Thakur	Whole-Time Director
R.C. Rawal	Independent Director
Jyostna Jamkhandi	Non-Executive Director
Kalpesh Kikani	Non-Executive Director (Resigned on June 23, 2017)

*Note: The Company had defaulted for repayment of deposits and interest thereon with effect from June 27, 2016 ,all the directors of the Company disqualified as per the provisions of section 164(2)(b) of the Companies Act 2013.

RESOLUTION PROFESSIONAL
Ms. Vandana Garg
IP Registration no :IBBI/IPA-001/IP-P00025/2016-17/10058

COMPANY SECRETARY

Sanjeevlata Samdani	(*Resignation accepted October 03, 2019)
Sonali K. Gaikwad	Appointed w.e.f. October 11, 2019)

*Note: Resignation of Ms. Sanjeevlata Samdani as Company Secretary of the Company was accepted with effect from October 3, 2019 in Board Meeting held on December 16, 2019 and appointment of Ms. Sonali Gaikwad as Company Secretary and Compliance Officer was confirmed by the Board in its meeting held on December 16, 2019.

STATUTORY AUDITORS
M/s MKPS & Associates
Chartered Accountants

BANKERS
Allahabad Bank (merged with Indian Bank w.e.f April 1, 2020)
Bank of India
Bank of Maharashtra
Canara Bank
Corporation Bank (merged with Union Bank of India w.e.f April 1, 2020)
Dena Bank (merged with Bank of Baroda w.e.f April 1, 2019)
EXIM Bank
ICICI Bank
IDBI Bank
Indian Bank
Indusind Bank
Standard Chartered Bank
State Bank of India
Syndicate Bank (merged with Canara Bank w.e.f April 1, 2020)
UCO Bank
Union Bank of India
Vijaya Bank (merged with Bank of Baroda w.e.f April 1, 2019)
Phoenix ARC Private Limited. (South Indian Bank)
Assets Care & Reconstruction Enterprises Ltd
DBS Bank (merged with DBS Bank India w.e.f march 1,2019)

REGISTERED OFFICE
Valecha Chambers, 6th Floor, New Link Road,
Andheri (West), Mumbai-400 053
Maharashtra State, India
Tel. : +91 22 4091 5000 Fax. : +91 22 4091 5014/15
Email : investor@jsl.co.in
Website : www.jyotistructures.in

REGISTRARS & SHARE TRANSFER AGENTS
Big Share Services Private Limited 1st Floor,
1st Floor Bharat Tin Works Building,
Opp.Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai 400059
Tel: +91 22 62638200
Fax: +91 22 62638299;
Email: info@bigshareonline.com

43RD ANNUAL GENERAL MEETING

Day	:	Tuesday
Date	:	February 2, 2021
Time	:	11.00 AM through Video Conferencing ("VC")

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DIRECTORS' REPORT

Dear Members,

Jyoti Structures Limited

In exercise of powers of the Board of Directors of Jyoti Structures Limited, as per section 17 (1) (a) & (b) of the Insolvency and Bankruptcy Code, 2016 **(**the **"Code")** the Erstwhile Resolution Professional **("ERP")** of Jyoti Structures Limited **("the Company"/ "JSL")** hereby presents the 43rd Report on business and operations of the Company along with Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2018.

State Bank of India had filed application under section 7 of the Code for initiation of corporate insolvency resolution process **("CIRP")** of the Company before Hon'ble National Company Law Tribunal, Mumbai Bench **("Hon'ble NCLT")**. Pursuant to the Order dated July 4, 2017 of the Hon'ble NCLT (the **"Order**"), CIRP was initiated in respect of the Company, under the provisions of the Code and Ms. Vandana Garg was appointed as the interim resolution professional ("**IRP**") of the Company. Subsequently, on August 12, 2017, the IRP was appointed as the resolution professional ("**RP**") of the Company by the committee of creditors by e-voting, pursuant to the first meeting of the committee of creditors held on August 10, 2017. As per the provisions of the Code, the management of affairs of the Company and powers of the Board of Directors of the Company were vested in the RP. The RP is being assisted in managing the day to day affairs of the Company by the existing erstwhile management team of the Company and Insolvency Professional Entity team of BDO Restructuring Advisory LLP.

The resolution plan submitted by the successful resolution applicant was approved by Hon'ble NCLT vide its order dated March 27, 2019. In terms of the approved resolution plan, the management of the affairs of the Company has been vested with the RP/ ERP until the date of transfer of control of the Company to the successful resolution applicant/ proposed investors. As on the date of finalization of the financials and Annual Report for the financial year 2017-18, the ERP is managing the Company and the successful resolution applicant is in the process to begin the implementation of the approved resolution plan and accordingly, to take over management and control of the Company from the RP/ ERP.

FINANCIAL RESULTS

Performance of the Company, on standalone basis, for the financial year ended March 31, 2018 is as summarized below:

(Rs. in Crores)

Particulars	**Financial Year Ended 31st March 2018**	**Financial Year Ended 31st March 2017**
Income from Operations	255.98	855.90
Profit before Interest and Depreciation	(3129.57)	(589.91)
Financial Cost	1010.01	842.08
Depreciation and Amortization (Net)	27.08	50.79
Profit / (Loss) before tax	(4166.66)	(1482.78)
Tax Expenses	(0.00)	(0.04)
Profit/(Loss) after tax	(4166.66)	(1482.74)

Note:

1. The above figures are extracted from the audited Standalone Financial Statements as per Indian Accounting Standards **("Ind AS")**. For the purpose of transaction to Ind AS, the Company has followed the guidance as prescribed in Ind AS 101 - Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.
2. The Financial Results 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 was 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 supporting 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 without any prejudice, confirmation, verification of their correctness but by placing good faith on Company's management compiling and certifying the said financial statements of the Branches.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs **("MCA")**, vide its notification in the official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) according to which, certain class of companies, which, inter alia, included all listed companies whose accounting period begins on or after April 1, 2016, are required to comply with Ind AS. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("**Act**"), read with Rule 7 of the Companies (Accounts) Rules, 2014. For the Company, Ind AS is applicable form April 1, 2016, with a transition date of April 1, 2015 and IGAAP as the previous GAAP.

Accordingly, Standalone and Consolidated Financial Statements of the Company for the Financial Year 2017-18 have been prepared as per the IND AS.

The following are the area which had an impact on account of transition to Ind AS:

Business combinations including recording of intangibles and deferred taxes and accounting for common control transactions.

- Fair Valuation of certain financial instruments
- Employee costs pertaining to defined benefit obligations
- Discounting of certain long-term liabilities
- Share-based payments

The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in the notes of accounts in the standalone and consolidated financial statements.

PERFORMANCE HIGHLIGHTS

At standalone level, the gross revenue from operations stood at Rs. 255.98 Crores during FY 2017-18, as compared to Rs. 855.90 Crores in the previous year. The operating loss before tax stood at Rs.3129.57 Crores during FY 2017-18, as compared to operating loss before tax of Rs.589.91 Crores in the previous year. The net loss for the FY 2017-18 stood at Rs.4166.66 Crores, as compared to net loss of Rs.1482.74 Crores in the previous year.

During the year under review, the Company experienced various challenges including tight liquidity in execution of the projects and initiation of CIRP against the Company by the secured financial creditor. The Company took necessary and rigorous steps to the best of its ability and available means of finance for closing projects which impacted the margins due to cost associated with project closure.

TRANSFER TO RESERVES

In view of losses incurred by the Company during the financial year, no amount has been transferred to the General Reserve.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF YOUR COMPANY

There has been no change in the business of the Company. However, this is to bring to your notice as stated above that State Bank of India in June 2017 preferred an application for commencement of CIRP of the Company before Hon'ble NCLT, which through its order dated July 4, 2017 ordered initiation of CIRP of the Company and Ms. Vandana Garg was appointed as the IRP for the Company. The appointment of Ms. Vandana Garg was confirmed/ approved as the RP of the Company by the Committee of Creditors **("CoC")** w.e.f. August 12, 2017. Subsequently, the CIRP period of the Company was extended by a further period of 90 (ninety) days beyond the initial 180 (one hundred and eighty) days by Hon'ble NCLT vide its order dated December 22, 2017.

In terms of Section 30 of the Code, the resolution applicant had submitted a resolution plan for the Company on March 25, 2018. Subsequently, the CoC approved the Resolution Plan, and the RP filed an application before Hon'ble NCLT on April 06, 2018 seeking approval of the Resolution Plan as submitted by the Resolution Applicant and approved by the CoC. Hon'ble NCLT by its order pronounced on July 25, 2018 rejected the application filed by the RP for approval of the Resolution Plan proposed for the Company. Thereafter, the said impugned order rejecting the application filed by the RP was appealed before Hon'ble National Company Law Appellate Tribunal **("Hon'ble NCLAT")**, New Delhi by the Resolution Applicant, the employees of Company and a group of Financial Creditors by way of separate applications. Hon'ble NCLAT pursuant to its order dated August 20, 2018, stayed the passing of liquidation order by Hon'ble NCLT, Mumbai bench until further orders by Hon'ble NCLAT in this matter and directed the RP to continue running the Company as a going concern.

Subsequently, Hon'ble NCLAT, by its Order dated March 19, 2019 remanded the matter back to Hon'ble NCLT to approve the resolution plan as submitted by the Resolution Applicant on March 25, 2018, with some modifications. Pursuant to Section 31 of the Code, Hon'ble NCLT has by its Order dated March 27, 2019 ("**Plan Approval Orde**r") approved the Resolution Plan submitted by the resolution applicant.

In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

During the financial year under consideration, the RP has filed following applications with Hon'ble NCLT:

Sr. No.	Particulars	Date of filing	Status as on date
1.	Application under Section 66 for fraudulent transaction filed by the RP against the suspended director.	March 14, 2018	Pending
2	Application under Section 19 for seeking directions against non-co-operating personnel.	November 26, 2018	Pending
3.	Application for approval of Resolution Plan Application.	April 2, 2018	Approved on March 27, 2019

DIVIDEND

The Company being under CIRP and in view of losses incurred during the period under review, the RP does not recommend any dividend on the equity shares for the financial year ended March 31, 2018.

SHARE CAPITAL AND LISTING OF SHARES

During the year under review, the authorized share capital of the Company as on March 31, 2018 was Rs.85,00,00,000/- (Rupees Eighty Five Crores only) divided into 30,00,00,000 (Thirty Crores) numbers of equity shares of Rs. 2/- (Rupees Two) each and 25,00,000 (Twenty Five Lacs) numbers of preference shares of Rs.100/- (Rupees One Hundred) each. The authorised capital structure remained unchanged during the financial year under review.

The paid-up Share Capital of the Company as on March 31, 2018 was Rs.46,90,55,420/- (Rupees Forty Six Crores Ninety Lacs Fifty Five Thousand Four Hundred and Twenty only) and remained unchanged during the financial year under review.

The equity shares of the Company are listed and traded in compulsory dematerialized form on the Bombay Stock Exchange **("BSE")** Limited and the National Stock Exchange **("NSE")** of India Limited. Your Company has delayed in payment of annual listing fees to the Stock Exchanges for FY 2017-18.

Ms. Sanjeevlata Samdani, Company Secretary of JSL resigned from her post vide resignation letter dated May 18, 2018, without serving notice period, with no handover of work/ details/ relevant passwords and documents. Due to no handover of documents and other relevant details, the RP refused to accept her resignation. During her tenure, the Company defaulted in filing of financial results under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI LODR")** for quarter ended September

2017 and December 2017. The Company also defaulted in filing of Corporate Governance Report for quarter ended March 2018 and June 2018. The Company also defaulted in convening Annual General Meeting to adopt financial statements for financial year ended March 31, 2017.

Due to irregularities in payment to the intermediaries like Depositories and Transfer Agents, the Company was unable to file the shareholding pattern with the Stock Exchanges on the due dates as Depositories declined to provide the required information.

Later BSE vide its letter dated April 17, 2018 Ref. No. LIST/COMP/Reg.33 Sep-17 & Dec-17/513250/8/2018-19 and NSE vide its letter dated August 17, 2018 Ref. No. NSE/LIST/57616 had moved the Company to "Z" category with effect from April 2, 2018 and August 17, 2018 respectively.

The RP and her team made stringent efforts to re-appoint Company Secretary to ensure compliances, but their efforts were futile as no one exhibited any interest to join considering stressed situation of the Company.

SUBSIDIARY COMPANIES

We understand that as per Section 129 of the Act if the Company has any subsidiary(ies) and associate company(ies), the Company along with its Standalone Financial Statements is required to provide Audited Consolidated Financial statements to its shareholders in the Annual General Meeting.

Considering the above, the RP makes following disclosure for records of members and other stakeholders.

Section 18 of the Code, provides that the IRP/ RP shall perform the following duties, namely: -

(a) collect all information relating to the assets, finances and operations of the corporate debtor for determining the financial position of the corporate debtor, including information relating to -

  (i) business operations for the previous two years;

  (ii) financial and operational payments for the previous two years;

  (iii) list of assets and liabilities as on the initiation date; and

  (iv) such other matters as may be specified;

(b) receive and collate all the claims submitted by creditors to RP, pursuant to the public announcement made under sections 13 and 15;

(c) constitute a committee of creditors;

(d) monitor the assets of the corporate debtor and manage its operations until a RP is appointed by the committee of creditors;

(e) file information collected with the information utility, if necessary; and

(f) take control and custody of any asset over which the corporate debtor has ownership rights as recorded in the balance sheet of the corporate debtor, or with information utility or the depository of securities or any other registry that records the ownership of assets including -

  (i) assets over which the corporate debtor has ownership rights which may be located in a foreign country;

  (ii) assets that may or may not be in possession of the corporate debtor;

  (iii) tangible assets, whether movable or immovable;

  (iv) intangible assets including intellectual property;

  (v) securities including shares held in any subsidiary of the corporate debtor, financial instruments, insurance policies;

  (vi) assets subject to the determination of ownership by a court or authority;

(g) to perform such other duties as may be specified by the Board.

Explanation. – For the purposes of this section, the term “assets” shall not include the following, namely: -

(a) assets owned by a third party in possession of the corporate debtor held under trust or under contractual arrangements including bailment;

(b) ***assets of any Indian or foreign subsidiary of the corporate debtor; and***

(c) such other assets as may be notified by the Central Government in consultation with any financial sector regulator.

As per the Code the management of the affairs of the Company has been vested in the RP, and not the management or operations of the Indian or foreign subsidiaries of the Company. However, the RP made multiple attempts to obtain from the Directors or erstwhile Management of Company’s subsidiaries and associate companies their respective audited financial results for consolidation purposes.

After all the persistent efforts, financial statements of few subsidiaries were made available and as a result the consolidated financial statements includes audited financials of only one subsidiary and unaudited financials of three 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 subsidiaries has not been done in the absence of appropriate information. In the absence of documentary supporting of the transactions, the subsidiary accounts are incorporated in the financial statements based on the transactions available in the books of the subsidiaries maintained in the accounting package of the respective subsidiaries. While facilitating the collection and dissemination of the said information, the RP has relied upon and assumed the accuracy /veracity of information provided without confirmation or verification of their correctness, by placing good faith on Company’s/ subsidiary companies’ management compiling and providing the said financial statements of the subsidiaries.

In compliance with applicable provisions of the Act, a statement containing the salient features of the financial statements of the subsidiaries/ associates /joint ventures companies is provided in Form AOC-1 for the year ended March 31, 2018, is annexed and forms part of this Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents are available on the website of the Company http://jyotistructures.in/investor.html

The audited consolidated financial statements prepared in accordance with the prescribed accounting standards, form part of this Annual Report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review Mr. Kalpesh Kikani resigned from the post of Director w.e.f. June 23, 2017.

The Company had defaulted in meeting its obligation like payment of statutory dues taxes, repayment of deposits and redemption of debentures including interest thereon. The Company had defaulted for repayment of deposits and interest thereon with effect from June 27, 2016 for a continuous period of more than 1 (one) year i.e. up to June 26, 2017. Consequently, as per the provisions of section 164(2)(b) of the Act all the Directors of the Company were disqualified with effect from June 27, 2017.

The powers of the Board of Directors were suspended by virtue of Hon’ble NCLT, Mumbai Order dated July 4, 2017. As per section 17 of the Code from the date of appointment of the IRP, the management of affairs and powers of the Board of Directors of the Company were suspended and stood vested in the IRP/RP. The appointment of Ms. Vandana Garg was approved as the RP of the Company by the Committee of Creditors with effect from August 12, 2017.

In accordance with the Approved Resolution Plan approved by Hon’ble NCLT, Mr. Rajendra Prasad Singh was appointed as Additional Director (Non-executive Independent) with effect from August 21, 2019 as one of the nominees of the successful Resolution Applicant.

The RP recommends appointment of Mr. Rajendra Prasad Singh as Non-executive Independent Director of the Company in the 43rd Annual General Meeting of the shareholders of the Company. Brief profile of Mr. R. P. Singh forms part of this Report on Corporate Governance.

The appointment of Mr. Anil Mishra as Interim Chief Financial Officer was approved by the Committee of Creditors with effect from August 12, 2017.

Resignation of Ms. Sanjeevlata Samdani as Company Secretary of the Company was accepted with effect from October 3, 2019 in Board Meeting held on December 16, 2019.

Appointment of Ms. Sonali Gaikwad as Company Secretary and Compliance Officer was confirmed by the Board in its meeting held on December 16, 2019.

BOARD EVALUATION

Since the powers of the Board of Directors has been suspended with effect from July 4, 2017 pursuant to Hon'ble NCLT Order dated July 4, 2017, evaluation of Board has not taken place during the year under review.

MEETINGS

Four meetings of the Board of Directors were held on May 30, 2017, August 29, 2017, December 27, 2017 and March 28, 2018 during the year under review.

The intervening gap between the Meetings was within the period prescribed under the Act and SEBI LODR.

COMMITTEES OF THE BOARD

Prior to the initiation of CIRP and suspension of the Board w.e.f. July 4, 2017, the Board has constituted various committees to enable better management of the affairs of the Company, with terms of reference in line with provisions of Act and SEBI LODR Regulations.

Post the suspension of powers of the Board w.e.f. July 4, 2017, the powers of the various committees have also been suspended w.e.f. July 4, 2017 the same date.

The details of the committees along with their composition, number of meetings, terms of reference and attendance of members at the meetings are given in detail in the Corporate Governance Report which forms part of this Annual Report.

REMUNERATION POLICY

The Company has a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and other employees. The policy also lays down criteria for selection and appointment of Board Members.

The details of this policy are given in the Corporate Governance Report which forms part of this Annual Report.

However, the Company has not paid any remuneration to any Directors but made provision for the same during the financial year under consideration.

CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135 of the Act, the Company had constituted the Corporate Social Responsibility Committee **("CSR Committee")** to formulate, implement and monitor the CSR Policy of the Company Post the suspension of powers of the Board w.e.f. July 4, 2017 the powers of CSR Committee were also suspended.

However, please take a note that as the Company does not have average net profits for the three years immediately preceding financial years, the Company was not required to make any expenditure on CSR activities during financial year 2017-18 as specified under Section 135(5) of the Act.

The Annual Report on CSR containing the particulars specified in the Annexure I to the Companies (CSR Policy) rules 2014 is annexed and forms part of this Report.

The Company's Policy on CSR is available on the Company's website www.jyotistructures.in.

RISK MANAGEMENT

Post the suspension of powers of the Board w.e.f. July 4, 2017, the Company has not constituted a Risk Management Committee as required under regulation 21 of SEBI LODR.

The RP did not find Enterprise Risk Management framework across the organization.

The Company runs the risk of breakdown of supplies, higher prices and interest charged by various parties due to severe financial constraints and no negotiation capability. If this trend is continued going forward, sustainability of operations cannot be ensured in long run on concentrated supply levels. The procurement policy and decisions pertaining to such matters needs to be revisited to mitigate the risk of over dependency on few vendors/suppliers etc.

The RP has observed various lapses in proper risk assessment and risk mitigation across departments/functions. For example, the vendor/tax/debtors reconciliation statements were not maintained or monitored in order to de-risk duplication, excess bookings etc. Therefore, claims accepted might be subject to change based on actuals.

RELATED PARTY TRANSACTIONS

There were no material related party transactions during the CIRP hence, no disclosure is made in respect of related party transactions. Related party transactions during April 1, 2017 to July 4, 2017 are reported in financial statements of the Company.

The Company's policy on related party transaction which is available on the Company's website www.jyotistructures.in.

AUDITORS

Statutory Auditors

Pursuant to the provisions of the Section 139 of the Act and the Rules made thereunder M/s MKPS & Associates, Chartered Accountants, the present Auditors of the Company will be completing their term as Statutory Auditors of the Company at the Conclusion of ensuing 43rd Annual General Meeting.

The Board recommends the appointment of M/s MKPS & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of 2 (Two) year for the financial year 2018-19 & 2019-20. The appointment and remuneration of Statutory Auditor has been duly approved by the lenders. Accordingly, a resolution seeking shareholders' approval for the aforesaid appointment is included in the notice convening the Annual General Meeting.

Management Comment on auditor qualifications to be provided:

I. **Audit qualification(s) where impact is quantified by the Auditor and Management**

- The percentage of vouchers / records available with the 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 standalone financial statements.

  Management's Comment:

  RP has provided all the supporting documents with respect to post-CIRP period. As far as pre-CIRP supporting documents are concerned, Company's erstwhile management was responsible to maintain proper records and therefore, the available data/supporting have been provided to auditor for verification.

- 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 crystalized or contingent.

  Management's Comment:

  Despite various follow ups for the subsidiary, associates and joint ventures data from respective authorised representatives of these entities, the RP could not received records/details some of these entities and, therefore, the same could not be made available. However wherever possible audited financials of subsidiaries have been provided to the auditor and for rest of the cases management certified copy has been arranged with authorisation from the Senior executive vice president of Accounts and Taxation of the company.

- 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 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 standalone financial statements.

  Management's Comment:

  In the absence of availability of module wise database of SAP ERP System and full control of the same for the period prior to July 4, 2017 these details could not be made available for the period prior to July 4, 2017 by RP, however post that all the details have been duly shared with the auditors. RP has filed Complaint at Hon'ble NCLT, Mumbai against Mr. Joseph Selvin (IT head of JSL); for his non - cooperation with RP to conduct her roles and responsibility.

- 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.

  Management's Comment;

  The RP possess all the necessary supporting/documents with respect to transactions entered in the books of accounts post July 4, 2017. RP has deployed Mr. Vilas Dalvi to share the salary provision details with the accounting team. However, the RP does not possess all the details/documents with respect to pre-CIRP period transactions as well as opening balance related transactions and also HR module database could not be extracted from SAP system.RP has filed Complaint at Hon'ble NCLT, Mumbai against Joseph Selvin (IT head of JSL); for his non - cooperation with RP to conduct her roles and responsibilities.

  RP has provided all the details with respect to HR and employee cost pertaing to FY 17-18 to the extent available. In the absence of HR module of SAP system as well as factory/plant wise data of employees, entries expenses has been recorded based on maximum available information. RP has also appointed external consultant Mr. Vilas Dalvi for reconciliation of employee related data of JSL. Additionally, RP has also filed complaint under IBC provision at Hon'ble NCLT, Mumbai against Joseph Selvin (IT head of JSL); for his non - cooperation with RP to conduct her roles and provide necessary information/data.

- 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 financial statements.

  Management's Comment:

  The RP does not possess all the details/documents with respect to pre-CIRP period transactions as well as opening balances of assets and liabilities. Fixed Asset module could not be extracted from SAP system. RP has filed Complaint at Hon'ble NCLT, Mumbai against Joseph Selvin (IT head of JSL); for his non - cooperation with RP to conduct her roles and responsibilities.

- 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.

  Management's Comment:

  The Company had been recording in the past differential of finance cost by lenders vis-à-vis the sanctioned charges and showing them recoverable from the lenders. However, the RP has reconciled the difference and accepted the claims made by the lenders in the course of CIRP. Hence, no differential amount could be claimed by the Company. Expenses aggregating to Rs. 4,424 Lacs pertaining foreign branches which was charged as an expenses as historical practise been followed.

- 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 standalone financial statements.

  The company has been regularly in 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 have been made against the same.

  Further, in respect of periodic returns of GST to be filed, the 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.

  In respect of balances available with statutory authorities and input credits aggregating 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.

  Management's Comment:

  All the reconciliation between books vis-à-vis statutory returns/ liabilities are under process. On account of CIRP proceedings, insufficient data availability due to lack of cooperation of respective department head of the Company and due to insufficient funds some of the statutory liabilities has not been discharged. Proper effect of the same would be given when the reconciliation/ assessment of statutory liabilities will happen.

- 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 financial statements. 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 work in progress.

  No detailed working 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);

  During the year, the company has not provided 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.

  Management's Comment:

  Inadequate working capital has put considerable financial pressure on the Company and in particular, on the cash flows delaying commissioning of most of the projects being executed by the Company. The Company has made a total provision of Rs.1,700 Lacs (including Rs.100 Lacs during the year) for estimated losses upto March 31, 2018 in few projects on completion of these contracts. With the support of lenders and customers, the Company has been managing to execute the projects and the management is reasonably confident that the situation will improve with implementation of resolution plan and hence the management is of the opinion that the said provision is adequate.

- 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;

  Management's Comment;

  Interest on MSME creditors has been provided as per MSME Act and based on limited informations/details made available by erstwhile management of the Company. RP was neither able to identify accuracy of MSME creditors nor any communication with all the vendors in the absence of point of contact of respective vendors and therefore, interest provision on MSME creditors has been made on adhoc basis based on limited available Information

- The company had given loans and advances to related parties including subsidiaries and joint ventures against which the aggregate amount receivable as on March 31, 2018 amounted to Rs. 344 Lacs. 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 Lacs made against such advances.

  Management's Comment:

  Based on the best estimates and judgments, the RP has provided for loans and advances to related parties to the extent Rs.302 Lacs. Reconciliation between loans and advances to related parties is in process and therefore, based on actual position further provision will be made in subsequent periods, if required.

- 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. 1647.77 Lacs; Advances to Related parties of Rs. 302.35 Lacs 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 April 1, 2017, the amount has slightly reduced from Rs. 52.42 Crore as on April 1, 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;

  Management's Comment:

  Based on the best estimates and judgments, the RP has made relevant provisions. As far as opening balances are concerned, the RP has sought details from previous auditor as well but no revert from the erstwhile auditor, hence the RP has continued to carry forward the same in books of accounts and relying on the audited statements in the absence of further details/informations for the same.

- 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.

  Management's Comment:

  It pertains to CIRP period and hence, all the decisions have been taken by the erstwhile management and all the information/details are not shared with the RP.

- 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. 1647.77 Lacs for the year and carrying amount of investments as at March 31, 2018.

Management's Comment:

Based on the best estimates and judgments and information made available about the entities wherein investments were made, the RP has made relevant provisions.

- Inventories as on March 31, 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.

  Management's Comment:

  Due to non payment to vendors, employees, premises owner and unsatisfactory project progress, access to the RP and auditor for physical verification was not allowed by the parties.

- 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.

  Management's Comment:

  Based on the best estimates and judgments and discussion with the erstwhie management on these long outstanding receivables, the RP has made relevant provisions after assessing the probability of recovery, risk assessment etc. of each customer/client/debtor. Further RP has decided to provide for based on reconciliation with the customer in future date.

- 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.

  Management's Comment:

  RP has requested to JSL branches/subsidiaries to provide the details/information, contracts/agreements. However, the same could not be received as there are no employees available due to non payment of their dues and hence the said informaiton/details were made availale to the extent available.

II. **Audit qualification(s) where impact is not quantified by the Auditor and Management**

- The management has prepared these Standalone Financial Statements on a going concern basis in spite of following facts and circumstances:

  a) The company has reported loss after tax of INR 416,651 Lacs during the year and its net liabilities exceeds net assets by INR 555,037 Lacs;

  b) The net-worth of the company has been fully eroded and is INR (-) 557,228 Lacs as at March 31, 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) Legal proceedings are pending before various Judicial Authorities seeking claims / compensations;

  e) 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 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 balance sheet. The Hon'ble NCLT pursuant to application filed under

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 fulfillment of conditions precedent as per the plan. Accordingly, the financial statements 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 statements, which have been further in the standalone financial statements. Due to these conditions at the date of this report, we are unable to ascertain the impacts of the same on the standalone financial statements.

Management's Comment:

Hon'ble NCLAT, New Delhi have vide the Order dt. August 20, 2018 directed the RP to keep the Company as a going concern. Accordingly, these financial statements have been prepared for the Company as a going concern so that to give true and fair view of the financial position, financial performance and cash flows in accordance with the requirements of the Act and recognized accounting policies and practices generally accepted in India, including the applicable accounting standards and for making accurate representations to you to the extent of best of our efforts.

- During the year, upto December 2017 the company was using SAP and thereafter due to non-availability of access and other factors, the 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 company.

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

  Management's Comment:

  In the absence of availability of SAP ERP System, its architectural diagram, master access code etc., the Company has extracted best possible data from the SAP ERP System and converted them into Tally ERP system. The Company also possesses the relevant copies and extracted data of SAP ERP System which is also reconciling with the Tally ERP System. Due to the above limitations, certain modules as indicated could not be accessed and it was not possible to have migration/ system audit conducted. RP has filed Complaint at Hon'ble NCLT, Mumbai against Mr. Joseph Selvin (IT head of JSL); for his non - cooperation with RP to conduct her roles and responsibility.

- The approvals, process notes, authorizations 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 transactions / balances for and as on the period from April 1, 2017 to July 4, 2017.

  Management's Comment:

  RP has approved the transactions entered post July 4, 2017 in terms of Office Memorandum (OM). However, prior to July 4, 2017 the erstwhile management of the Company was responsible to keep records and maintain the relevant information/details etc. However, RP has provided all the necessary information/details to the extent available.

- The Company has not appointed Internal Auditors as required by Section 138 of the Companies Act 2013;

  Management's Comment:

  KPMG was appointed by the lenders to approve/authorise all the cashflow of the Company, also the various maker and checker concept has been adopted by the Company. Although the in-house internal audit was in place in the Company, the Company the appointment of external internal auditor however he has not shared the report with RP.

- Consolidated financial statements of the company have not been prepared as required under section 129 of the Companies Act, 2013;

Management's Comment:

Consolidated financial statements of the company required under section 129 of the Companies Act, 2013 have been prepared, approved, placed in the subsequent board meeting and audit of the same has also been duly completed.

- 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 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;

  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.

  There have been default in conduct of general meeting in a timely manner.

  Management's Comment:

  Since DSC of the directors were suspended due to non payment of public deposits, the RP could not file various forms with ROC.

- The company 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 LODR.

  Management's Comment:

  Historically, company has not been giving the geographical segment wise reporting hence these details were not available with RP hence not provided.

- As at the year end, the company has granted advances / loans / ICD to parties (including related parties) for which the required documents providing the detailed terms and conditions are not available due to which we are unable to comment on the recoverability of such loans / advances

  Management's Comment:

  In the absence of due co-operation from employees and erstwhile management of the Company, insufficient records/database of the Company, the RP has provided available information to the auditor and also made the best effort to get the information from the previous statutory auditor of the Company.

- The company has accrued interest, rental and other income in respect of loans and advances given to and other transaction with related parties from whom no amounts have been recovered either on account of interest or principal. In the absence of the details being available, we are unable to comment on the amount of income accrued and the realization thereof.

  The basis / premise for determining the amount at which the transactions are being entered into with related parties till the period July 4, 2017 are not available and hence we are unable to comment on the reasonableness / genuineness of the same and the corresponding compliances of the Act in respect thereto.

  Management's Comment:

  In absence of due co-operation from employees and erstwhile management of the company, insufficient records/database of the Company, the RP has provided available information to the auditor and also made the best effort to get the information from the previous statutory auditor of the Company.

- Standalone financial statements 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 March 31, 2018 in respect of 2 branches have not been considered in these standalone financial statements.

The same 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.

Management's Comment:

All the foreign branches are managed by the overseas based employees of the Company. The RP has made all the efforts to arrange for the relevant information/details of branch accounts. The RP has made available all the details received from the overseas employees and accounts and taxations head of the Company. However, supporting documents could not be received. In future, if details are received, the effect of the same would be incorporated in the books of accounts suitably.

- We understand that the 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 standalone financial statements of the company.

  Management's Comment:

  Forensic auditor has been appointed independently by the lenders of the Company, hence the forensic report would not be shared with the RP and the Company, hence the RP could not provide the forensic report to auditors for their opinion and verification.

- 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 financial statements arising out of such pending confirmations / reconciliation.

  Management's Comment:

  RP has already approached all the banks/financial institutions for statements/confirmations. All the available statements/confirmations which have been received from the banks/ financial institutions, were shared with the auditors. Due to delayed response of few lenders, some of the statements/ confirmations could not be made available to the auditors.

- 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.

  Management's Comment:

  The RP has already approached all the banks/financial institutions for statements/confirmations shared with the auditor all the available statements/confirmations which has received from the banks/financials institution.

- The internal controls in the company 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 Act;

  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 deficiency having regard to the fact that sufficient details for the same also are not available manually;

  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.

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;

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.

As per the details of fixed assets provided to us, in excel sheets, the carrying amount as on March 31, 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.

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 Act 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.

The details of movement in fixed assets are not available in respect of the assets added, sold / discarded / transferred etc.

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 we are unable to comment on the existence, title and carrying amount of such investments.

Management’s Comment:

In the absence of due co-operation from employees and erstwhile management of the Company, insufficient records/database of the Company, the RP has provided all the available information to the auditor and also made the best effort to get the information from the previous statutory auditor of the Company. Severe crisis of fund constrained the RP to make any improvement in control and monitoring mechanism. However, the RP has been trying her best in keeping control and monitoring the affairs of the Company during CIRP through her team. But, vast spread of Company’s projects across India and overseas make it difficult to control and monitor all aspects.

- 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.

  Management's Comment

  The confirmation letters or communication efforts were made during the year to obtain confirmations from various parties. However, these could not be received from any debtor(s). The RP has also sought balance confirmation from the parties, but could not receive their confirmation. The RP has also provided contact details to the statutory auditors and requested them to get independent balance confirmation, if they deem fit so.

- 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.

  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 RP 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 standalone financial statements.

  Management's Comment:

  The financial statements and other operating details in respect of these subsidiary/associate companies are not made available to the Resolution Professional by their management despite the rigorous efforts by the RP to get the same. Based on the prudence, the RP has taken best judgement and provided the accounting effect in the books. The claim in relation to corporate guarantee to the extent not admitted is on account of such claim arising/ invoked after the insolvency commencement date, i.e., July 4, 2017 and the correctness of the treatment has been confirmed by the legal counsel based on various settled judgements. In future, post the reconciliations of due and recovery the effect of the same would be incorporated in the books of accounts suitably as and when it gets completed/assessed.

- 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 financial statements, if any is not presently ascertainable.

  Management's Comment:

  Debtors, creditors reconciliation between books vis-à-vis statutory returns/liabilities are under progress and due to limited data availability, lack of manpower & non-cooperation, they have made provisions based on the best estimate and judgement. Hence, provisions or recovery may vary in actual on completion of reconciliation and the effect of the same would be incorporated in the books of accounts suitably as and when it gets completed/assessed.

- 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 this as at March 31, 2018.

  Management's Comment:

  The RP has provided information to the statutory auditors in this regard whatever was made available by Company's erstwhile management. Due to non availability of details of premium payable, the same could not quantified and hence no provision was made in the books of accounts.

- 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.

  Management's Comment:

  The RP has already approached all the banks/ financial institutions for statements/ confirmations. However, due to delayed response from banks/ financial institutions few of the statements/ confirmations could not be made available.

- 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 financial statements cannot be ascertained.

  Management's Comment:

  Since the RP was unable to complete the assessment of contractual obligations, impact on receivables, revenues, bank guarantee etc due to varied reasons such as limited access to proper documents, non-cooperation, unavailability of adequate vendor reconciliations, the impact of such open items & definite assessment could not be finally ascertained and the effect of the same would be incorporated in the books of accounts suitably as and when it gets completed/ assessed.

- 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.

  Management's Comment:

  The necessary impact could be ascertained only when project completion/ closure activities/ arbitrational and legal orders from the appropriate authority/ debtor reconciliation would take place. Hence, the effect of the same would be incorporated in the books of accounts suitably as and when it gets completed/ assessed.

- 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 standalone financial statements.

  Management's Comment:

  Based on the financial and operational claims received by Resolution Professional in response to the Public Announcement made in July 2017 as per the provisions of IBC Code, RP has given effect of such claims in the books of accounts after reconciliation of books and the amount claimed. However, in the absence of the information with regards to the prior period expenses, nature of expenses, income tax credit available, nature of vendor, statutory deductions etc. the same has been accounted for on adhoc basis as expenses for the year without considering the headwise effect. Hence, the effect of the same would be incorporated in the books of accounts suitably on availability of details as and when the same is made available and reconciliation is done.

Cost Auditors

The Company has appointed Mr. Narhar K. Nimkar, Cost Accountant, as the Cost Auditor to audit the cost accounts of the Company for the financial year 2017-18. As required under the Act, the remuneration payable to the Cost Auditor is decided by the Board. Cost audit report is not received from Cost auditor for the financial year 2017-18.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the members at the general meeting for their approval. Accordingly, a resolution seeking member's ratification for the remuneration payable to Mr. Narhar K. Nimkar, Cost Accountant is included in the notice convening the Annual General Meeting.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M. S. Kayamkhani & Associates as the Secretarial Auditor of the Company for the year ended March 31, 2018. Report of Secretarial Auditor is annexed and forms part of this Report as Annexure II.

As per the report of Secretarial Auditor, the company defaulted in filing of various compliances under Regulations of SEBI LODR and Act. The RP would like to state that these non-compliances were due to non-cooperation of Company Secretary and Compliance Officer of the Company.

Branch Auditors

In terms of the provision of sub-section (8) of Section 143 of the Act read with Rule 12 of the Companies (Audit and Auditors) Rules, 2014, the audit of the accounts of the branch offices of the Company located outside India is required to be conducted by the person(s) or firm(s) qualified to act as Branch Auditors in accordance with laws of that country. Approval of the members is sought in the ensuing Annual General Meeting to authorize the Board of Directors/ Audit Committee to appoint Branch Auditors in consultation with the Statutory Auditors for the branch offices of the Company and also to fix their remuneration.

The RP has not verified the documents of branches due to its maintenance in foreign location and non-availability of adequate staff.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in form MGT 9, as required under Section 92 of the Act, is annexed and forms part of this Report as Annexure III.

FIXED DEPOSITS

During the year, the Company has not accepted any new fixed deposits.

Due to financial constraints, the Company was unable to repay the fixed deposits and interest thereon on due dates since April 2016.

Further, pursuant to public announcement issued by the IRP/ RP calling upon the stakeholders for submission of their claims along with proof, fixed deposit holders filed a consolidated claim with the IRP/RP and the same has been admitted by the IRP/RP after due verification. Now, the payment/ repayment of the accepted claim of the fixed deposit holders shall be done in accordance with the relevant provisions of the Approved Resolution Plan during its implementation period.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees or investments covered under the provisions of Section 186 of the Act are given in notes to the standalone financial statements forming part of the Annual Report.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to provisions of the Act, dividends which remain unclaimed/ unpaid over a period of seven years are required to be transferred by the Company to the IEPF constituted by the Central Government.

During the year under review, the Company has not credited unclaimed/unpaid amount to the IEPF pursuant to applicable provisions of the Act and also not transferred equity shares of Rs.2/- each, to the credit of IEPF Authority, in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more.

The Company could not upload the details of unpaid and unclaimed amounts of dividend, debentures and interest thereon, lying with the Company as on February 27, 2019 (date of last Annual General Meeting) on the website of the Company www.jyotistructures.in, as also on the website of IEPF Authority (www.iepf.gov.in), due to inactive website of the Company and to MCA portal due to non-availability of DSC of authorized signatory.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 of the Act and Rule 5(1) of Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 is annexed and forms part of this Report as Annexure IV.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements (to the extent possible, instances of non-compliances as pointed in the secretarial audit report) under the Act and as stipulated under the SEBI LODR. Management's Discussion and Analysis, Corporate Governance Report, together with Auditors' Certificate on compliance with the conditions of Corporate Governance as laid down are enclosed, which form part of this Annual Report.

INTERNAL CONTROL SYSTEM

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis, which forms part of this Report.

The auditors of the Company have issued a qualified audit opinion on the internal controls over financial reporting for the year ending March 31, 2017 and March 31, 2016 stating that the Company does not have a full-fledged ERP system to manage different operational activities and many of the operations require manual intervention highlighting the need to strengthen internal controls.

Following gaps are observed in the internal control system of the Company:

- The Company does not have consistent practices to record interest levied on delays from time to time for vendors. The interest is considered based on management approval on a case to case basis. As a result of non-standardization of terms on interest clause, while evaluating claims, the RP had to accept interest at various rates appearing on the invoices of vendors and suppliers.
- The Company had contravened the provisions of Section 203 of the Act by not appointing a Chief Financial Officer **("CFO").** Non-appointment of CFO had resulted into weak internal and financial control at management level.
- Improper consolidation and missing checks and balances in finalization of financial statements of domestic and international operations.
- Incompetent accounting staff have been maintaining accounts with primitive methods and limited knowledge resulting in un-informed/ ill-informed decisions at management level.
- Underutilization of SAP ERP and manual accounting interventions are leading to further in-efficiencies.
- Non-standardization, non-uniform approach/policy while biding for contracts has resulted in innovation of clauses calling for more liabilities.
- Reconciliations are not done with actual proofs of branch/ subsidiary records/books of accounts and its reconciliations resulting in lack of effective control at overseas branches/ subsidiaries.
- Lack of proper authorization.
- Inadequate documentation.
- No separate duties for authorization, custody, record keeping.
- No independent checks on performance.
- Lack of clear lines of authority.
- Inadequate training program for employees.
- No proper risk assessment and risk mitigation policy and plan.

CODE OF CONDUCT

The Company has a code of conduct for Board Members and Senior Management Personnel and vigil mechanism ('Whistle Blower Policy')

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place Policy on Prevention of Sexual Harassment in line with the requirements of 'The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013'. The Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year, no complaints were reported.

OCCUPATIONAL HEALTH & SAFETY AND ENVIRONMENTAL POLICY

For your Company safety, health and well-being of its employees and people working for it is of utmost importance. Your Company strives to take care of environment and for sustainable business development continues to develop and implement environmental management system to measure, control and reduce the environmental impact. Company's operations are in compliance with all applicable regulations.

EMPLOYEES STOCK OPTION SCHEME

No stock options were granted during the year under Employees Stock Option Scheme.

TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY & FOREIGN EXCHANGE EARNINGS & OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed and forms part of this Report as Annexure V.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134 (3) (c) of the Act, RP confirms that:

i applicable Accounting Standards have been followed in the preparation of annual accounts for the year ended March 31, 2018 and that there are no material departures;

ii such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2018 and of the loss of your Company for the year ended on that date;

iii to the extent possible proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

iv the annual accounts have been prepared on a going concern basis;

v when the RP took over there were no internal financial controls followed by the Company;

vi when the RP took over there were no proper systems to ensure compliance with the provisions of all applicable laws.

ACKNOWLEDGEMENTS

The RP wishes to place on record her appreciation for the sincere services rendered by some employees of the Company, process advisors, support agencies and legal advisors of the RP. The RP also wishes to place on record her appreciation for the valuable co-operation and support received from the authorities of Government of India, various state governments, the Banks/ financial institutions and other stakeholders such as, shareholders, customers and suppliers, among others. The RP looks forward to their continued support in future. The RP has signed the annual report without any liability for administrative purpose only.

This report is issued subject to the provisions of Annexure [*RP disclaimer*] (which shall form an integral part of this report) and this report shall be construed accordingly.

For Jyoti Structures Limited
(Company under Corporate Insolvency Resolution Process)
Sd/-
Vandana Garg
Erstwhile Resolution Professional
IBBI/IPA-001/IP-P0025/2016-17/10058

Date: August 13, 2020
Place: Mumbai

Note: Pursuant to the Hon'ble NCLT's Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of the Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

Annexure I to the Directors' Report

Annual Report on Corporate Social Responsibility

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1	Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programme	The Company has framed a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Act and the same is placed on the company website and the weblink for the same is www.jyotistructures.in. A gist of programs that the Company can undertake under the CSR Policy is mentioned below: (i) promoting education, enhancing vocational skills with emphasis on training and technical development; (ii) promoting health care, sanitation and infrastructure development; (iii) promoting environmental sustainability with conservation of natural resources; (iv) promoting sports, cultural programs in consultation with communities and cultures with which we work.
2	The Composition of the CSR Committee	The Board of Directors of your Company has constituted the Corporate Social Responsibility Committee of Directors. CSR Committee is formed as per the applicable laws of the Act and the Committee is responsible for the implementation/monitoring and review of the policy and various projects/activities undertaken under the policy. The Members of the CSR Committee are: a) Mr. S. D. Kshirsagar, Chairman b) Mr. R. C. Rawal, Member c) Mr. K. R. Thakur, Member The CSR Committee is suspended since July 04, 2017, the date of initiation of CIRP.
3	Average net profit of the Company for last three financial years	Negative
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Not Applicable
5	Details of CSR spent during the financial year i. Total amount to be spent for the financial year: ii. Amount unspent, if any: iii. Manner in which the amount spent during the financial year:	Not Applicable
6	In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report	Not Applicable
7	Responsibility statement of CSR Committee	Consequent to losses, no expenditure has been incurred on CSR activities during the year

This Annexure is subject to the provisions of Annexure [*RP disclaimer*] and this report shall be construed accordingly.

For Jyoti Structures Limited
(Company under Corporate Insolvency Resolution Process)
Sd/-
Vandana Garg
Erstwhile Resolution Professional
IBBI/IPA-001/IP-P0025/2016-17/10058

Date: August 13, 2020
Place: Mumbai

Note: Pursuant to the Hon'ble NCLT's Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of the Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

Annexure II to the Directors' Report

SECRETARIAL AUDIT REPORT

FORM NO. MR – 3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration personnel Rule, 2014]

To,

The Members,
Jyoti Structures Limited
(CIN: L45200MH1974PLC017494)
Valecha Chambers, 6th Floor,
New Link Road, Andheri (West),
Mumbai-400053

We have conducted the secretarial audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by Jyoti Structures Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/Statutory compliances and expressing my opinion thereon.

Based on our verification of Company's books, papers, minute books, form and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial year ended March 31, 2018, ("Audit Period"), has prima-facie complied with the statutory provisions listed hereunder and also that the Company has prima facie proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:.

We have examined the book, paper, minute books, forms and return filed and other records maintained by the Company for the audit period ended on March 31, 20l8 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

III. The Depository Act, 1996 and the Regulations and bye-laws framed thereunder;

IV. Foreign Exchange Management Act 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act') :-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992/ 2015;

   c. During the audit period, the company has not issued and allotted any securities, hence, the provision of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; are not applicable.

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

   f. The Securities and Exchange Board of India (Registration to an Issue and Share Transfer Agents) Regulation, 1993, regarding the Companies Act and dealing with client;

g. During the audit period , the company has not delisted any securities , hence provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; are not applicable.

h. During the audit period, the company has not bought back any securities, hence provisions of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period).

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We have also examined Compliance with the applicable clauses of the following:

(i) Secretarial Standards SS-1 and SS-2 issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement), Regulation 2015.

(iii) The Listing agreements entered into by the company with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)

During the period under review, the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. except (i) non-compliance/delay in compliances as per details given as under:

Our observations are as follows:

1. <u>Non Compliance under Companies Act, 2013</u>

Section 71- Debentures

During the period under review the Company is in default in payment of interest on non-convertible debentures (NCDs) and also redemption of NCDs falling due.

Section 74 - Repayment of Deposits

During the period under review the Company is in default in payment of interest payable on fixed deposit and repayment of deposits since 27th June 2016 for a continuous period of more than 1 year.

Section 96 – Annual General Meeting

The Company has defaulted in holding of its 42nd Annual General Meeting for adoption of financial statement for the financial year March 31, 2017 in accordance with Section 96(1) of the Companies Act, 2013 and rules made thereunder. However, the 42nd Annual General Meeting for adoption of financial statement for the financial year March 31, 2017 was subsequently convened on February 27, 2019.

Section 134- Financial Statements, Board Reports, etc.

As the 42nd Annual General Meeting was not held within stipulated time, the Company has defaulted in placing the financial statements along with Auditor's Report and Director's Report thereon for financial year ending March 31, 2017 before the members accordingly.

However, the financial statement for year ending March 31, 2017 were then subsequently place before the members in 42nd Annual General Meeting of the Company held on February 27, 2019.

Section 149 – Composition of Board of Director

(a) Pursuant to an application made by the state Bank of India, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated July 4, 2017 had ordered commencement of the Corporate Insolvency Resolution Process in respect of the Company under the provisions of Section 17 of Insolvency and Bankruptcy Code, 2016 ("the Code"). Thereafter, in accordance with Section 17 of Insolvency and Bankruptcy Code, 2016 ("the Code"), the power of the Board of Directors stood suspended and Ms. Vandana Garg, Registration No. IBBI/IPA-001/IP-P0025/2016-17/10058, appointed as Interim Resolution Professional (RP) of the company, and she was later confirmed as Resolution Professional of the company by the Committee of Creditors of JSL w.e.f August 10, 2017 for the Management of the affairs of the Company.

(b) Ms. Vandana Garg exercises the power of board of Director of the Company as Resolution Professional by virtue of the aforesaid order.

(c) During the Period from April 01, 2017 till July 04, 2017 the Board of Directors Consists following directors

Sr. No	Name of the Director and DIN	Designation	Date of Appointment
1	Mr. Sadashiv Dattaraya Kshirsagar DIN:00001266	Independent Director & Chairman	01/04/2003
2	Mr. Kanayo Ratahlal Thakur DIN:00001270	Whole Time Director	01/04/2013
3	Mr. Ramesh Chandra Rawal DIN:02932427	Independent Director	25/01/2010
4	Ms. Jyotsna Madhu Jamkhandi DIN:07091274	Nominee Director of State Bank of India	09/02/2015

All Directors of the Company, became disqualified pursuant to the provisions of section 164(2)(b) of the 2013 with effect From June 26, 2017 due to the default of the Company for redemption of non-convertible debentures and to repay the deposits and payment of interest thereon with effect from June 27, 2016 for a continues period of more than 1 year.

All Directors continued as Directors of the Company and contravened the provision of Section 167 of the Companies Act, 2013.

The composition of the Board of Directors is not in accordance with Section 149 of the Companies Act, 2013 and rules made there.

Section 164: Disqualification of Appointment of the directors

The Board of Directors of the Company was disqualified under section 164 for failure to redeem non-convertible debentures and failure to repay deposits and interest thereon.

Section 203: Non-appointment of Chief Financial officer

Managing Director or Chief Executive Officer or Manager or Whole-Time Director - Mr. Kanayo Ratanlal Thakur, (DIN:00001270), the Whole Time Director of the Company has been disqualified under Section 164(2)(b) w.e.f. June 26, 2017 and was not eligible for reappointment.

Company secretary – Ms. Sanjeevlata Samdani (from February 09, 2017 to May 18, 2018)

Chief Financial Officer – During the period under review the Company did not have an officially designated CFO. However, Mr. Anil Mishra was appointed as interim CFO by Resolution Professional w.e.f. August 29, 2017.

Filing of various e-forms with Registrar of Companies

As all the Directors of the Company were disqualified with effect from June 27, 2017, the Company is not able to use the Digital Signature of the erstwhile Directors of the Company to file relevant e-form required to be filed with the Registrar of Companies

Sr. No.	**E- Form No**	**Purpose**	**Date of event**	**Approving Authority**
1.	MGT-14	Approval of Directors Report	30-May-2017	Board Meeting dated 30-May-2017
2.	MGT-14	Approval of financial statements for FY 2016-17	30-May-2017	Board Meeting dated 30-May-2017
3.	IEPF forms	Forms pertaining to transfer of funds to Investor Education and Protection Fund	Yearly	NA
4.	MGT-7	Form for filing annual return by a company.	Yearly	NA

Sr. No.	E- Form No	Purpose	Date of event	Approving Authority
5.	MGT-15	Report of Annual General Meeting	Yearly	The Company did not hold the 42nd Annual General Meeting on due date and not filed E-form MGT-15
6	AOC 4-XBRL	Form for filing of financial statements together with all Documents attached to the Financial statements(For Financial Year 2016-17)	Yearly	The Company did not hold the 42nd Annual General Meeting on due date and not filed E-form AOC-4 XBRL.
7.	Form No. DIR 9	Notice of disqualification under Section 164(2), by the Company Furnishing the names and addresses of directors liable for default during the relevant financial year	Within 30 days of Failure	All the Directors of the Company were disqualified with effect from June 27, 2017 pursuant to section 164(2)(b) of the Companies Act, 2013.

2. **Non-Compliance/ Delay in compliance under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015**

During the period under review, the Company has following non-compliances/delay in compliances of the Regulation of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

i. **Regulation 7(3)- Compliance Certificate certifying maintaining physical and electronic transfer facility (to be submitted within one month from the end of the each half of the financial year)**

Quarter	Submission with BSE	Submission with NSE	Delay (Yes)
Sep 2017-March 2018	16/07/2019	20/11/2019	Yes

ii. **Regulation 13(3) - Statement of Investor complaints (to be submitted within 21 days from the quarter end)**

Quarter	Submission with BSE	Submission with NSE	Delay (Yes)
Apr-Jun 2017	01/08/2017	01/08/2017	Yes
Jul-Sep 2017	27/10/2017	27/10/2017	Yes
Jan-Mar 2018	08/07/2019	08/07/2019	Yes

iii. **Regulation 27(2) - Corporate Governance (to be submitted within 15 days from the quarter end)**

Quarter	Submission with BSE	Submission with NSE	Delay (No /Yes)
Jan-Mar 2018	07/10/2019	04/10/2019	Yes

iv. **Regulation 31 - Shareholding Pattern(to be submitted with 21 days from the Quarter end)**

Quarter	Submission with BSE	Submission with NSE	Delay (No /Yes)
Apr-Jun 2017	31/07/2017	01/08/2017	Yes
Jul-Sep 2017	26/10/2017	26/10/2017	Yes
Jan-Mar 2018	08/07/2019	09/07/2019	Yes

v. **Regulation 33 - Financial Results (to be submitted within 45 days from the quarter end and in case of Annual Financial result within 60 days from the end of financial year)**

Quarter	Adopted in Board Meeting dated	Delay (Yes)
Apr-Jun 2017	29-Aug-2017	Yes
Jul-Sep 2017	28-Mar-2018	Yes
Oct-Dec 2017	28-Mar-2018	Yes
Jan-Mar 2018 (Annual Accounts)	Pending	Yes

vi. **Regulation 34 – Annual Report (to be submitted within 21 working days of it being approved and adopted in the Annual General Meeting)**

The Annual Report for the financial year ended 31st March, 2017 of the Company was adopted at its 42nd Annual General Meeting held on February 27, 2019 instead of within six months from end of the financial period or the time extended with the approval of the Registrar of Companies. Hence, there is a delay in compliance of Regulation 34.

vii. **Regulation 46 - Website**

The Company does not have a functional web site due to non-cooperation by Internal Information and Technology (IT) head- Mr. Joseph Selvin,who has not shared the username and password with RP team. RP has filed a police compliant against him and NCLT application for getting information.

viii. **Regulation 29(2)- Prior Intimation to Stock Exchanges**

In some instance, the Company failed to give prior intimation to Stock Exchanges for holding its Board Meetings and other events.

ix. **Regulation 40(9) - Transfer or transmission or transposition of securities Certificate from Practicing Company Secretary/Chartered Accountants in respect of delivery of Share Certificates within prescribed period from the date lodgment of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment Monies (to be submitted within one month of the end of each half of the financial year).**

Quarter	Submission with BSE	Submission with NSE	Delay (Yes)
October-March 2018	11/07/2019	20/11/2019	Yes

x. Delay in payment of annul listing fees to National Stock Exchanges Ltd, and BSE Ltd, paid on in accordance with Regulation 14 of LODR for FY 2017-18 on November 1, 2017 instead of due date on April 30,2017.

3. Non-Compliances/delay in compliance under Securities and Exchange Board (Depositories Participants) Regulations, 1996;

(i) Regulation 55A of Securities and Exchange Board (Depositories Participants) Regulations, 1996 (Reconciliation of share capital audit report to be submitted within 30 days from quarter end)

Quarter	Submission with BSE	Submission with NSE	Delay (Yes)
Jan-Mar 2018	12/07/2019	12/07/2019	Yes

(ii) Delay in payment of annual custodian fees payable to NSDL and CDSL, paid on July 31, 2017 instead of due date May 31, 2017.

4. **Non-Compliances/delay in compliance under Regulation 30(1) and 30(2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**

The Company has not made any disclosure as required under Regulation 30(1) and 30(2) of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011 for the financial year ended March 31, 2018.

5. **Non-Compliances/ Delay in compliances under Regulation 7(2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

During the period under review no disclosure as required under Regulation 7(2) of Securities and Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 were made by the Company.

In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, a company undergoing the Corporate Insolvency Resolution Process is not required to comply with relevant Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with the requirements of, amongst others, composition of board of directors including that of independent director, constitution, meetings and terms of reference of the audit committee, constitution, meetings and terms of reference of the nomination and remuneration committee, constitution, meetings and terms of reference of the stakeholders’ relationship committee.

6. **Non-Compliances/delay in Compliances under Foreign Exchange Management Act, 1999**

   a) The Company has not submitted to the Reserve Bank of India an Annual Performance Report (APR), in part III on from ODI in respect of each Wholly owned Subsidiaries (WOS) outside India on due dates.

   b) The Company has not filed Annual Return on Foreign Liabilities and Assets (FLA) on due date.

   Due to absenteeism and non-co-operation of the concerned employees, who were responsible to maintain compliance record and non-availability of records/data/information of below referred Act, Rules, Regulations, Guidelines, Standards, etc., we can't comment on their compliances.

   a) Industrial Laws;
   b) Labour laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
   c) Conservation of Foreign Exchange and Prevention of Smuggling Activities etc;
   d) Labour Welfare Act of respective states;
   e) Acts prescribed under Environmental Protection;
   f) Acts as prescribed under Direct Tax and Indirect Tax;
   g) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
   h) Local Laws as applicable to various offices and plants;

We further report that:

Adequate notice is given to all directors to schedule the Board Meetings, agenda and Detailed Notes on Agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the board of Directors or committee of the Board, as the case may be.

We further report that there is lack of adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company is admitted to NCLT due to non payment of its liabilities to lenders in pursuance of the above referred IBC laws, rules, regulations, guidelines, standards etc. except commencement of corporate insolvency resolution process allowed by Hon'ble National Company Law Tribunal, Mumbai bench as per its order dated July 4, 2017 and Ms. Vandana Garg was appointed as Interim Resolution Professional (IRP) for the company and her appointment was confirmed/approved as the Resolution Professional (RP) of the company by Committee of Creditors w.e.f August 12, 2017. Subsequently, the CIRP period of the Company was extended by further period of 90 days beyond the initial period of 180 days by the Hon'ble NCLT wide its order dated December 22, 2017.

As per direction of Hon'ble National Company Law Appellate Tribunal, the Hon'ble NCLT, Mumbai bench approved the resolution plan submitted by Mr. Sharad Sanghi, the Resolution Applicant on March 27, 2019.

For M. S. KAYAMKHANI & ASSOCIATES
Company Secretaries
Sd/-
Mohd Shakeel Kayamkhani
(Proprietor)
FCS No: 27495 COP No.11607
UDIN : A0274958000135812

Place :Mumbai
Date : February 11, 2020

Note: This Report is to be read with my letter annexed as Annexure 'A' which forms an integral part of this report.

ANNEXURE A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To,

The Members
Jyoti Structures Limited
(CIN: L45200MH1974PLC017494)
Valecha Chambers, 6th Floor,
New Link Road, Andheri (West),
Mumbai-400053.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. We have obtained the Management's Representation about the compliances of laws, rules, regulations and happenings of events, wherever required.
5. Compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.
6. This Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **M. S. KAYAMKHANI & ASSOCIATES**
Company Secretaries

Sd/-
Mohd Shakeel Kayamkhani
(Proprietor)
FCS No.: 27495 COP No.: 11607
UDIN: A0274958000135812

Place : Mumbai
Date : February 11, 2020

Annexure III to the Directors' Report

FORM MGT 9

Extract of Annual Return as on the financial year ended 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L45200MH1974PLC017494
ii)	Registration Date	May 27, 1974
iii)	Name of Company	Jyoti Structures Limited
iv)	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details	Jyoti Structures Limited Valecha Chambers, 6th Floor, New Link Road, Andheri (West), Mumbai 400 053, Maharashtra, India Phone: +91 22 4091 5000; Fax: +91 22 4091 5014/15 Email: investor@jsl.co.in Website: www.jyotistructures.in
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar & Transfer Agents (RTA), if any:-	Big Share Services Private Limited 1st Floor Bharat Tin Works Building, Makwana Road, Marol, Andheri (East), Mumbai 400059 Tel: +91 22 2847 0652 / 4043 0200 Fax: +91 22 2847 5207; Email info@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company:

Sn.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Electric power generation, transmission and distribution	351	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sn.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	JSL Corporate Services Limited Valecha Chambers, 6th Floor, New Link Road, Andheri (West) Mumbai 400053	U65923MH1993PLC075210	Subsidiary	100%	2(87)
2	Jyoti Energy Limited Valecha Chambers, 6th Floor, New Link Road, Andheri (West) Mumbai 400 053	U40108MH2001PLC132635	Subsidiary	100%	2(87)
3	Jyoti International INC. 2711, Centreville Road, Suite 400, Wilmington, New Castle, Delaware, United States of America 19808	Foreign Company	Subsidiary	100%	2(87)
4	Jyoti Americas LLC 3575, Pollok Drive, Conroe, Texas, United States of America 77303	Foreign Company	Subsidiary	100%	2(87)

Sn.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
5	Jyoti Structures Canada Limited Head Office: 220 – 75655 – 132nd Street, Surrey BC V3W 1K5, Canada	Foreign Company	Subsidiary	100%	2(87)
6	Jyoti Structures FZE Office No. TPOFCB0612, Jebel Ali, Dubai, United Arab Emirates	Foreign Company	Subsidiary	100%	2(87)
7	Jyoti Structures Namibia (Pty.) Ltd. 108 Andimba Toivoya Toivo Str., Windhoek, Namibia, Postal Address: P.O. Box 40412, Windhoek, Namibia	Foreign Company	Subsidiary	70%	2(87)
8	Jyoti Structures Nigeria Ltd. 15, Adol House, Cipm Avenue, Alausa Ikeja, Lagos, Nigeria	Foreign Company	Subsidiary	100%	2(87)
9	Jyoti Structures Kenya Ltd. Hevea Court, 15 Eldama Ravine Road, Off Peponi Road, P.O. Box 10161-00100, Westlands, Nairobi, Kenya	Foreign Company	Subsidiary	100%	2(87)
10	Jyoti Structures Africa (Pty.) Ltd. 57, Wessel Road, Chelsea Office Park, Block D, Rivonia – 2128 P O Box 418, Glen vista - 2058, Johannesburg	Foreign Company	Subsidiary	70%	2(87)
11	Gulf Jyoti International LLC Plot No. 597-653, Dubai Investment Park, P.O. Box 211154, Dubai, UAE	Foreign Company	Associate	30%	2(6)
12	Lauren Jyoti Private Limited Valecha Chambers, 6th Floor, New Link Road, Andheri West, Mumbai 400053	U45200MH2011FTC215114	Associate	50%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	1,41,81,351	-	1,41,81,351	12.95	1,39,84,001	-	13,9,84,001	12.77	(0.18)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	59,19,685	-	59,19,685	5.40	59,19,685	-	59,19,685	5.40	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	2,01,01,036	-	2,01,01,036	18.35	1,99,03,686	-	1,99,03,686	18.17	(0.18)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	92,36,688	-	92,36,688	8.43	14,29,200	-	14,29,200	1.30	(7.13)

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Banks / FI	44,32,063	-	44,32,063	4.05	23,04,747	-	23,04,747	2.10	(1.95)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	136	250	386	0.20	136	250	386	0.20	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investor	-	-	-	-	1,34,438	-	1,34,438	0.12	0.12
Sub-total (B)(1):-	1,36,68,887	250	1,36,69,137	12.48	38,68,521	250	38,68,771	3.53	(8.95)
2. Non-Institutions									
a) Bodies Corp.	87,59,803	11,005	87,70,808	8.01	1,00,48,455	11,005	1,00,59,460	9.18	1.17
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,78,83,331	5,37,052	4,84,20,383	44.21	5,07,67,265	5,21,057	5,12,88,322	46.83	2.62
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	99,06,385	-	99,06,385	9.04	1,48,06,729	-	1,48,06,729	13.52	4.48
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	78,76,260	-	78,76,260	7.19	82,80,309	-	82,80,309	7.56	0.37
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	7,72,671	-	7,72,671	0.71	12,08,673	-	12,08,673	1.10	0.39
Trusts	-	-	-	-	3,300	-	3,300	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	11,030	-	11,030	0.01	1,08,460	-	1,08,460	0.10	0.09
Sub-total (B)(2):-	7,52,09,480	5,48,057	7,57,57,537	69.17	8,52,23,191	5,32,062	8,57,55,253	78.30	9.13
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8,88,78,367	5,48,307	8,94,26,674	81.65	8,90,91,712	5,32,312	8,96,24,024	81.83	0.18
C. Shares held by Custodian for GDRs & ADRs					-	-	-	-	-
Grand Total (A+B+C)	10,89,79,403	5,48,307	10,95,27,710	100.00	10,89,95,398	5,32,312	10,95,27,710	100.00	-

Note: Change in number of shares held by the promoter is due to market sell.

ii) **Shareholding of Promoters**

SN.	Shareholder's Name	Shareholding at the beginning of the year [As on March 31, 2017]			Share holding at the end of the year [As on March 31, 2018]			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	K R Thakur	36,55,973	3.34	3.34	36,55,973	3.34	3.34	-
2	Prakash Thakur	49,42,488	4.51	4.51	49,42,488	4.51	4.51	-
3	Raj K Thakur	24,82,605	2.27	2.27	24,82,605	2.27	2.27	-
4	Sanjay Mirchandani	4,50,815	0.42	0.00	4,48,500	0.41	0.00	(0.01)
5	Neeta Mirchandani	5,00,000	0.46	0.00	4,99,000	0.45	0.00	(0.01)
6	Kishore Mirchandani	4,76,255	0.43	0.00	4,76,255	0.43	0.00	-
8	Vijay Mirchandani	4,25,800	0.39	0.00	4,25,800	0.39	0.00	-
9	Seema Mirchandani	4,50,000	0.41	0.00	4,50,000	0.41	0.00	-
10	Madanlal Valecha	3,94,975	0.36	0.00	2,78,975	0.25	0.00	(0.11)
11	G. L. Valecha	1,60,000	0.15	0.00	1,60,000	0.15	0.00	-
12	Deepak Valecha	4,600	0.42	0.00	-	-	-	(0.42)
13	Mohini Valecha	70,935	0.06	0.00	70,935	0.06	0.00	-
14	Rajesh Valecha	57,300	0.05	0.00	57,300	0.05	0.00	-
15	Roopa Valecha	54,250	0.05	0.00	-	-	-	(0.05)
16	Varsha Valecha	36,170	0.03	0.00	36,170	0.03	0.00	-
17	Val-mir Constructions Pvt. Ltd.	59,365	0.05	0.00	59,365	0.05	-	-
18	Surya India Fingrowth Pvt. Ltd.	58,60,320	5.35	5.35	58,60,320	5.35	5.35	-

Note:

i) Shares held in multiple folios are combined

ii) Change in number of shares held by the promoter is due to market sell.

(iii) **Change in Promoters' Shareholding**

SN	Particulars	Shareholding at the beginning of the year [As on March 31, 2017]		Cumulative Shareholding during the year [As on March 31, 2018]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Sanjay Mirchandani**				
	At the beginning of the year:	4,50,815	0.42	4,50,815	0.42
	Sold during the year	-	-	2,315	0.01
	At the end of the year	4,50,815	0.42	4,48,500	0.41
2	**Neeta Mirchandani**	5,00,000	0.46	5,00,000	0.46
	Sold during the year	-	-	1000	0.01
	At the end of the year	5,00,000	0.46	4,99,000	0.45
3	**Madanlal Valecha**	3,94,975	0.36	3,94,975	0.36
	Sold during the year	-	-	1,16,000	0.11
	At the end of the year	3,94,975	0.36	2,78,975	0.25

SN	Particulars	Shareholding at the beginning of the year [As on March 31, 2017]		Cumulative Shareholding during the year [As on March 31, 2018]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	**Deepak Valecha**	4,600	0.42	4,600	0.42
	Sold during the year	-	-	4,600	0.42
	At the end of the year	4,600	0.42	0	0
5	**Roopa Valecha**	54,250	0.05	54,250	0.05
	Sold during the year	-	-	54,250	0.05
	At the end of the year	54,250	0.05	0	0

iii) **Shareholding Pattern of top ten Shareholders:**
(other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on March 31, 2017]		Shareholding at the end of the year [As on March 31, 2018]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mohan Doulatram Asnani	17,87,500	1.63	17,87,500	1.63
2	Mukesh Raghumal Chetwani	12,88,015	1.18	12,84,850	1.17
3	UTI Infrastructure Fund	32,50,000	2.97	-	-
4	Bina Mohan Asnani	12,71,115	1.16	16,03,615	1.46
5	LIC of India Market Plus – 1 Growth Fund	11,76,664	1.07	-	-
6	LIC of India Market Plus – Balanced Fund	-	-	21,26,514	1.94
7	Edelweiss Broking Limited	-	-	6,88,362	0.63
8	HDFC Trustee Company Ltd a/c –HDFC Children's Gift fund-Investment Plan	14,29,200	1.30	14,29,200	1.30
9	HDFC Trustee Company Ltd a/c –HDFC Prudence fund	37,34,000	3.41	-	
10	L & T Mutual Fund Trustee Ltd. – L & T Business Cycle Fund	8,23,488	0.75		
11	Kunal A Savani	-	-	9,01,000	0.82
12	Sanjay Kapoor	-	-	7,38,200	0.67
13	Chirag M Shah	-	-	6,73,000	0.61
14	Narayanan Srinivasan	-	-	5,55,000	0.51
15	Motilal Oswal Financial Services Ltd-Collateral Account	6,79,004	0.62	-	-
16	Yes Bank Limited	18,57,154	1.70		

Note:

i) The above shareholders are holding shares in multiple folios which have been combined based on the permanent account number of the shareholders.

ii) The shares of the Company are traded frequently by the top ten shareholders and hence the date wise increase/decrease data is not provided.

iv) **Shareholding of Directors and Key Managerial Personnel:**

SN.	Name of the Director / KMP	Shareholding at the beginning of the year [As on March 31, 2017]		Shareholding at the end of the year [As on March 31, 2018]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. K. R. Thakur, Whole-time Director	36,55,973	3.34	36,55,973	3.34

V. INDEBTEDNESS: - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(` in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	47,73.12	2.66	8.58	4,784.35
ii) Interest due but not paid	1,303.83	0.96	0.47	1,305.26
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,076.95	3.61	9.05	6,089.62
Change in Indebtedness during the financial year				
* Addition	880.26	53.08	-	933.35
* Reduction	279.06	2.31	1.2	282.57
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	5,653.38	55.74	8.58	5,717.70
ii) Interest due but not paid	1,582.06	3.27	1.67	1,587.00
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,076.95	3.61	9.05	6,089.62

Note:
*i) Net of opening and closing balance
ii) Addition Includes interest on Loan
*iii) Includes exchange difference
iv) Total indebtness includes long term and short-term borrowings

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager
	Name of Managerial Personnel	****K. R. Thakur**
1	Gross salary	(In INR)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,94,25,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48,390
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission - as % of profit - others, specify..	
5	Others, please specify	13,32,000
	Total	2,08,05,390

*In terms of Section 17 of the Code, on commencement of the CIRP, the powers of the Board of Directors of JSL stands suspended and the same are being exercised by the RP.
** Salary to Mr. K.R. Thakur for the financial year under consideration is not paid but only provided for.

B. Remuneration to other directors

Name of Director	Sitting fees	Commission	Total compensation
Non Executive Directors			
Jyotsna Jamkhandi	NA*		
P. K. Thakur			
Total (I)			
Independent Directors			
S. D. Kshirsagar			
R. C. Rawal			
Total (II)			
Grand Total (I+II)			

***In terms of Section 17 of the Code, on commencement of CIRP, the powers of the Board of Directors of JSL stands suspended and the same are being exercised by the RP.

C. *Remuneration to Key Managerial Personnel other than MD / Manager / WTD

SN	Particulars of Remuneration	Key Managerial Personnel
		#Ms. Sanjeevlata Samdani
1	Gross salary	(In INR)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,60,073
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	others, specify…	-
5	Others, please specify	-
	Total	5,60,073

***In terms of Section 17 of the Code, on commencement of the CIRP, the powers of the Board of Directors of JSL stands suspended and the same are being exercised by the RP.

Ms. Sanjeevlata Samdani, Company Secretary of the Company resigned from her post vide resignation letter dated May 18, 2018, without serving notice period, with no handover of work/ details / relevant passwords and documents.

VII. **PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	*				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	*				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	*				
Punishment					
Compounding					

* The Company has defaulted with the provisions of the Act as specified in Corporate Governance Report. As per the Resolution Plan approved by Hon'ble NCLT, all penalties imposed on or otherwise applicable to the Company for offences/ non compliances committed by the Company and/or events related to the Company which have arisen prior to the approval of the final resolution plan by the NCLT will be waived on and from the date of the approval of the Resolution Plan by the NCLT.

This Annexure is subject to the provisions of Annexure [*RP disclaimer*] and this Annexure shall be construed accordingly.

For Jyoti Structures Limited
(Company under Corporate Insolvency Resolution Process)
Sd/-
Vandana Garg
Erstwhile Resolution Professional
IBBI/IPA-001/IP-P0025/2016-17/10058

Date: August 13, 2020
Place: Mumbai

Note: Pursuant to the Hon'ble NCLT's Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of the Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

Annexure IV to the Directors' Report

Details pertaining to Remuneration as required under Section 197(12) of the Act read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

a. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Directors and Company Secretary during the financial year 2017-18

Sr	Name of Director / Key Managerial Personnel (KMP)	Designation	From	To	Remuneration of Director / KMP for FY 2017-18 (Rs. in Crore)	% increase in Remuneration in FY 2017-18	Ratio of remuneration of each director to median remuneration of employees	Comparison of remuneration of the KMP against performance of the Company
1	K.R. Thakur	Whole Time Director	01-04-2017	31-03-2018	2.08	-7%	54.25	During FY 2017-18, loss before tax was Rs. 4,166.67 crore and loss after tax and Other Comprehensive income was Rs. 4,166.51 crore
2	Sanjeevlata Samdani	Company Secretary	01-04-2017	31-03-2018	0.26	Not Applicable as was there only for part of previous year	Not Applicable	

b. In the financial year, there was an increase of 0.3% in the median remuneration of employees.

c. There were 709 permanent employees on the rolls of the Company as on March 31, 2018.

d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was -27% whereas the increase in the managerial remuneration for the same financial year was 21%.

e. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

This Annexure is subject to the provisions of Annexure [*RP disclaimer*] and this Annexure shall be construed accordingly.

For Jyoti Structures Limited
(Company under Corporate Insolvency Resolution Process)
Sd/-
Vandana Garg
Erstwhile Resolution Professional
IBBI/IPA-001/IP-P0025/2016-17/10058

Date: August 13, 2020
Place: Mumbai

Note: Pursuant to the Hon'ble NCLT's Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of the Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

Annexure V to the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings& Outgo

(A) ***Conservation of Energy:**

i. The steps taken on conservation of energy:

The Company constantly endeavors to achieve energy conservation in its products by adopting energy efficient products. From the project inception stage, through design and execution, to post-occupancy, we constantly work with internal and external teams to meet the Energy Performance. Operation of the Company sled to its bottom including production at Nashik and Raipur factories, testing at Ghoti Plant and also progress in implementation of the projects. Hence, there was minimal scope for taking steps for conservation of energy.

ii. Steps taken by the Company for utilizing alternative sources of energy:

The Company undertakes various measures to conserve energy by using energy efficient lighting systems, electric transmissions etc.

iii. Capital investment on energy conservation equipment:

Due to very poor financial condition and very minimal operation level, the Company was not in a position to undertake capital investment on energy conservation equipment.

(B) **Technology Absorption**

i. Specified Areas in which R&D is carried out by the Company: R&D carried out for usage of Induction Furnaces for Bending of material.

ii. Benefits derived as a result of the above R&D: From above R&D efforts, there is reduction of heating time and saving of costly fuel, i.e., fossil oil. It has also eliminated smoke emission.

iii. Future plans of action: Present financial distress condition of the Company does not allow exploring possibilities of future plans.

iv. Expenditure on R&D: Capital Expenditure on R&D is not quantifiable.

D. **Foreign exchange earnings and Outgo**

(` in Crore)

Sr. No.	Particulars	2017-18*	2016-17
i)	**Earnings in Foreign Currency** Export of goods /services (including deemed exports and sales through export house)		
	At FOB Price	-	**441.91**
	At Invoice Value(Designing &testing charges)	-	**5.48**
	Rent of Equipment	-	**1.02**
	Interest from Subsidiaries	--	**9.46**
ii)	**Expenditure in Foreign Currency** Expenses of overseas projects (including foreign taxes)		**491.19**
	Interest	-	**5.51**
	Professional Fees	-	**0.06**
	Others	-	**1.68**

Note: * The relevant back-up papers / details are either not available / fully available and / or are under reconciliation. Therefore the value for F.Y 17-18 was not derived.

This Annexure is issued subject to the provisions of Annexure [*RP disclaimer*] and this Annexure shall be construed accordingly.

For Jyoti Structures Limited
(Company under Corporate Insolvency Resolution Process)
Sd/-
Vandana Garg
Erstwhile Resolution Professional
IBBI/IPA-001/IP-P0025/2016-17/10058

Date: August 13, 2020
Place: Mumbai

Note: Pursuant to the Hon'ble NCLT's Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of the Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

CORPORATE GOVERNANCE REPORT

OVERVIEW OF COMPANY'S MANAGEMENT

An application was preferred by State Bank of India, a secured lender, to initiate the CIRP against the Company. CIRP was initiated against the Company vide the Hon'ble NCLTs Order dated July 4, 2017 ("the Order"). Prior to commencement of CIRP, the management of the Company was administered by the Board of Directors of the Company. After commencement of CIRP the powers of the Board of Directors stood suspended and were vested in Ms. Vandana Garg appointed as an IRP/ RP as per the Code. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

Ms. Vandana Garg exercised the powers of the Board of Director of the Company since July 4, 2017.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance philosophy of your Company should stem from its belief that Corporate Governance is a key element in improving efficiency as well as enhancing investor confidence. The Company should be committed to practice sound governance principles and believe that good governance is an ongoing process. The Company should be guided by core principles of governance like integrity, fairness, equity, transparency, accountability, disclosures, commitment to values and compliances to enhance the value for stakeholders' viz., customers, shareholders, employees, lenders, vendors including society of which the Company is a part. The Company should be committed to achieve and maintain the highest standard of Corporate Governance. The Company should believe that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

However, as stated above in this Report, the Company lacks on the principles and practices of sound Corporate Governance. There have been many lapses like, not putting in place adequate systems, no concrete checks and balance mechanism, partial system based working with manual intervention, no adequate risk assessment and mitigation strategy, concentration of powers in select hands, non-transparent system of working, no adequate system of control, monitoring and red flagging of project implementation, not properly defined delegation of powers and responsibilities, non-appointment of key managerial persons for longer time and so on. All these led to the present difficult condition of the Company and its distressed financial condition.

COMPOSITION OF BOARD

As per the provisions of section 164(2)(b) of the Act all the Directors of the Company were disqualified with effect from June 26, 2017 for non-repayment of deposits including interest thereon. Also, the powers of the Board of Directors were suspended by virtue of the Order dated July 4, 2017. Accordingly, the office of the existing Board of Directors at the beginning of financial year under consideration became vacant from July 4, 2017 onwards.

Prior to commencement of CIRP, the Board of the Company comprised of 5 (Five) Directors, with 3 (Three) Independent Directors including a women director, 1 (One) non-executive director and 1 (one) Executive director. The Chairman was an independent director. The composition of the Board was in conformity with Regulation 17 of SEBI LODR read with Section 149 of the Act.

Sr. No.	Name	Category
1	Mr. S. D. Kshirsagar	Independent/ Chairman
2	Mrs. Jyotsna Jamkhandi	Non-executive
3	Mr. Kalpesh Kikani	Non-executive
4	Mr. R. C. Rawal	Independent
5	Mr. K. R. Thakur	Executive

*Mr. Kalpesh Kikani has resigned from Directorship as on June 23, 2017.

Prior to initiation of CIRP none of the Director of the Company was on the Board of more than 7 listed companies as an Independent Director. Further, none of the Director of the Company were acting as a Whole-time Director of any listed Company as well as Independent Director in more than 3 listed companies. All Directors had confirmed that they were not members of more than 10 Committees and did not acted as the Chairman of more than 5 Committees across all the companies in which they were Directors. The necessary disclosures regarding Committee positions were made by all the Directors.

Post the disqualification of directors, the composition of the Board of Directors was not in accordance with Section 149 of the Act and rules made there.

Ms. Vandana Garg exercised the powers of the Board of Director of the Company since July 4, 2017 consequent to suspension of the then Board of Directors by virtue of Hon'ble NCLT's Order dated July 4, 2017 for initiation of CIRP for the Company and appointing Ms. Vandana Garg as the IRP.

The Company has duly complied with provisions of Secretarial Standards on Board Meetings with respect to convening of Board Meetings during the year.

Four meetings of the Board of Directors were held during the year under consideration on: May 30, 2017, August 29, 2017, December 27, 2017 and March 28, 2018. The maximum time gap between two meetings is not more than one hundred and twenty days.

Details of number of Board meetings attended by Directors, attendance at AGM, number of other directorships / committee memberships held by them during the year ended March 31, 2018 are tabulated below:

Sr. No.	Name of Director	Category	No. of Board Meetings		Attendance at last AGM	No. of other directorships	Membership / Chairmanship of Committees of other Companies
			Held during their tenure	Attended			
1	Mr. S. D. Kshirsagar	Independent	1	1	No	1	2
2	Mrs. Jyotsna Jamkhandi	Non-executive	1	1	No	1	Nil
3	Mr. Kalpesh Kikani@	Non-executive	1	1#	No	4	Nil
4	Mr. R. C. Rawal	Independent	1	1	No	Nil	Nil
5	Mr. K. R. Thakur	Executive	1	1	Yes	2	Nil
6	Ms. Vandana Garg	Resolution Professional	3	3	Yes	NA	NA

Notes:

@ Mr. Kalpesh Kikani ceased to be a Director of the Company with effect from June 23, 2017.

Mr. Shekhar Daga represented Mr. Kalpesh Kikani in the Board Meeting.

COMMITTEES OF THE BOARD

Prior to the initiation of CIRP and suspension of the Board w.e.f. July 4, 2017, the Board had constituted various committees to enable better management of the affairs of the Company, with terms of reference in line with provisions of the Act and SEBI LODR Regulations.

Post the suspension of powers of the Board w.e.f. July 4, 2017, the powers of the various committees have also been suspended w.e.f. July 4, 2017 and have been vested in the RP.

During the year till commencement of CIRP for the Company, the Board had six Committees, viz.

i. Audit Committee

ii. Stakeholders Relationship Committee

iii. Nomination and Remuneration Committee

iv. Corporate Social Responsibility Committee

v. Risk Management Committee

vi. Executive Committee

i. Audit Committee

Scope of activities of the Audit Committee was in conformity with the requirements of the erstwhile Listing Agreement, Schedule II Part C of the SEBI LODR and Section 177 of the Act. Terms of reference of Audit Committee broadly includes various matters in conformity with statutory guidelines including the following:

i. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;

iii. examination of the financial statement and the auditors' report thereon;

iv. approval or any subsequent modification of transactions of the Company with related parties;

v. scrutiny of inter-corporate loans and investments;

vi. valuation of undertakings or assets of the Company, wherever it is necessary;

vii. evaluation of internal financial controls and risk management systems;

viii. monitoring the end use of funds raised through public offers and related matters.

During the financial year under review, three meetings of the Committee were held on the following dates: May 30, 2017, August 29, 2017 and December 27, 2017.

Composition of the Audit Committee and the details of meetings attended by the members of the Audit Committee as on March 31, 2018, are given below:

Name of the Director	Designation	Category	No. of meetings during the year 2017-18	
			Held	Attended
Mr. S. D. Kshirsagar	Chairman	Independent	1	1
Mr. R. C. Rawal	Member	Independent	1	1
Mr. K.R.Thakur	Member	Executive	1	1
Ms.Vandana Garg	Resolution Professional		2	2

ii. Stakeholders Relationship Committee

The composition of Stakeholders' Relationship Committee and the terms of reference comply with the requirement of the erstwhile Listing Agreement, the SEBI LODR and with the provisions of Section 178 of the Act. The Committee comprised of Mr. S. D. Kshirsagar, Chairman, Ms. Jyotsna Jamkhandi, Member and Mr. K. R. Thakur, Member.

The primary responsibility of the Committee is to redress investor's grievance and to improve relationship with stakeholders, approves share transfers and transmission, issue of duplicate certificates and oversight of all matters connected with securities issued by the Company. The Committee oversees performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investors' service. As on March 31, 2018, no instruments of share transfer were pending. The terms of reference of the Committee includes the following:

i. transfer, transmission, issue of duplicate certificate or receipt, dematerialization, re-materialization, consolidation, sub-division and or dealing with all matters connected with the securities issued by the Company;

ii. redressal of shareholders, debenture holders, deposit holders, investors and other security holders grievances;

iii. performance and service standards of the Registrar and Share Transfer Agents of the Company; and

iv. implementation and compliance of all provisions of applicable security laws, rules, guidelines and regulations including listing agreements, codes and standards.

During the year under review, the Company had received 4 investor complaints and the same have been redressed to their satisfaction.

Post the suspension of powers of the Board w.e.f. July 4, 2017, the powers of the various committees have also been suspended w.e.f. July 4, 2017 and have been vested in the RP

During the financial year under review, three meetings of the Committee were held on the following dates: July 31, 2017, September 30, 2017, and December 30, 3017.

iii. Nomination & Remuneration Committee

The composition of the Nomination and Remuneration Committee (NRC) was in compliance with the requirements of 178 of the Act, the erstwhile Listing Agreement and Regulation 19(1) of the SEBI LODR.

The Committee comprised of Mr. R.C.Rawal, Chairman, Mr. S. D. Kshirsagar Member and Mr. Kalpesh Kikani (till June 23, 2017). Post the resignation of Mr. Kalpesh Kikani the composition of the committee was not properly constituted.

Terms of reference of the Nomination & Remuneration Committee broadly includes the following:

i. to identify persons who are qualified to become directors and who may be appointed in key managerial / senior management personnel and to recommend to the Board their appointment and removal;

ii. to formulate and recommend to the Board nomination process including criteria for independence of director, compensation plans, policies and programs of the Company as they may affect the directors and key managerial / senior management personnel.

iii. to oversee executive succession plans.

iv. to develop and recommend to the board of directors for its approval an annual self-evaluation process of the board and its committees. The committee shall oversee the annual self-evaluations.

v. to assess, evaluate and monitor directors and key managerial / senior management personnel performance and recommend compensation package including share incentive plans; and

vi. to recommend director indemnification including insurance protection against risk of personal liability to the extent permitted by law.

This Committee also acts as a ‘Compensation Committee’ for the purpose of Employee Stock Option Scheme.

Remuneration Policy:

I. Remuneration to Managing Director (MD) / Whole-time Director (WTD) / Executive Director (ED)

a. The remuneration to be paid to MD / WTD / ED will be determined by Nomination and Remuneration Committee (NRC) and recommended to the Board for approval. The remuneration shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

b. The remuneration shall be evaluated based on performance indicators like key responsibility areas / goals / deliverables, benchmark against peer group in size and complexity.

c. The total remuneration may be combination of fixed, variable components, long term incentives and severance benefit in accordance with legal framework.

d. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD / WTD / ED in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

e. Provisions for excess remuneration: If any MD / WTD / ED draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

II. Remuneration to Non-Executive / Independent Directors:

a. Independent Directors (ID) and Non-Independent Non- Executive Directors (NED) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

b. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

c. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors.

d. The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

III. Remuneration to Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs):

The remuneration to be paid to the KMPs and SMPs, shall be recommended by the NRC considering relevant qualification, experience, performance of the individual as well as the prevailing market conditions and in accordance with Company’s remuneration structure. The remuneration may be combination of fixed and variable component.

Details of Remuneration paid / payable to the Directors during the year under review are as under:

(` in lacs)

Name of Director	Sitting fees for Board & Audit Committee Meetings	Salaries and Perquisites	Commission
Executive Directors			
Mr. K. R. Thakur	Nil	Nil	Nil
Non Executive Directors			
Mr.S. D. Kshirsagar	0.45	Nil	Nil
Mrs. Jyotsna Jamkhandi	0.40	Nil	Nil
Mr. Kalpesh Kikani@	Nil	Nil	Nil
Mr. R. C. Rawal	0.45	Nil	Nil

Remuneration is payable and not actually paid.

Notes:

@ Mr. Kalpesh Kikani ceased to be a Director of the Company with effect from June 23, 2017.

No Stock Option has been granted to any of the Directors under JSL Employees Stock Option Scheme.

None of the Non-Executive Directors has any material financial interest in the Company apart from the remuneration by way of fees received by them during the year.

iv. Corporate Social Responsibility Committee

Pursuant to section 135 of the Act, Corporate Social Responsibility (CSR) Committee comprised of Mr. S. D. Kshirsagar, Chairman, Mr. R. C. Rawal, Member and Mr. K.R.Thakur, Member. Primary responsibility of the Committee is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of ‘corporate social responsibility policy’.

Terms of Reference of CSR Committee broadly include:

a) to recommend the amount of expenditure to be incurred on CSR activities;

b) monitor implementation of CSR activities; and

c) report details of CSR activities undertaken by the Company

During the financial year under review, one meeting of the Committee were held on the following date: May 29, 2017

v. Risk Management Committee

The Committees prime responsibility is to assist the Board in its oversight of the Company's management to element key risks, including strategic, financial, operational and compliance risks. The Committee comprised of Mr. R.C. Rawal, Chairman, Mr. S. D. Kshirsagar, Member and Mr. K. R. Thakur, Member.

Terms of reference of Risk Management Committee include but shall not be limited to:

i. assist the board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the risk policy; and

ii. developing risk management policy and risk management system / framework for the Company.

vi. Executive Committee

Executive Committee has the authority to exercise powers of the Board of Directors between the Board meetings except the powers reserved for the Board or the shareholders under the Act.

The Committee comprised of Mr. S. D. Kshirsagar, Chairman, and Mr. K. R. Thakur, Member.

During the financial year under review, seven meetings of the Committee were held on the following dates: April 4, 2017, April 18, 2017, May 11, 2017, June 15, 2017, June 19, 2017, June 30, 2017 and October 13, 2017.

Independent Directors Meeting

Pursuant to Schedule IV of the Act and the Rules made thereunder and Regulation 25 (3) of the SEBI LODR, during the year under review, Independent Directors met on May 30, 2017.

All Independent Directors were present for this meeting.

The CIRP initiated on July 4, 2017. The Board of director's were disqualified under section 164(2)(b) of the Act w.e.f June 27, 2017. Post aforesaid date as there was no directors on board, Meeting of Independent Directors was not required to be conveyed.

Number of shares and convertible instruments held by non-executive directors

As per the information provided by the RTA, none of the non-executive Directors held shares in the Company during year under review.

Disclosure of relationships between directors inter-se

None of the Directors of the Company is related inter-se.

Details of director to be appointed in the ensuing AGM

Please refer to the AGM Notice for brief profile of Mr. Rajendra Prasad Singh.

INFORMATION PLACED BEFORE THE BOARD

The RP is unable to comment whether before the initiation of CIRP all the information that was required to be made available or not to the Directors in terms of provisions of the erstwhile Listing Agreement, the SEBI LODR and the Act, so far as applicable to the Company, was made available to the Board, due to the factors detailed in Annexure [*RP disclaimer*].

SUBSIDIARY COMPANIES

None of the subsidiary companies is covered under the term “material non-listed Indian subsidiary company”.

The RP is unable to comment whether before the initiation of CIRP minutes of Board Meetings of subsidiary companies were placed before the Board of Directors of the Company or not on regular basis thereby bringing to their attention all significant transactions and arrangements entered into by the subsidiary companies, due to the factors detailed in Annexure [*RP disclaimer*].

Post initiation of CIRP and consequent to suspension of the then Board of the Company and all powers of the Board being vested with the RP, no information related to subsidiary companies have been placed before the Board during its meetings held by the RP.

GENERAL BODY MEETINGS

Details of last three Annual General Meetings of the Company are as below:

Date and Venue	Time	Details of Special Resolutions	Relevant Section(s) / provisions
September 26, 2015 M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001	3.00 P.M	Waiver from recovery of excess remuneration paid to Mr. Santosh Nayak, Managing Director during the financial year 2014-15	197 read with schedule V of the Act and Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014
		Waiver from recovery of excess remuneration paid to Mr. K. R. Thakur, Whole-time Director during the financial year 2014-15	
		Variation in terms of remuneration of Mr. K. R. Thakur, Whole-time Director	196, 197 & 203 read with Schedule V of the Act and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014
		Amendment to JSL Employees Stock Option Scheme 2011	Relevant provisions of the Act, SEBI (Share Based Employee Benefits) Regulations, 2014 & SEBI LODR
September 28, 2016 M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001	3.00 P.M	N.A.	N.A.
February 27, 2019 Raheja’s Banquet Hall, The Classique Club, New Link Road, Behind Infinity Mall, Andheri West, Mumbai, Maharashtra 400053	11:30 A. M.	N.A.	N.A.

Resolutions passed through Postal Ballot Last Year Nil

DISCLOSURES

1. **Materially Significant Related Party Transactions**

   Due to the factors detailed in Annexure [*RP disclaimer*]:

   The RP is unable to comment whether there are any transactions of material nature during CIRP period other than reported under “Related Party Disclosures” that have been entered into by the Company with the promoters, directors, their relatives and the management and in any Company before initiation of CIRP in which they are interested and that may have potential conflict with the interest of the Company.

   The RP is unable to comment whether all details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board or not and that the interested Directors neither participated in the discussion, nor voted on such matters.

   The RP is unable to comment whether the Company has formulated a policy on dealing with Related Party Transactions or not.

   The Company has formulated a policy on dealing with Related Party Transactions. The policy is available on the website of the Company www.jyotistructures.in

2. **Instances of Non-Compliance:**

   There were no instances of non-compliances during the financial year 2015-2016 by the Company on any matter related to capital market. Consequently, there were neither penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authorities.

   For financial year 2016-17, there were delay in compliance with respect to filing of financial results, shareholding pattern, reconciliation of share capital and statement of investor complaints as on December 31, 2016 in terms of SEBI Listing Regulations, caused due to delay in realizing timely payments to intermediaries like depositories and transfer agents. Consequently, there were penalties imposed on the Company by the Stock Exchanges.

   There were several instances of Non-compliance during Current financial year 2017-18 caused due to Non-cooperation of the Company Secretary of the Company, non-availability of human resources to complete the compliances and delay in realizing timely payments to intermediaries like depositories and transfer agents.

   As per the Resolution Plan approved by Hon’ble NCLT all penalties imposed on or otherwise applicable to the Company for offences/ non-compliances committed by the Company and/or events related to the Company which have arisen prior to the approval of the final resolution plan by the Hon’ble NCLT will be waived on and from the date of the approval of the Final Resolution Plan by the Hon’ble NCLT.

   SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

   - Compliance Certificate certifying maintaining physical and electronic transfer facility – Delay in filing of compliance certificate for quarter ended March 2018 .
   - Compliance Certificate from Company - Delay in filing of compliance certificate from Company Secretary for quarter ended March 2018.
   - Statement of Investor complaints – Delay in filing of statements of investors complaints for quarter ended June 2017, September 2017 and March 2018.
   - Corporate Governance Report – Delay in filing of shareholding pattern for quarter ended March 2018 .
   - Shareholding Pattern – Delay in filing shareholding pattern for quarter ended June 2017, September 2017, March 2018 .
   - Financial Statements- Delay in declaration of financial results for quarter ended June 2017, September 2017, December 2017 and quarter and year ended March 2018.
   - The Company does not have a functional website due to non-cooperation of IT Head of Department of the Company.

   SEBI (Depository Participant) Regulations, 2018

   Reconciliation of Share Capital Audit - Delay in filing of Reconciliation of Share Capital Audit for quarter ended March 2018 .

3. **Whistle Blower Policy:**

   The Company has a vigil mechanism to report genuine concerns, if any. The policy is available on the website of the Company www.jyotistructures.in.The RP is unable to comment whether the Company has a vigil mechanism to report genuine concerns, if any or not and whether the employee has been provided or denied access to the Audit Committee, due to the factors detailed in Annexure [*RP disclaimer*].

4. **Policy for determining 'material' subsidiaries**

   The RP is unable to comment whether the Company has formulated a policy for determining 'material' subsidiaries or not, due to the factors detailed in Annexure [*RP disclaimer*].

5. **Familiarization programme for Independent Directors**

   RP is unable to comment whether before the initiation of CIRP the Company had familiarized or not its Independent Directors' regarding the Company, their roles, rights, responsibilities and liabilities in the Company, due to the factors detailed in Annexure [*RP disclaimer*]. RP is unable to comment whether presentations were made by senior managers to the Independent Directors covering nature of Industry, business model, business performance and operations, opportunities available etc., due to the factors detailed in Annexure [*RP disclaimer*].

6. **Disclosure of Accounting Treatment**

   In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the notes to the financial statements. However, the RP cannot ascertain whether the financials of the overseas branches of the Company and financials of its subsidiaries are prepared in conformity with the Accounting Standard under Section 133 of the Act as full supporting details of the same are not made available for review.

7. Post 42nd Annual General Meeting the website of the Company is not functional due to non-cooperation of IT Head of the Department of the Company and accordingly the Company was not complied with the requirements specified in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) of SEBI LODR.

   The RP and her Team have after several efforts restored the website of the company w.e.f. May 2020 onwards to extend possible. The New Website of the Company is www.jyotistructures.in.

RECONCILATION OF SHARE CAPITAL REPORT

A qualified practicing Company Secretary carried out audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Audit confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

MEANS OF COMMUNICATION

The Company has furnished financial results on quarterly / half yearly basis except for the annual results to the Stock Exchanges, where the shares of the Company are listed, as per the format prescribed under Regulation 33 of the SEBI LODR.

The Company's website www.jyotistructures.in contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Company's Annual report is also available in a downloadable form.

The Company has promptly reported all material information including declaration of quarterly financial results etc. to all Stock Exchanges where shares of the Company are listed. Such information is also displayed on the Company's website www.jyotistructures.in. As when adopted the financial results, quarterly and annual results and other statutory information were communicated to the shareholders by way of advertisement newspapers as per listing requirements of Stock Exchanges.

All periodical compliance filings like shareholding pattern, corporate governance report among others are also filed electronically on the web based application designed for corporates by the Stock Exchanges where the equity shares of the Company are listed.

MANAGEMENT DISCUSSION & ANALYSIS REPORT FORMS PART OF DIRECTORS' REPORT

MCA vide its Circular No. 18/2011 dated April 29, 2011 has allowed paperless compliance by companies under the Companies Act, 1956 through electronic mode. To enable your Company to support the Green Initiative in the Corporate Governance adopted by the MCA we request the members to register their email address with the Company or with the concerned depository.

CODE OF CONDUCT

The RP is unable to comment whether the suspended Board had laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company or not, due to the factors detailed in Annexure [*RP disclaimer*].

JSL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has instituted a mechanism to avoid insider trading and abusive self-dealing. In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has established a code to restrict insider trading activities by Directors and designated employees.

SHAREHOLDERS' INFORMATION

A. Annual General Meeting

Day, Date and Time : Tuesday, February 2, 2021 at 11.00 AM

Venue : **Through Video Conferencing ("VC")**

B. Financial Calendar : April to March (financial year)
First Quarter Results - Declared on August 29, 2017
Second Quarter Results – Declared on March 28, 2018
Third Quarter Results - Declared on March 28, 2018
Annual Audited Results – Declared on February 11, 2020

C. Book Closure : **January 26, 2021 - February 1, 2021**

D. Listing at Stock Exchanges:

Name of Stock Exchange	ISIN No.	Stock Code No.	Code on Screen
The Bombay Stock Exchange Limited	INE197A01024	513250	JYOTIST
The National Stock Exchange of India Ltd.		-	JYOTISTRUC

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2017-18.

E. Market Price Data:

MONTH	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April – 17	12.55	8.16	12.15	8.95
May – 17	10.38	8.16	10.20	8.45
June – 17	12.60	6.98	11.80	8.20
July – 17	11.41	8.30	11.90	8.45
Aug – 17	13.41	7.98	12.45	8.45
Sept – 17	15.30	8.35	14.80	8.75
Oct – 17	11.75	10.15	11.85	10.45
Nov – 17	11.10	8.92	10.75	9.00
Dec – 17	12.90	9.00	12.85	9.20
Jan – 18	15.54	10.50	14.80	10.80
Feb – 18	11.15	9.60	11.00	10.00
Mar – 18	10.55	7 .89	10.30	7.90

F. Registrar and Share Transfer Agent

Shareholders should address their correspondence to the Registrar and Share Transfer Agents of the Company at the following address:

Big Share Services Private Limited
(Unit- Jyoti Structures Ltd.)
1st Floor, Bharat Tin Works Building,
Opp.Vasant Oasis Makwana Road
Marol, Andheri(East)
Mumbai-400059, Maharashtra
Tel.: 91-22-62638200
Fax: 91-22-62638299
e-mail: info@bigshareonline.com

Share Transfer System

The Company's equity shares which are in compulsory dematerialized (demat) form are transferable through the depository system. Equity shares in physical form are processed by the Registrar and Share Transfer Agents, Bigshare Services Private Limited and approved by the Stakeholder Relationship Committee of the Board of the Company / RP as the case may be.

G. Distribution of shareholding and shareholding pattern as of March 31, 2018

Distribution of Shareholding

Range			No. of shareholders	% of shareholdings	Amount (in Rs.)	% of total capital
1	-	5,000	44353	90.7943	3,96,83,932	18.1159
5,001	-	10,000	2242	4.5896	1,71,24,308	7.8173
10,001	-	20,000	1162	2.3787	1,83,04,384	8.3561
20,001	-	30,000	313	0.6407	80,00,788	3.6524
30,001	-	40,000	209	0.4278	77,13,638	3.5213
40,001	-	50,000	125	0.2559	57,93,774	2.6449
50,001	-	1,00,000	240	0.4913	1,80,04,052	8.2189
1,00,001 and above			206	0.4217	10,44,30,544	47.6731
Total			**48850**	**100.00**	**21,90,55,420**	**100.00**

Shareholding Pattern as on March 31, 2018

Category of shareholders	No. of Shares	% of shares
Promoters - Individuals - Bodies Corporate	1,39,84,001 59,19,685	12.77 5.40
Other Bodies Corporate	1,00,59,460	9.18
NRIs / FIIs	82,80,309	7.55
Financial Institutions/Banks/Mutual Fund	37,34,333	3.30
Indian Public	6,75,49,922	61.67
Total	**10,95,27,710**	**100.00**

H. Dematerialization of Shares

As on March 31, 2018, 99.51% of the total equity share capital of the Company is held in dematerialized form with NSDL and CDSL and the rest in physical form.

I. Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs/Warrants.

K.	**Plant Locations** **Nasik Factory (Plant - I):**		**Nasik Factory (Plant - II):**		**Raipur Factory:**
	52A/53A, “D” Road, M.I.D.C., Satpur, Nasik - 422 007 (Maharashtra) Tel : +91 253 2201 700 / 800 Fax :+91 253 2351 134		E-60/61, “D” Road, M.I.D.C., Satpur, Nasik - 422 007 (Maharashtra) Tel : +91 253 6603 225 / 227 Fax :+91 253 6603 226		Plot No. 1037/1046, Sarora Ring Road, Near Wool Worth, Urla Industrial Area, Raipur - 493 221 (Chhattisgarh) Tel : +91 771 4213 100 / 101; Fax: +91 771 2324 767 / 2325 567
L.	**Tower Testing Station:** Ghoti, Igatpuri, Dist - Nasik - 422 002 Maharashtra. Tel : +91 2553 282 211 Fax :+91 2553 282 212	**M.**	**Training Centre:** “Gurukul”, Plot No. H-37, Shivaji Nagar, M.I.D.C., Satpur, Nasik - 422 007 Maharashtra. Tel. : +91 253 2350 099	**N.**	**Address for Correspondence:** Jyoti Structures Limited Valecha Chambers, 6th Floor, New Link Road, Andheri (West), Mumbai 400053 Tel No: +91 22 4091 5000 Fax No: +91 22 4091 5014/15 E-mail: investor@jsl.co.in

DECLARATION – CODE OF CONDUCT

The RP is unable to comment whether the suspended Board had laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. After initiation of CIRP Period, the IRP/ RP was not provided with any such Code of Conduct by erstwhile management of the Company. Hence, the undersigned is not in a position to comment on compliance of the Code of Conduct.

There are, to the best of my knowledge and belief, subject to the provisions of paragraph (e), no transactions entered into by the Company during the period from 4th July 2017 to 31st March, 2018 that are fraudulent, illegal or violative of the code of conduct as per the Companies Act, 2013, save and except those in respect of which appropriate applications have been filed by the RP under the IBC Code.

This declaration is issued subject to the provisions of Annexure [*RP disclaimer*] (which shall form an integral part of this declaration) and this declaration shall be construed accordingly.

For Jyoti Structures Limited
(Company under Corporate Insolvency Resolution Process)
Sd/-
Vandana Garg
Erstwhile Resolution Professional
IBBI/IPA-001/IP-P0025/2016-17/10058

Date: August 13, 2020
Place: Mumbai

Note: Pursuant to the Hon’ble NCLT’s Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of the Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

.

CERTIFICATE

The Erstwhile Resolution Professional

Jyoti Structures Limited

Dear Sirs/ Madam,

I, Ms. Vandana Garg, Resolution Professional, certify that

a. I have reviewed the financial statements and cash flow statement for the year ended March 31, 2018 and to the best of my knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of my knowledge and belief, subject to the provisions of paragraph e, no transactions entered into by the Company during the year ended March 31, 2018 that are fraudulent, illegal or violative of the Company's code of conduct save and except those in respect of which appropriate applications have been filed by the RP under the Code.

c. On and with effect from July 12, 2017, I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, subject to the provisions of paragraph e. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies, subject to the provisions of paragraph e.

d. I have indicated to the Auditors, subject to the provisions of paragraph e :

   i. Significant changes in internal control over financial reporting during the year under reference;

   ii. significant change in accounting policies during the financial year March 31, 2018 and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

e. Notwithstanding anything to the contrary contained herein:

   This certificate is issued subject to the provisions of Annexure [*RP disclaimer*] (which shall form an integral part of this certificate) and this certificate shall be construed accordingly. Without prejudice to the generality of the foregoing it is stated as follows:

   i. It is pertinent to note that the RP and her team have limited access to financial data of the Company. The RP has made all practical and reasonable efforts from time to time to facilitate information/ data from the officials of the Company in relation to the preparation of the financial statements of the Company/ maintaining the accounts of the Company as far as practically possible under the circumstances. The information facilitated by the RP and the preparation & presentation of the financial statements / maintaining the accounts of the Company is with the limited access to the financial information and limited support of the minimal resources of the Company. It is to be noted that the financial statements for the FY 2017-18, as well as the information provided to the auditors for the purpose of audit of the same, partly pertains to the period prior to the appointment of the RP, i.e., period prior to July 4, 2017 and, therefore, while facilitating the collection and dissemination of the said information, the RP has relied upon and assumed the accuracy /veracity of data provided by the officials of the Company and the records of the Company made available to RP, which the RP has assumed are in conformity with the applicable law and gives a true and fair view of the position of the Company for the period indicated therein and accordingly provided the same to the auditors for their audit. The RP takes no onus with respect to the validity and authenticity of such information. The RP has not verified the information provided by the officials of the Company and has placed confidence on them in good faith and also on the data/information provided by them to her. The RP believes that the information provided to the auditors for the purpose of audit of the same does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. However, the RP does not make any representations regarding accuracy, veracity and sufficiency of the such information and shall not be liable for the same.

ii. It is also pertinent to note that significant financial information is static in nature and carried from the previous year. It is further pertinent to note that all the project related transactions have been continuing with the approval and sanction of the related Head of the Departments/ management as per the previous authorization/ mandate. Most of such transactions have not been brought to the notice of the RP for record and/ or her approval/ consent. The RP shall accordingly not make any representations regarding accuracy, veracity and sufficiency of information and shall not be liable for the same.

iii. The RP has relied on the certifications, representations and statements made by the existing personnel of the Company. The RP/ Interim Chief Financial Officer have signed the financial statements for FY 2017-18 for administrative purpose only under the above stated limitations and without any onus or liability. In case any material information is disclosed to the RP and/ or the new management of the Company (after its takeover), the management reserves the right to take such suitable steps as required under the laws for re-stating the financials of the corresponding past year(s).

For **Jyoti Structures Limited**
(Company under Corporate Insolvency Resolution Process)
Sd/-
Ms. Vandana Garg
Erstwhile Resolution Professional
IBBI/IPA-001/IP-P00025/2016-17/10058

Date: August 13, 2020
Place: Mumbai

Note: Pursuant to the Hon'ble NCLT's Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

Certificate of Compliance from Practicing company secretary

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

Jyoti Structures Limited

I have examined the compliances of Corporate Governance by **Jyoti Structures Limited** for the year ended 31st March, 2018 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) of the said Company with Stock Exchange.

The Compliance of condition of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuing the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representation made by the directors and management, I certify that the company has complied with the conditions of Corporate Governance stipulated in the above mentioned Listing Regulations.

I further report that there is lack of adequate systems and Processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under report, the Company is admitted to NCLT due to non payment of its liabilities to lenders in pursuance of the above referred IBC laws, rules, regulations, guidelines, standards etc. except commencement of corporate insolvency resolution process allowed by Hon'ble National Company Law Tribunal, Mumbai bench as per its order dated July 4, 2017 and Ms.Vandana Garg was appointed as Interim Resolution Professional (IRP) for the company and her appointment was confirmed and approved as the Resolution Professional (RP) of the company by Committee of Creditors w.e.f. August 12, 2017. Subsequently the CIRP Period of the company was extended by further period of 90 days beyond the initial period of 180 days by the Hon'ble NCLT vide its order dated December 22, 2017.

In my opinion, the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

I further state that such compliances is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : 28th May, 2020

For Namrata Vyas & Associates
Company Secretaries
Proprietor
Sd/-
Namrata Vyas
M. No: 46184
Cop: 17283

Management Discussion and Analysis

The Company

Jyoti Structures Limited (the Company or JSL) is engaged in manufacturing of transmission line towers, sub-station structures, tall antenna towers/ masts and railway electrification structures. In addition, JSL is also a leading player in Turnkey/ EPC projects involving survey, foundation, designing, fabrication, erection and stringing activities of extra high voltage transmission lines and procurement of major bought out items, supply of lattice and pipe type structures, civil works, erection, testing and commissioning of switchyard/ substations and distribution networks, both in India and overseas.

The Company is headquartered at Mumbai and has three manufacturing plants in India: two at Nashik in Maharashtra and one in Raipur in Chhattisgarh. The Indian plants are capable of making prototypes, fabricating and galvanising transmission towers and structures upto 110,000 metric tonnes p.a. (MTPA). The Company has a state-of-the-art Research and Development Centre at Village Ghoti, Tal. Igatpuri, Dist. Nasik spanning over 202,350 sq. meters, where towers up to 1,200 kV DC with maximum base dimensions of 26 meters X 26 meters and height up to 85 meters can be tested.

JSL has been a preferred partner for equipment supply and turnkey solutions to premier Indian utilities such as Power Grid Corporation of India Limited (PGCIL) and National Thermal Power Corporation (NTPC), as well as numerous private and public sector utilities.

JSL has Accreditations with several international agencies such as ABB (Germany), Balforkilpatric (UK), HydroQuebec (Canada), Isolux (USA), IVO (Finland), Kennedy Donkin Power (UK), Mott MacDonald (UK), National Grid (UK), PacificCopr (USA), Powerlink (Australia), SDG&E (USA), TransGRID (Australia), Vatenfall (Sweden), and Western Power (Australia).

Over a period of time, JSL has developed a global presence in over forty countries. JSL has executed over 800 projects and served for the customers in 55 countries. Some of the esteem customers of JSL are Balfour Beaty (UK), Hydro Quebec (Canada), Isolux (USA), Power Grid (India), DEWA (Dubai), EEPCO (Ethiopia), Kahramma (Qatar), SNC Lvalin (Canada), Enel Power (Italy), KEPCO (Korea), STEG (Tunisia), ESKOM (South Africa), MHEW (Oman), UETCL (Uganda), NAMPOWER (Namibia), United Group (Australia), KETRACO (Kenya) and SDG&E (USA).

In June 2017, State Bank of India, a secured lender of JSL, had made an application for commencement of CIRP of the Company before Hon'ble NCLT, which vide its Order dated July 4, 2017 allowed initiation of CIRP of the Company and Ms. Vandana Garg was appointed as the IRP for the Company. The appointment of Ms. Vandana Garg was confirmed/approved as the RP of the Company by the Committee of Creditors w.e.f. August 12, 2017. As per Section 17 of the Code, from the date of appointment of the IRP the management of affairs and powers of the board of directors of the Company were suspended and stood vested with the IRP/ RP.

Subsequently, the CIRP period of the Company was extended by a further period of 90 (ninety) days beyond the initial 180 (one hundred and eighty) days by Hon'ble NCLT vide its order dated December 22, 2017. The CoC had approved the Resolution Plan on April 6, 2018 by majority voting. Subsequently, the RP filed an application before Hon'ble NCLT on April 6, 2018 seeking determination of the Resolution Plan as submitted by the Resolution Applicant and as approved by the CoC. Further to this, the Hon'ble NCLT had pronounced an order on July 25, 2018 rejecting the application of the RP of the Company in respect of determination on the resolution plan proposed for the Company. Thereafter, the said impugned order for rejection of the proposed resolution plan was appealed before the Hon'ble NCLAT, New Delhi by the resolution applicant, the employees of Company and a group of financial creditors through their separate applications.

Subsequently, Hon'ble NCLAT, vide its Order dated March 19, 2019 directed Hon'ble NCLT to approve the revised Resolution Plan as submitted by the Resolution Applicant in March 2019 .Pursuant to Section 31 of the Code Hon'ble NCLT has vide its Order dated March 27, 2019 ("Plan Approval Order") approved the Resolution Plan submitted by the Resolution Applicant.

In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

Industry Overview

World economy has seen significant changes in the past two years. After registering strong growth in 2017 and early 2018, global economic activity started slowing from second half of 2018 onwards. All major indicators of economic activity like industrial production, global trade and Purchasing Managers' Index showed a declining trend. Geopolitical issues, trade tensions between the US and China and other economies, coupled with economic sanctions on some oil exporting countries made a serious impact on many economies.

The country grew at 6.8% in FY 2018-19, with the second half growth dropping to 6.2% as compared to 7.5% of the first half.

During year 2019-20 (upto February 29, 2020) the all India installed capacity was 369,428 MW with Thermal 230,701 MW Nuclear 6,780 MW and Hydro 45,699 MW and Renewable Energy Source 86,759 MW. The installed capacity sector wise was as Central Sector 93097 MW State Sector 103,292 MW and Private Sector 173,039 MW.

During the year 2018-19, total ex-bus energy supplied increased by 5.2% over the previous year and the peak met increased by 9.2%. The energy requirement registered a growth of 5.0% during the year against the projected growth of 10.2% and Peak demand registered a growth of 7.9 % against the projected growth of 10.1%.

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. Some initiatives by the Government of India to boost the Indian power sector:

- Government plans to establish renewable energy capacity of 500 GW by 2030.
- The Pradhan Mantri Sahaj Bijli Har Ghar Yojana- Saubhagya, launched by the Government of India with the aim of achieving universal household electrification by March 2019
- As of September 2018, a draft amendment to Electricity Act, 2003 has been introduced. It discusses separation of content & carriage, direct benefit transfer of subsidy, 24*7 Power supply is an obligation, penalisation on violation of PPA, setting up Smart Meter and Prepaid Meters along with regulations related to the same.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15 per cent by FY19.
- As of August 2018, the Ministry of New and Renewable Energy set solar power tariff caps at Rs 2.50 (US$ 0.04) and Rs 2.68 (US$ 0.04) unit for developers using domestic and imported solar cells and modules, respectively.
- The Government of India approved National Policy on Biofuels – 2018, the expected benefits of this policy are health benefits, cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas and additional income to farmers.

The Indian Government's enhanced push for Renewable Energy (RE) is expected to be a potential game changer for the sector.

The Government has set the target to augment renewable energy capacity to 175 GW by 2022, including an ambitious plan to add 100 GW of Solar power. India's renewable energy sector is expected to attract investments of up to USD 80 billion in the next four years.

The Government has recently announced one of the largest solar parks (~7.5 GW) in Ladakh region, which will bring significant opportunities for players like us, both for Solar as well as T&D businesses. Additionally, initiatives by the Government such as providing custom and excise duty benefits to the solar rooftop sector and increased sustained energy efficient measures by the Indian Railways are expected to augur well for the sector.

Renewable energy generation was about 9.21% of total energy generation in the country during 2018-19.

As on March 31, 2019, inter-regional transmission capacity in the country is 99,050 MW. National Electricity Plan (Vol-II Transmission) for the period ending 2021-22 has been notified the in the Gazette of India on February 7, 2019. The National Electricity Plan (Vol-II Transmission) covers the transmission system (transmission lines and associated substations) planning including the inter-regional transmission links for the period 2017-22 to meet the projected peak electricity demand of 226 GW in the year 2021-22. Total 22437 Ckms of transmission line and 72705 MVA of transformation capacity in substations (220kV and above voltage levels) have been added during upto March 31 2019, resulting in all India transmission network of 413,407 ckms of transmission lines and 899, 663 MVA of the transformation capacity (220kV and above voltage level) as on March 31 2019.

Government initiatives like 'Make in India', 'Smart Cities', 24x7 Power for All', etc. are expected to enhance the demand for power in the country in the coming years. The thrust on electrification of railways and development of e-mobility solutions is expected to further boost the demand for power.

1. Source : https://powermin.nic.in/en/content/power-sector-glance-all-india
2. Source : http://cea.nic.in/reports/annual/lgbr/lgbr-2019.pdf
3. Source : https://www.ibef.org/industry/power-sector-india.aspx
4. Source:http://cea.nic.in/reports/annual/annualreports/annual_report-2019.pdf

Challenges and Strategy

CIRP was initiated against the Company vide order dated July 4, 2017 by Hon'ble NCLT.

The Company faced many internal challenges during the financial year under review, inter alia, significant limitation in present systems, sub-optimal utilisation of SAP, manual records & reporting are potentially prone to errors, limited decision making, lack of competent personnel, absence of CFO, delays in execution of contracts, non-payment of salaries, loss of reputation, absence of efficient monitoring mechanism & ongoing attrition of employees of the Company along with external factors like competition, financial position, market sentiments.

Post the initiation of CIRP, there was initial sense of confidence and hope of the stakeholders like clients and employees about resolution of crisis of JSL. However, after rejection of Committee of Creditors approved Resolution Plan submitted by the Resolution Applicant by Hon'ble NCLT on July 25, 2018, the sense of uncertainty prevailed, which led to panic termination of many projects (even at advanced stage of implementation) by the clients in India and abroad, invocation and encashment of bank guarantees, slowdown in project implementation, decrease in cash flow, increased rate of employees attrition, increase in non-cooperation of employees, gradual shut down of operational activities at projects and factories of the Company.

On a positive side Hon'ble NCLT vide its order dated March 27, 2019 ("Plan Approval Order") approved the Resolution Plan submitted by the successful Resolution Applicant. The Resolution Plan is at an implementation stage and post its implementation new investor shall take control of the business of the Company. As per the approved Resolution Plan, the successful Resolution Applicant have submitted detailed plan for meeting Plan approved obligations in a phased manner out of cash flow of the Company. Also, the successful RP has provided action plan in the approved Resolution Plan for revival of business of the Company and bring back its glory and position it amongst the five top electricity sector EPC companies in the country in a timebound manner.

Risk Management and Internal Control

The RP could not find an Enterprise Risk Management framework across the organization. The RP has observed various lapses in proper risk assessment and risk mitigation across departments/ functions. Risk faced by the Company includes breakdown of supplies, prices fluctuations, delays in project implementation progress due to internal as well as external reasons and interest charged by various parties due to severe financial constraints and no negotiation capability, dependency on few vendors/suppliers etc.

Following gaps are observed in the internal control system of the Company:

- The Company does not have consistent practices to record interest levied on delays from time to time for vendors. The interest is considered based on management approval on a case to case basis. As a result of non-standardization of terms on interest clause, while evaluating claims RP had to accept interest at various rates appearing on their invoices of vendor and suppliers.
- The Company had contravened the provisions of Section 203 of the Act by not appointing a Chief Financial Officer **("CFO").** Non-appointment of CFO had resulted into weak internal and financial control at management level.

- Improper consolidation and missing checks and balances in finalization of financial statements of domestic and international operations.
- Incompetent accounting staff is maintaining accounts with primitive methods and limited knowledge resulting in un-informed decisions at management level.
- Underutilization of SAP ERP and manual accounts leading to further in-efficiencies.
- Non-standardization, non-uniform approach/policy while biding for contracts has resulted in innovation of clauses calling for more liabilities.
- During persistent financial stress periods of previous years, the Company has been unable to keep progress in various project implementation. Some of the clients of the Company have taken up project implementation on their own through the same suppliers/ sub-contractors employed by JSL and/ or some new ones. The amounts accruing to be received by JSL from the clients with the progress of project implementation were used by the clients to pay directly to the said suppliers/ sub-contractors with consent/ authorization from JSL. The process continued during CIRP period also. However, the RP has not been provided by the erstwhile management any approved matrix for issuing such consent/ authorizations on behalf of the Company. Hence, there has been no consistency in issuing such consent/ authorization letters to the clients for direct payments. Some of the matters were brought to the notice of the RP, which after due verification of documents were allowed by the RP. However, many such consent/ authorization letters were issued without proper approval of competent management authority. Proper entries of such receivable amounts used for payments to project suppliers/ sub-contractors/ expenses could not be verified and reconciled due to lack of proper back up data and documents.
- Reconciliations are not done with actual proofs of branch/ subsidiary records/ books of accounts and their reconciliations resulting in lack of effective control at overseas branches/ subsidiaries.
- Lack of proper authorization
- Inadequate documentation
- No separate duties for authorization, custody, record keeping
- No independent checks on performance
- Lack of clear lines of authority
- Inadequate training program for employees
- No proper risk assessment and risk mitigation policy and plan

However, all the directors of the Company are disqualified due to overdue payments of public deposits and the Board committees are also suspended due to commencement of CIRP of the Company. Prolonged CIRP process and many ups and downs faced during the legal process of determination of the Resolution Plan for the Company, the progress in project implementation almost halted, many bank guarantees are encashed and some of the projects got terminated, stakeholders including clients and employees support reduced and very poor financial condition of the Company did not allow for any new project bidding. Hence, during the year under review, the RP was unable to review risk assessment policy and risk mitigation measures of the Company and initiate modifications in the same. However, the successful Resolution Applicant has to give urgent attention on this aspect under his turnaround plan for the Company.

Segment-wise performance and outcome

The Company is in the business of execution of projects relating to power transmission and distribution and hence operates in a single business segment.

Performance of the Company has been dealt with in the Director’s Report.

Human Resource

The Company currently employs about over 709 employees in all categories.

Cautionary Statement

Statements in the “Management Discussion and Analysis” section may be forward looking and are stated as required by applicable laws and regulations. Actual results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

This “Management Discussion and Analysis” section is subject to the provisions of Annexure [*RP disclaimer*] (which shall form an integral part of this section) and this “Management Discussion and Analysis” section shall be construed accordingly.

For Jyoti Structures Limited
(Company under Corporate Insolvency Resolution Process)
Sd/-
Vandana Garg
Erstwhile Inslovency Professional
IBBI/IPA-001/IP-P0025/2016-17/10058

Date: August 13, 2020

Place: Mumbai

Note: Pursuant to the Hon’ble NCLT’s Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of the Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

Resolution Professional' s Declaimer and Disclosure

It is pertinent to note that the RP and her team have limited access to financial data of the Company due to reasons as follows:

i) there was no Chief Financial Officer of the Company since past few years and there had been non-cooperation/ non-availability of the Company Secretary/ Compliance Officer after her notice of resignation in April 2018 and no access to the data available with her,

ii) there was no access to JSL remote location SAP system,

iii) there was no access to financial data available in local systems at various offices, particularly in Nashik, where JSL's Accounts Department is headquartered,

iv) there was no support and non-cooperation of JSL's IT Department for providing such system accesses,

v) there was resistance and non-cooperation on part of JSL staff and employees in general, and on part of the Head of the Accounts Department in particular,

vi) there was suspension of the Board (due to initiation of CIRP) and the directors and KMPs did not provide requisite support and cooperation to the RP,

vii) issues pertaining to previous years which could not be resolved and non-availability of information/ documents of previous years,

viii) there has been limited support from handful of employees

Despite all these difficulties and limitations, the RP has made all practical and reasonable efforts from time to time to facilitate information/ data from the officials of the Company in relation to the preparation of the financial statements of the Company/ maintaining the accounts of the Company as far as practically possible under the circumstances. The information facilitated by the RP and the preparation & presentation of the financial statements / maintaining the accounts of the Company is with the limited access to the financial information and limited support of the minimal resources of the Company. It is to be noted that the financial statements for the FY 2017-18, as well as the information provided to the auditors for the purpose of audit of the same, partly pertains to the period prior to the appointment of the RP, i.e., period prior to July 4, 2017 and, therefore, while facilitating the collection and dissemination of the said information, the RP has relied upon and assumed the accuracy /veracity of data provided by the officials of the Company and the records of the Company made available to RP which the RP has assumed are in conformity with the applicable law and gives a true and fair view of the position of the Company for the period indicated therein and accordingly provided the same to the auditors for their audit. The RP takes no onus with respect to the validity and authenticity of such information. The RP has not verified the information provided by the officials of the Company and has placed confidence on them in good faith and also on the data/information provided by them to her. The RP believes that the information provided to the auditors for the purpose of audit of the same does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. However, the RP does not make any representations regarding accuracy, veracity and sufficiency of such information and shall not be liable for the same.

It is also pertinent to note that significant financial information is static in nature and carried from the previous year. It is further pertinent to note that all the project related transactions have been continuing with the approval and sanction of the related Head of the Departments/ management as per the previous authorization/ mandate. Most of such transactions have not been brought to the notice of the RP for record and/ or her approval/ consent. The RP shall accordingly not make any representations regarding accuracy, veracity and sufficiency of information and shall not be liable for the same.

The preparation and presentation of financial statements for the year FY 2017-18 got delayed because of considerable time taken in resolving the above-mentions issues partially so as to enable the process of financial closure to begin. The RP has relied on the certifications, representations and statements made by the existing personnel of the Company. The RP/ Interim Chief Financial Officer have signed the financial statements for FY 2017-18 for administrative purpose only under the above stated limitations and without any onus or liability. In case any material information is disclosed to the RP and/ or the new management of the Company (after its takeover), the management reserves the right to take such suitable steps as required under the laws for re-stating the financials of the corresponding past year(s).

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Date: August 13, 2020
Place: Mumbai

Note: Pursuant to the Hon'ble NCLT's Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of the Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

INDEPENDENT AUDITOR'S REPORT

To The Members of Jyoti Structures Limited

1. **Report on the Standalone Financial Statements**

   We were engaged to audit the accompanying standalone financial statements of Jyoti Structures Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone financial statements") in which are incorporated 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. These financial statements does not include the amounts in respect of two of the branches of the company at Kuwait and Egypt.

2. **Management's Responsibility for the Standalone Financial Statements**

   The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

   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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   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 CIR process 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 CIR process, the power and responsibilities of the Board of Directors shall vest with the RP under the provisions of the Code.

3. **Auditor's Responsibility**

   Our responsibility is to express an opinion on these financial statements based on our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

   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.

4. **Basis for Disclaimer of Opinion**

   i) *As stated in Note No. 34 management has prepared these Standalone Financial Statements on a going concern basis in spite of following facts and circumstances:*

      a) *The company has reported loss after tax of INR 416,651 Lacs during the year;*

      b) *The net-worth of the company has been fully eroded and is (-) 555,037 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) *Legal proceedings are pending before various Judicial Authorities seeking claims / compensations;*

e) *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 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 balance sheet. The Hon'ble NCLT pursuant to application filed under 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. Accordingly, the financial statements 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 statements, which have been further detailed at Note No. 34 (31,32,35 & 37) of the standalone financial statements. Due to these conditions at the date of this report, we are unable to ascertain the impacts of the same on the standalone financial statements.

ii) *During the year, upto December 2017 the company was using SAP and thereafter due to non-availability of access and other factors, the 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 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 standalone financial statements.

iii) *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.*

iv) *The percentage of vouchers / records available with the 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 standalone financial statements.*

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., the amount of Changes in Inventories and comment on the provision, if any, required based on the condition and usability of the stocks. Further, the physical verification of inventories 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 standalone financial statements.*

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) *As per the details provided in Notes to the financial statements 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 / upto the date of initiation of CIRP process are not available and hence we are unable to comment in respect of such balances / amounts appearing in the financial statements.*

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 standalone financial statements.

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 standalone financial statements.

b) The company has been regularly in 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 have been made against the same.

Further, in respect of periodic returns of GST to be filed, the 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) In respect of balances available with statutory authorities and input credits, the same 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 and other dues have been expensed off during the year. In the absence of sufficient details in respect of the same, we are unable to comment in respect of the same.

vii) ***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 financial statements. 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 working 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, the company has not provided for loss on future cost to complete ongoing work-in-progress. The detailed supporting working along with corroborative base details, for such estimate of cost to completion was not 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.*

viii) 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 standalone financial statements:

a) *The Company has not appointed Internal Auditors as required by Section 138 of the Companies Act 2013;*

b) *Consolidated financial statements of the company have not been prepared as required under section 129 of the Companies Act, 2013;*

c) *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;*

d) *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;*

e) *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;*

f) *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.*

g) *There have been default in conduct of general meeting in a timely manner.*

h) *The company 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*

x) Related Party

a) As at the year end, the company has granted 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) The company had given 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 company has accrued interest, rental and other income in respect of loans and advances given to and other transaction with related parties from whom no amounts have been recovered either on account of interest or principal. In the absence of the details being available, we are unable to comment on the amount of income accrued and the realisation thereof.

d) 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. 1647.77 Lacs; Advances to Related parties of Rs. 30235 Lacs as at December 31, 2017 are continuing without any up-dation / reassessment thereto. In the absence of related corroborative 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 April 1, 2017, the amount has slightly reduced from Rs. 52.42 Crore as on April 1, 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 standalone financial statements include the assets, liabilities, income and expenditure in respect of 7 branches upto and 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 these standalone financial statements.

The same are subject to changes on completion of audit. Further, in the absence of details, we are unable to comment on the impact, these may have on the standalone financial statements.

c) We understand that the 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 standalone financial statements of the company.

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 and interest / finance costs in respect of these, we are unable to comment on the impact, if any, on the financial statements 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 transaction and 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 in the company 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 base documents and details 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:

a) *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.*

b) *the entire amount of trade receivables have been classified as current notwithstanding the contracted terms with the respective customers;*

c) *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;*

d) *Disclosures as required by Indian Accounting Standard 11 – 'Construction Contracts' have not been done;*

e) *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.*

f) *The additional disclosures as required under schedule – III as reported at Note No. 4 (CIF Value of Imports), Note No. 5 (Value of Imported and Indigenous Raw Materials & Stores and component consumed), Note No. 6 (Earnings & Expenditure in foreign currency), and Note No. 21 of Note 34 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;*

g) *Classification as current and non-current, secured and unsecured, for various items of assets and liabilities has not been done as per contracted terms as required under Ind AS but the same have been done as per the respective disclosures made in the Notes to the financial statements.*

h) *The security details in respect of borrowings are continuing as per last year since, the details in respect of the same are not fully available. Further, the details of defaults in respect of borrowings have not been fully disclosed.*

Basis for Qualified Opinion

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.*

The cumulative impact in respect of items stated at point (a) to (d) above is not presently ascertainable.

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. 1647.77 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 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 standalone financial statements.*

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 financial statements, 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, which is already overdue, 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) *As further detailed at Note 36 of Note 34 to the standalone financial statements, 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 financial statements cannot be ascertained.*

xii) As referred to at Note No. 36 of Note 34 of the standalone financial statements, 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) As referred to in Note No. 34 (32 & 37), 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 (Borrowings) and other financial liability consequent upon the exercise of reconciliation of claims of operational creditors and financial creditors by RP, which is still under process. 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 standalone financial statements.

5. **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph above read with Notes to the Standalone Financial Statements, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the aforesaid Standalone financial statements.

6. **Other Matter**

The standalone financial statements incorporates 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. These financial statements does not include the amounts in respect of two of the branches of the company at Kuwait and Egypt. The financial statements /information of these branches have not been subject to audit and the same have been incorporated based on management accounts / details and are thus subject to consequential changes / adjustments arising on audit.

7. **Report on Other Legal and Regulatory Requirements**

I. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

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

a) As described in the basis for disclaimer of opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) Due to the possible effects of the matter described in the basis for disclaimer of opinion paragraph, and having regard to the fact that significant number of vouchers and base records; inventory and fixed assets register were not available or did not have the required details, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The financial returns / statements of the branches considered in the financial statements in respect of 7 branches for the year ended March 31, 2018 and for 5 branches for the nine months ended December 31, 2017 have not been subject to audit and hence no reports in respect of the same have been considered by us. These branch accounts have been incorporated based on management accounts and hence we are unable to comment on the possible impact, if any, arising on audit thereof. Further, financial returns / statements / reports in respect of 2 branches have not been received and not considered in these standalone financial statements of which the impact is not ascertained by the management and hence we are unable to comment on the same.

d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to comment if the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and statement of changes in equity dealt with by this report are in agreement with the books of account.

e) Due to the possible effects of the matter described in the basis for disclaimer of opinion paragraph, we are unable to state whether the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder;

f) The matters described in the basis for disclaimer of opinion and Report on Internal Financial Controls over financial reporting (Annexure B), in our opinion, may have adverse effect on the functioning of the Company;

g) Management is unable to provide us the evidence regarding director's qualification as on 31st March, 2018 for being appointed on board as the same have not been received from the directors by the Resolution Professional. In view of this, we are unable to comment whether directors are disqualified from being appointed as director in terms of Section 164(2) of the Act. However, the powers of the board have been superseded by the Resolution Professional appointed by the NCLT w.e.f. July 4, 2017;

   Further, in view of the company being in default w.r.t. payment of interest and principal w.r.t. its deposits and such defaults continuing for a period of more than one year, the directors of the company as at 1-Apr-2017 are disqualified from being appointed as director in terms of section 164(2) of the Act. Management has represented that the the powers of the board have been superseded by the Resolution Professional appointed by the NCLT w.e.f. July 4, 2017. However, no representation have been received by the RP from such directors.

h) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for disclaimer of opinion paragraph above and Report on Internal Financial Controls over financial reporting (Annexure B)

i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

   i. In view of the related matters described in the basis for disclaimer of opinion paragraph, we are unable to state whether Note 34 to the standalone financial statements discloses the complete impact of pending litigations on its financial position;

   ii. In view of the related matters described in the basis for disclaimer of opinion paragraph, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company does not have any derivative contract; and

   iii. There has been delay in transfer of unclaimed dividend of Rs. 3.47 Lacs to Investor Education and Protection Fund by the company.

For MKPS & Associates
Chartered Accountants
FRN 302014E
Sd/-
CA Narendra Khandal
Partner
M. No. 065025
UDIN : 20065025AAAABB7187
Mumbai, February 11, 2020

Annexure – A to the Independent Auditors Report

Referred to in para 7 of our report of even date, to the members of Jyoti Structures Limited for the year ended March 31, 2018

i) (a) In our opinion, the company does not maintain proper records in respect of its fixed assets since no fixed assets register containing the required basic details such as location, identification number, residual value, life etc. is available. Further, the details provided in excel sheets are not in agreement with the balances as appearing in the books of accounts and last year's audited accounts. It is explained that fixed assets register was hitherto maintained in SAP but due to restrictions in gaining access to the same, the company has maintained / extracted details in excel sheets and standalone software being Tally where such fixed assets related data is not integrated. These assets have not been physically verified by the management.

Further, management has as part of resolution process carried out an exercise of valuation of all assets of the company, of which a report has been made available.

(b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policies on the same being provided, we are unable to comment on the process of physical verification of the fixed assets by the company.

(c) The title deeds in respect of immovable properties as per the books of accounts were not made available, in the absence of which, we are unable to comment on whether the same are in the name of the company.

ii) The working papers to substantiate the carrying out the exercise of physical verification of inventories during the year are not available due to which we are unable to comment on whether physical verification was carried out. The Resolution Professional has however got the physical verification being done by an external agencies, the necessary impact of the differences have been given in the books as explained. However, on a perusal of such reports, we observed that the total value of inventory which has been subject to physical verification is significantly less in relation to the total value of inventories held by the company. Further, the inventory lying with third parties / project sites have been neither confirmed nor verified.

iii) On a perusal of details and previous records, In our opinion and according to the information and explanation given to us, the company has balances of outstanding loans granted to parties which are covered in the register maintained under section 189 of the Companies Act 2013. However, the necessary documents / agreement / term sheet having the details of the terms and conditions of such loans have not been provided to us. Further, the required registers to be maintained under section 189 of the Act are not available / not updated. Due to the same, we are unable to report on reporting requirements as specified under sub-clause (a) to (c) of clause (iii) of the order.

iv) The registers required to be maintained under section 185 & 186 have not been provided for our verification or are under updation due to which we are unable to comment on the reporting requirements specified under clause (iv) of the order.

v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. However, in respect of the balance amounts of deposits accepted during the earlier year(s) and outstanding as on 31 Mar 2018, we report that:

i) The annual return for the status of deposits in DPT – 3 has not been filed

ii) The register of deposits as required to be maintained has not been provided for our verification;

iii) The entire amount of Rs. 857.76 Lacs outstanding as on 31 Mar 2018 is overdue and hence there is recurring default on repayment of deposit and interest.

As represented to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal against the company in respect of these deposits.

vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company, in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.

vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, VAT, GST, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities in India.

According to the information and explanations given to us, and the records maintained by the company the details of undisputed amounts in respect of the aforesaid statutory dues which in arrears as at March 31, 2018 for a period of more than six months from the date they became payable are as under:

Sr No.	Particulars	Amount Due (Rs. In lacs)
1	Provident Fund and Employee's State Insurance	1,813.41
2	Professional Tax	14.50
3	Income Tax	22,250.24
4	Income Tax- Tax Deducted at Source	1,832.94
5	VAT and WCT	1,810.12

(B) According to the information and explanations given to us, and according to the records made available to us, the details of statutory dues which have not been deposited on account of any dispute as on 31 Mar 2018 are as under:

Sl No.	Type of the Status	Nature of Dues	Amount (Rs. in Lacs)	Financial year to which the amount relates	Forum where dispute is pending
1	Sales Tax	Tax & Interest	32.68	Various years between 1995-96 to 1998 - 99	Appellate Tribunal
2	Entry Tax	Tax & Interest	18.86	2004-05 and 2005-06	Appellate Tribunal
3	Commercial Taxes	Tax & Interest	70.34	2006-07	Revision Board
4	Sales Tax	Tax & Interest	81.71	2009-10	Appellate Tribunal
5	Sales Tax	Tax & Interest	103.77	2011-12	Appellate Tribunal
6	Sales Tax	Tax & Interest	1,650.93	2005-06, 2006-07 and 2007-08	Maharashtra Sales Tax Tribunal,
7	Sales Tax	Tax & Interest	14,930.19	2011-12, 2012-13 and 2013-14	Deputy Commissioner of Sales Tax
8	WCT TDS	Tax & Interest	27,564.58	2010-11, 2011-12, 2012-13 and 2013-14	Madras High Court, Chennai
9	Central Excise	Tax & Interest	3,162.83	2010-11 to 2014-15	CESTAT
10	Income Tax	Tax & Interest	54.70	2005-06	Commissioner of Income Tax (Appeals)
11	Income Tax	Tax & Interest	229.11	2006-07	Commissioner of Income Tax (Appeals)
12	Income Tax	Tax & Interest	62.03	2010-11	Income Tax Appellate Tribunal
13	Income Tax	Tax & Interest	4,169.44	2011-12	Income Tax Appellate Tribunal
14	Income Tax	Tax & Interest	295.78	2012-13	Income Tax Appellate Tribunal

The aforesaid details are provided based solely on the details made available by the company which could not be fully verified.

viii) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has been defaulting in repayment of dues to banks / Financial Institutions and Debenture holders as well as Public Deposit on account of interest as well as principal. The company does not have any borrowings from government. The company has been at continuous default w.r.t. the repayment of its loan as well as interest thereon. The borrower wise and period of default details have not been provided / compiled by the management and hence could not be provided.

ix) In our opinion and according to the information and explanations given to us, no fresh term loans were taken by the company during the year under audit.

x) Based on the audit procedures to be performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

xi) According to the information and explanations given to us, the company has provided managerial remuneration during the year which are in excess of the amount as per the provisions of section 197 read with Schedule V to the Act. The amount excess provided is Rs. 74.71 Lacs.

xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.

xiii) In our opinion and according to the information and explanation provided to us by the management, as the register under section 189 has not been updated, we are unable to comment on compliance with section 177 and Section 188 of the Companies Act, 2013 with respect to transactions with related parties. However, details of related party transactions to the extent available with the management have been disclosed in Note 34 (16) to the standalone financial statements as certified by the management.

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.

xv) As per the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 – IA of the Reserve Bank of India, 1934.

For MKPS & Associates
Chartered Accountants
FRN 302014E

Sd/-
CA Narendra Khandal
Partner
M. No. 065025
UDIN : 20065025AAAABB7187
Mumbai, February 11, 2020

Annexure – B to the Independent Auditors Report

Referred to in para 7 of our report of even date, to the members of Jyoti Structures Limited for the year ended March 31, 2018

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

We were engaged to audit the internal financial controls over financial reporting of Jyoti Structures Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Standalone Ind AS financial statements of the Company, and the disclaimer has affected our opinion on the Standalone Ind AS financial statements of the Company and we have issued a disclaimer of opinion on the standalone Ind AS financial statements.

For MKPS & Associates
Chartered Accountants
FRN 302014E
Sd/-
CA Narendra Khandal
Partner
M. No. 065025
UDIN : 20065025AAAABB7187
Mumbai, February 11, 2020

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2018

	Note	As at 31/Mar/2018 INR in Lacs	As at 31/Mar/2017 INR in Lacs
ASSETS			
1) NON CURRENT ASSETS			
a) Property, Plant and Equipment	1	**8,405.56**	10,771.93
b) Capital Work-in-Progress		**-**	36.15
c) Other Intangible Assets	1.1	**-**	508.96
d) Investment in Subsidiaries and Joint Venture	2	**667.04**	2,314.81
		9,072.60	13,631.85
e) **Financial Assets**			
i) Investment	3	**46.36**	43.13
ii) Trade Receivables	4	**-**	35,078.41
iii) Other Financial Assets	5	**521.61**	576.36
		567.97	35,697.90
TOTAL NON CURRENT ASSETS		**9,640.57**	49,329.75
2) CURRENT ASSETS			
a) Inventories	6	**5,003.65**	10,997.95
b) **Financial Assets**			
i) Trade Receivables	7	**235,932.16**	398,091.24
ii) Cash and Cash Equivalents	8	**2,549.17**	2,515.06
iii) Bank Balances other than (ii) above	9	**892.17**	713.83
iv) Other Current Financial Assets	10	**5,490.91**	58,076.01
		244,864.41	459,396.14
c) **Other Current Assets**	11	**12,740.87**	26,857.55
TOTAL CURRENT ASSETS		**262,608.93**	497,251.64
TOTAL		**272,249.50**	546,581.39
EQUITY AND LIABILITIES			
1) EQUITY			
a) Equity Share Capital	12	**2,190.55**	2,190.55
b) Other Equity	13	**-557,227.87**	-140,572.03
TOTAL EQUITY		**-555,037.32**	-138,381.48
2) LIABILITIES			
A NON CURRENT LIABILITIES			
a) FINANCIAL LIABILITIES			
i) Long Term Borrowings	14	**-**	2,907.57
ii) Other Financial Liabilities	15	**-**	113.61
		-	3,021.18
b) Long Term Provisions	16	**1,475.96**	1,320.55
c) Deferred Tax Liabilities (Net)	17	**33.37**	33.37
TOTAL NON CURRENT LIABILITIES		**1,509.33**	4,375.10
B CURRENT LIABILITIES			
a) Financial Liabilities			
i) Short Term Borrowings	18	**349,457.92**	320,758.21
ii) Trade Payables	19	**48,945.76**	42,050.62
iii) Other Current Financial Liabilities	20	**256,499.99**	209,637.48
		654,903.67	572,446
b) Other Current Liabilities	21	**168,685.08**	105,962.13
c) Short Term Provisions	22	**2,188.74**	2,179.33
TOTAL CURRENT LIABILITIES		**825,777.49**	680,587.77
TOTAL		**272,249.50**	546,581.39
Significant Accounting Policies	33		
Other Notes to Financial Statements	34		

The Significant Accounting Policies and Notes referred to above form an integral part of Financial Statements.

As per our report attached
For **MKPS & ASSOCIATES**
Chartered Accountants
Firm's Registration No: 302014E

Sd/-
Narendra Khandal
Partner
Membership Number 065025
Mumbai; 11 February 2020

Sd/-
SONALI GAIKWAD
Company Secretary

For and on behalf of the Board

Sd/-
ANIL MISHRA
(Interim CFO appointed by COC for CIR process)

Sd/-
VANDANA GARG
Insolvency Resolution Professional
IBBI/IPA-001/IP-P00025/2016-2017/10058

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		Note	YEAR Ended 31/Mar/2018 INR in Lacs	Year Ended 31/Mar/2017 INR in Lacs
CONTINUING OPERATIONS				
I	**INCOME**			
	Revenue from Operations (Gross)	23	**25,598.26**	85,589.66
	Other Income	24	**452.04**	1,939.17
	Total Revenue		**26,050.30**	87,528.83
II	**EXPENSES**			
	Cost of Materials Consumed	25	**4,788.32**	46,716.39
	Excise Duty Paid	26	**119.67**	624.37
	Erection and Sub-contracting Expense	27	**13,816.59**	31,121.41
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	**5,206.96**	8,725.07
	Employee Benefits Expense	29	**8,811.85**	10,407.31
	Finance Costs	30	**101,001.67**	84,207.93
	Depreciation and Amortization Expense (Net)	31	**2,708.77**	5,079.48
	Other Expenses	32	**306,263.31**	48,925.76
	TOTAL EXPENSES		**442,717.14**	235,807.72
III	**Profit/(Loss) Before Tax (I-II)**		**-416,666.84**	-148,278.89
IV	**Tax Expense:**			
	Current Tax		**-**	-
	Deferred Tax (Net)		**-**	-4.24
	(Excess)/Short Provision of Taxes for earlier years		**-0.07**	-
			-0.07	-4.24
V	**Profit/(Loss) for the year (III-IV)**		**-416,666.77**	-148,274.65
VI	**Other Comprehensive income**			
	A. Items that will not be reclassified to profit or loss			
	Changes in revaluation surplus		**-**	-
	Remeasurements of the defined benefit plans		**-309.60**	-31.23
	B. Items that will be reclassified to profit or loss			
	Remeasurement of MF Investment at fair value		**3.23**	5.92
	Exchange (Loss)/Gain in translating the financial statements of foreign operations		**-301.89**	-256.72
	Amortisation of Debenture Issue expenses		**-**	-
	NPV of Deferred Liability / Adjustment of previous periods		**4.94**	**8.29**
			15.88	**-211.28**
VII	**Total Comprehensive Income**		**-416,650.89**	**-148,485.93**
VI	**Earnings Per Equity Share (In Rs.) [Note 34(19)]**			
	[Nominal value of share Rs. 2]			
	1) Basic		**INR -380.42**	INR -135.38
	2) Diluted		**INR -380.42**	INR -135.38
	Significant Accounting Policies	33		
	Other Notes to Financial Statements	34		

The Significant Accounting Policies and Notes referred to above form an integral part of Financial Statements.

As per our report attached
For **MKPS & ASSOCIATES**
Chartered Accountants
Firm's Registration No: 302014E

For and on behalf of the Board

Sd/-
ANIL MISHRA
(Interim CFO appointed by COC for CIR process)

Sd/-
Narendra Khandal
Partner
Membership Number 065025
Mumbai; 11 February 2020

Sd/-
SONALI GAIKWAD
Company Secretary

Sd/-
VANDANA GARG
Insolvency Resolution Professional
IBBI/IPA-001/IP-P00025/2016-2017/10058

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

				Year Ended 31/Mar/2018 INR In Lacs	Year Ended 31/Mar/2017 INR In Lacs
I	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(Loss) Before Taxes		[A]	**-416,666.84**	-148,278.87
	ADJUSTMENTS FOR				
	i)	Depreciation and Amortisation		**2,708.77**	5,079.48
	ii)	Impairment of Investments		**1,647.77**	6,500.65
	iii)	Interest Expense		**99,090.22**	82,484.63
	iv)	(Gain)/Loss on Sale of Property, Plant and Equipment (Net)		**-9.53**	6.05
	v)	Amortisation of Borrowings		**506.99**	1,060.59
	vi)	Interest Received		**-214.54**	-1,836.87
	viii)	Remeasurements of the defined benefit plans		**309.60**	31.23
	ix)	Exchange (Loss)/Gain in translating the financial statements of foreign operations		**-716.10**	-256.72
			[B]	**103,323.18**	93,069.04
	Operating Profit before Working Capital changes		[A+B] = [C]	**-313,343.66**	-55,209.83
	ADJUSTMENTS FOR				
	i)	Inventories		**5,994.30**	9,508.23
	ii)	Trade Receivable & Other Receivable, financial assets, Other Current Assets		**298,791.50**	16,667.80
	iii)	Current Liabilities and Provisions		**97,436.07**	56,416.31
			[D]	**402,221.87**	82,592.34
	Cash Generated from Operations		[C+D] = [E]	**88,878.21**	27,382.51
	i)	Direct Taxes Paid (Net)		**-0.07**	-1,284.79
			[F]	**-0.07**	-1,284.79
	Net Cash (used in) / from Operating Activities	[I]	[E+F] = [G]	**88,878.14**	26,097.72
II	**CASH FLOW FROM INVESTING ACTIVITIES**				
	i)	Proceeds from Sale of Property, Plant and Equipment		**284.52**	43.77
	ii)	Purchase of Property, Plant and Equipment [After adjustment of (Increase)/Decrease in Capital Work-in-Progress]		**-985.44**	-261.26
	iii)	Investment in a Subsidiary Company		**-**	-182.87
	iv)	Interest Received		**214.54**	1,836.87
	v)	Net Advances to Subsidiary Companies		**-29,679.03**	265.64
	vi)	Net Advances to Companies other than Subsidiary Companies		**-3,922.16**	13,746.49
	Net Cash (used in) / from Investing Activities	[II]		**-34,087.57**	15,448.64
	i)	Repayment of Non convertible Debentures		**-**	-2.00
	ii)	Proceeds from Long Term Borrowings		**15,686.95**	19,729.33
	iii)	Repayment of Long Term Borrowings		**-24.10**	-2,353.58
	iv)	Proceeds from Asset Finance from Banks		**532.21**	-
	v)	Repayment of Asset Finance from Banks		**-**	-9.43
	vi)	Proceeds from Asset Finance from Financiers		**-**	4.50
	vii)	Repayment of Asset Finance from Financiers		**-533.97**	-

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

		Year Ended 31/Mar/2018 INR In Lacs	Year Ended 31/Mar/2017 INR In Lacs
viii) Net Increase/(Decrease) in Interest Free Sales Tax Deferral Loan		**-23.56**	-
viii) Proceeds from Short Term Borrowings from banks		**-8,486.55**	16,413.24
ix) Dividend Distribution Tax Paid on Preference Share		**-**	-5.09
x) Dividend and Dividend Distribution Tax for earlier year		**-3.48**	-3.95
xi) Interest Expense		**-99,090.22**	-82,484.63
Net Cash (used in) / from Financing Activities [III]		**-91,942.72**	-48,711.61
Net Increase/(Decrease) in Cash and Cash Equivalents	[I + II + III]	**-37,152.15**	-7,165.25
Cash and Cash Equivalents at the beginning of the year		**-208,452.68**	-201,287.43
Cash and Cash Equivalents at the end of the year *		**-245,604.83**	-208,452.68

* Cash and Cash Equivalents comprise of :

Particulars		Year Ended 31/Mar/2017 INR In Lacs	Year Ended 31/Mar/2016 INR In Lacs
a) Balances with Banks		**2,280.02**	2,182.40
b) Fixed Deposit with original maturity for less than 3 months		**259.10**	310.00
c) Cash On Hand		**10.05**	22.67
	Sub Total (A)	**2,549.17**	2,515.07
d) Short Term Borrowings (Refer Note No. 20)		**-349,457.92**	-320,758.21
Less: Loans other than Overdraft and Cash Credit		**-101,303.91**	-109,790.46
	Sub Total (B)	**-248,154.01**	-210,967.75
	Total (A+B)	**-245,604.83**	-208,452.68

As per our report attached
For **MKPS & ASSOCIATES**
Chartered Accountants
Firm's Registration No: 302014E

For and on behalf of the Board

Sd/-
ANIL MISHRA
(Interim CFO appointed by COC for CIR process)

Sd/-
Narendra Khandal
Partner
Membership Number 065025
Mumbai; 11 February 2020

Sd/-
SONALI GAIKWAD
Company Secretary

Sd/-
VANDANA GARG
Insolvency Resolution Professional
IBBI/IPA-001/IP-P00025/2016-2017/10058

Note :

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

2 "Other non-cash items" includes excess provision written back, diminution of value of investment, materials written off and miscellaneous adjustments not affecting Cash Flow.

3 In Part-I of the Cash Flow Statement, figures in Minus (-) indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-II and Part-III, figures in Minus (-) indicate cash outflows.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Property, Plant and Equipment (₹ in Lacs)

1 Tangible assets	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Tools and Tackles	Furniture & Fixtures	Computer and Office Equipments	Vehicles	31 March 2018
Gross Carrying Value									
As at 1 April 2016	112.02	223.70	2,893.75	20,187.57	8,556.22	683.77	1,821.45	6,239.46	**40,717.95**
Additions	-	-	-	55.65	150.21	1.46	49.68	-	**257.00**
Disposals	-	-	-	98.03	20.11	5.69	90.47	56.80	**271.09**
As at 31 March 2017	**112.02**	**223.70**	**2,893.75**	**20,145.19**	**8,686.33**	**679.55**	**1,780.66**	**6,182.67**	**40,703.85**
Additions	-	-	-	16.05	29.08	7.38	4.40	70.99	**127.90**
Disposals	-	-	-	334.58	29.48	2.85	9.49	490.76	**867.17**
Other adjustments	-	-	-	-	-	22.27	-	-	**22.27**
As at 31 March 2018	**112.02**	**223.70**	**2,893.75**	**19,826.66**	**8,685.93**	**661.81**	**1,775.56**	**5,762.90**	**39,942.32**
Accumulated Depreciation									
As at 1 April 2016	-	28.24	966.17	13,153.02	5,811.85	506.07	1,444.77	3,446.78	**25,356.91**
Charge for the year	-	3.79	75.72	1,573.54	2,245.20	48.43	141.46	708.14	**4,796.29**
Disposals	-	-	-	75.45	20.11	5.19	89.43	31.10	**221.27**
As at 31 March 2017	**-**	**32.03**	**1,041.89**	**14,651.11**	**8,036.95**	**549.31**	**1,496.81**	**4,123.83**	**29,931.92**
Charge for the year	-	3.79	75.72	1,226.37	485.54	36.85	97.90	270.83	**2,197.01**
Disposals	-	-	-	103.90	414.74	11.23	6.73	55.58	**592.17**
As at 31 March 2018	**-**	**35.82**	**1,117.62**	**15,773.58**	**8,107.75**	**574.93**	**1,587.99**	**4,339.08**	**31,536.76**
Net Block									
As at 31 March 2017	**112.02**	**191.67**	**1,851.86**	**5,494.09**	**649.38**	**130.24**	**283.85**	**2,058.84**	**10,771.93**
As at 31 March 2018	**112.02**	**187.88**	**1,776.14**	**4,053.08**	**578.17**	**86.88**	**187.57**	**1,423.82**	**8,405.56**

1.1 Intangible assets	Software	Goodwill on amalgamation	31 March 2018 in Rupees
Gross Carrying Value			
As at 31 March 2017	**2,227.00**	**301.13**	**2,528.12**
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2018	2,227.00	301.13	2,528.12
Accumulated Depreciation			
As at 31 March 2017	**1,718.04**	**301.13**	**2,019.17**
Charge for the year	281.67	-	281.67
Balance adjusted with Surplus in Statement of Profit and Loss	-	-	-
Impairement	227.29	-	227.29
As at 31 March 2018			
Net Block			
As at 31 March 2017	**508.96**	**-**	**508.96**
As at 31 March 2018	**-**	**-**	**-**

Note:

1. For assets given as security refer Standalone Balance Sheet Note No 14.
2. Intangible Assets amounting to carrying value of Rs. 508.95 lacs have been fully impaired during the year since the corresponding assets were no longer available for use by the Company and hence, had nil realisable value/value in use.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2	INVESTMENT IN SUBSIDIARIES AND JOINT VENTURE	Subsidiary / Associate / Joint Venture	Face Value	No. of Shares / Units		Amount	
				31/Mar/2018	31/Mar/2017	31/Mar/2018	31/Mar/2017
				Nos	Nos	INR in Lacs	INR in Lacs
	Investment in Equity Instruments						
	Unquoted, Fully paid-up - At Cost						
	JSL Corporate Services Ltd. - Eq. Shares	Subsidiary	INR 10 Each	**35,00,000**	35,00,000	**350.00**	350.00
	Jyoti Energy Ltd. - Eq. Shares	Subsidiary	INR 10 Each	**50,000.00**	50,000.00	**5.00**	5.00
	Less: Prov for Diminution of Investment ** #					**-5.00**	-
	Jyoti Structures Africa (pty.) Ltd. - Eq. Shares *	Subsidiary	Rand 1 Each	**70.00**	70.00	**-**	-
	Jyoti International Inc. - Eq. Shares	Subsidiary	$ 0.01 Each	**100.00**	100.00	**6,000.65**	6,000.65
	Less: Prov. For Diminution of Investment #	Subsidiary				**-6,000.65**	-6,000.65
	Jyoti Structures FZE. - Eq Shares	Subsidiary	AED 10,00,000 Each	**2.00**	2.00	**317.04**	317.04
	Gulf Jyoti International LLC - Eq. Shares	Joint Venture	AED 1000 Each	**12,930.00**	12,930.00	**1,642.77**	1,642.77
	Less: Prov for Diminution of Investment ** #	Joint Venture				**-1,642.77**	-
	Lauren Jyoti Pvt Ltd. - Eq Shares	Joint Venture	INR 10 Each	**-**	50,00,000	**-**	500.00
	Less: Prov. For Diminution of Investment**	Joint Venture				**-**	-500.00
						667.04	**2,314.81**

* Investment at the end of the year in Jyoti Structures Africa (Pty) Ltd. is INR 419/- (P.Y. INR 419/-)

**# Provision for diminution of investment during the year is INR 16,47,77,017/-

Provision for diminution of Investment during the year FY 16-17 is INR 6,500.65 Lacs

Book value of Unquoted Investments is INR 667.04 Lacs (P.Y. INR 2,314.81 Lacs)

The company has determined Provisoin For Impairment to the extent the details of some of the subsidiaried were available. In the absence of the details for all the subsidiaires, a comprehensive assessment is under progress and the amount may change based on details that may be available.

During the year, the equity shares of Lauren Jyoti Private Limited. had been disposed off pursuant to an agreement dated 18 April 2017 between the JV partner. This investment had been fully provided for in the earlier year.

3	NON-CURRENT FINANCIAL ASSET - INVESTMENT	Others / Mutual Funds	Face Value	No. of Shares / Units		Amount	
				31/Mar/2018 Nos	31/Mar/2017 Nos	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Investment in Equity Instruments Unquoted, Fully paid-up - At Cost						
	Jankalyan Sahakari Bank Ltd. - Eq. Shares	Other	INR 10 Each	**49,955.00**	49,955.00	**5.00**	5.00
						5.00	5.00
	Investment in mutual fund						
	Quoted, Fully paid-up - At fair value through other comprehensive income						
	SBI Blue Chip Fund	Mutual Fund	INR 10 Each	**20,000**	20,000	**7.72**	6.72
	SBI Infrastructure Fund	Mutual Fund	INR 10 Each	**50,000**	50,000	**7.64**	6.82
	SBI Magnum Equity Fund	Mutual Fund	INR 10 Each	**12,136**	12,136	**11.24**	10.44
	UTI Bond Fund	Mutual Fund	INR 10 Each	**28,352**	28,352	**14.75**	14.16
						41.35	**38.14**
	TOTAL					**46.35**	**43.14**

Book value of Unquoted Investments is INR 5.00 Lacs (P.Y. INR 5.00 Lacs)

Market value of Quoted Investments is INR 38.13 Lacs (P.Y. INR 32.21 Lacs)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

4	NON CURRENT TRADE RECEIVABLES	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Unsecured, considered good		
	Trade Receivables	-	35,078.41
	TOTAL	-	35,078.41

The Company is in the process of bifurcating its trade receivables as current and non-current pending which the entire amount of receivables have been considered as current notwithstanding the contractual payment terms.

5	OTHER NON CURRENT FINANCIAL ASSETS	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Unsecured and considered good		
a)	Security and Other Deposits	521.61	547.43
b)	Other Loans and Advances		
	Loans to Employees	-	28.93
	TOTAL	521.61	576.36

6	INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
a)	Raw Materials		
	i) In Stock	565.93	763.52
	ii) In Transit	-	-
b)	Construction Materials at Site	199.81	848.47
c)	Semi Finished Goods	296.88	296.88
d)	Work-in-Progress	3,323.14	7,960.59
e)	Finished Goods	443.63	891.24
f)	Stores and Consumables	99.17	191.23
g)	Scrap	75.10	46.02
	TOTAL	5,003.66	10,997.95

7	TRADE RECEIVABLES	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Unsecured		
a)	Considered good	235,932.16	351,636.94
b)	Considered doubtful	190,219.39	46,454.30
b)	Provision for doubtful trade receivables	-190,219.39	-
	TOTAL	235,932	398,091

i. Refer Note no. 4 and Note no 34 (9) & 34 (16) for amount receivables from related parties.

ii. Provision for Impairment of Receivable (ECL) has been made based on the project status and to the extent such details were available where the assessment of the same is under process / updation and the amount may change based on further input being available.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

		31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
8	**CASH AND BANK BALANCES**		
	Cash and Cash Equivalents		
a)	Balances with Banks	**2,280.02**	2,182.40
b)	Fixed Deposit with original maturity for less than 3 months	**259.10**	310.00
c)	Cash On Hand	**10.05**	22.67
	TOTAL	**2,549.17**	2,515.07

		31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
9	**BANK BALANCES OTHER THAN ABOVE**		
a)	Margin money with bank	**874.86**	693.02
b)	Unpaid Dividend Bank Balance *	**17.31**	20.82
	TOTAL	**892.17**	713.84

* There is INR 3.47 lacs due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2018 which has been transferred to the said fund subsequently.

		31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
10	**OTHER CURRENT FINANCIAL ASSETS**		
	Unsecured and considered good		
a)	Loan and Advances to Related Parties (net) [Note No. 34 (9&16)]	**34,288.51**	30,922.62
	Less: Provison for Loans and Advances to related parties	**-30,235.30**	-
b)	Other Loans and Advances		
i)	Loans to Employees	**29.20**	5.93
ii)	Sundry Deposits	**264.58**	264.58
iii)	Claim Receivables	**-**	14,839.46
iv)	Interest Receivable	**-**	10,494.28
v)	Expenses Receivable and Other Advances	**1,143.92**	1,549.15
	TOTAL	**5,490.91**	58,076.02

		31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
11	**OTHER CURRENT ASSETS**		
	Unsecured and considered good		
i)	Prepaid Expenses	**1,051.32**	1,804.88
ii)	Balances With Statutory/Government Authorities	**2,638.30**	10,552.67
iii)	Advances to Supplier	**3,664.25**	8,738.44
iv)	Interest accrued but not due on Fixed Deposits	**541.57**	519.81
v)	Revenue accrued but not due	**4,845.44**	5,241.75
	TOTAL	**12,740.88**	26,857.55

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

12	SHARE CAPITAL	31/Mar/2018		31/Mar/2017	
		Number	INR in Lacs	Number	INR in Lacs
	Authorised :				
	Equity Shares of INR 2/- each	300,000,000	6,000.00	300,000,000	6,000.00
	Redeemable Preference Shares of INR 100/- each	2,500,000	2,500.00	2,500,000	2,500.00
		302,500,000	8,500.00	302,500,000	8,500.00
	Issued :				
	Equity Shares of INR 2/- each	109,542,970	2,190.86	109,542,970	2,190.86
		109,542,970	2,190.86	109,542,970	2,190.86
	Subscribed and Paid-up :				
	Equity Shares of INR 2/- each fully paid up	109,527,710	2,190.55	109,527,710	2,190.55
	TOTAL	109,527,710	2,190.55	109,527,710	2,190.55

a) **Movements in equity share capital**

Equity Shares	31/Mar/2018		31/Mar/2017	
	Number	INR in Lacs	Number	INR in Lacs
At the beginning of the period	109,527,710	2,190.55	109,527,710	2,190.55
Issued during the period - ESOS	-	-	-	-
Issued during the period - QIP	-	-	-	-
Outstanding at the end of the period	109,527,710	2,190.55	109,527,710	2,190.55

b) **Names of Equity shareholders holding more than 5 % shares**

		Number	%	Number	%
1)	HDFC Trustee Company Ltd. - HDFC Children Gift Fund - Investment Fund (Equity Shares)	-	0.00%	8,897,200	8.12%
2)	Surya India Fingrowth Pvt. Ltd.	5,860,320	5.35%	5,860,320	5.35%

For Details of preference shareholders including holding more than 5% Refer Note No. 14

c) The Company has equity shares having a par value of INR 2/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, since the Company is admitted in NCLT on 4 July 2017, the distribution if any shall be based on the provisions of Insolvency and Bankruptcy Code (IBC), 2016.

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2018

13. OTHER EQUITY

(INR in Lacs)

	Reserves & Surplus								Total Reserve	Others (Share Application Money)	Total Equity
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Employee Stock Option Outstanding	Fixed Deposit Redemption Reserve	Retained Earnings			
Balance as at 1st April, 2016	6.06	27,653.82	300.00	1,243.50	16,606.64	341.75	-	-37,867.31	8,284.46	-	8,284.46
Profit for the year	-	-	-	-	-	-	-	-148,274.64	-148,274.64	-	-148,274.64
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-211.29	-211.29	-	-211.29
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-148,485.93	-148,485.93	-	-148,485.93
(Excess)/Short Provision of Taxes for earlier year	-	-	-	-	-	-	-	-370.57	-370.57	-	-370.57
Transfer to Fixed deposit redemption reserve	-	-	-	-	-128.66	-	128.66	-	-	-	-
Transfer to general reserve	-	-	-	-	341.75	-341.75	-	-	-	-	-
Balance as at 31st March, 2017	**6.06**	**27,653.82**	**300.00**	**1,243.50**	**16,819.73**	**-**	**128.66**	**-186,723.81**	**-140,572.04**	**-**	**-140,572.04**
(Excess)/Short Provision of Taxes for earlier year											
Profit for the year	-	-	-	-	-	-	-	-416,666.77	-416,666.77	-	-416,666.77
Other Comprehensive Income for the year	-	-	-	-	-	-	-	15.87	15.87	-	15.87
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-416,650.90	-416,650.90	-	-416,650.90
(Excess)/Short Provision of Taxes for earlier year	-	-	-	-	-	-	-				
Transfer to OCI	-	-	-	-	-	-	-	-4.94	-4.94	-	-4.94
Balance as at 31st March, 2018	**6.06**	**27,653.82**	**300.00**	**1,243.50**	**16,819.73**	**-**	**128.66**	**-603,379.64**	**-557,227.87**	**-**	**-557,227.87**

Capital Reserve

Capital reserve is utilised in accordance with provision of the Act.

Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Represent reserve created during buy back of Equity Shares and it is a non-distributable reserve.

Debenture Redemption Reserve

The company is required to create a debenture redemption reserve out profit of the which is available for the purpose of redemption of debentures.

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

Fixed Deposit Redemption Reserve

The company is required to create a fixed deposit redemption reserve out general reserve of the which is available for the purpose of redemption of fixed deposit.

Employee Stock Option Outstanding

The value of the share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

14 FINANCIAL LIABILITIES - LONG TERM BORROWINGS	Non- Current		Current	
	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
Secured Loans				
Non Convertible Debenture	**-**	2,907.57	**5,068.63**	2,044.99
Term Loan				
From Bank	**-**	-	**211,669.54**	195,405.15
From Other	**-**	-	**-**	533.97
TOTAL - A	**-**	2,907.57	**216,738.17**	197,984.11
Unsecured Loans				
Redeemable Preference Shares	**-**	-	**4,225.00**	3,834.09
From Bank			**225.93**	
From Other				
Others	**-**	-	**265.62**	265.62
Deposits	**-**	-	**857.76**	857.76
TOTAL - B	**-**	-	**5,574.31**	4,957.47
Amount disclosed under the head "Other Current Financial Liabilities" (Note No. 22) (Refer a)			**-222,312.48**	-203,236.84
TOTAL - A + B	**-**	2,907.57	**-**	-295.26

Notes:

The Company's default in repayment of loans, borrowings, debentures and preference shares to the banks and others in the earlier year continued during the year. Pursuant to the continuing defaults of the Company, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal ("NCLT") dated 4th July, 2017. Owing to the initiation of CIRP, and the terms of the loan covenants, the borrowings are considered currently payable and therefore, classified under other financial liabilities as 'current maturities of long term borrowings'. Pending completion of resolution under CIRP upto year end, the original repayment schedule is not applicable and hence not considered.

The above amounts include interest charged by banks and debited to loan account. (Refer Note No 34(11))

Nature of Securities for Secured Loan

Non-Convertible Debenture

a) INR 5,068.63 Lacs (P.Y. INR 4,952.55 Lacs) Secured by Mortgage over identified immovable property of the subsidiary company; Subservient charge on all moveable and immoveable properties of the company;

Term Loan

a) INR 4673.34 Lacs (P.Y. INR 4,673.34 Lacs) Secured by i) first pari passu charge by hypothecation of moveable assets of the company and first pari passu charge on company's immovable properties situated at M.I.D.C., Satpur Industrial Area, Nasik (Maharashtra), Raipur (Chhattisgarh) and Ghoti, Dist. Nasik (Maharashtra), Malvan, Dist. Sindhudurgh (Maharashtra), Flats and office premises situated at Andheri (W), Mumbai. ii) second charge on current assets of the company and iii) exclusive charge on specific machinery and equipments;

b) INR 157,104.59 Lacs (P.Y. INR 1,57,104.58 Lacs) Primary Security : Secured by first charge on all present and future current assets, monies receivable and claims. Secondary Security : Secured by second charge on all fixed assets of the company, present and future.

c) INR1315.09 Lacs (P.Y. INR 1,315.09 Lacs) Primary Security : Secured by first charge on all present and future current assets, monies receivable and claims. Secondary Security : Secured by second charge on all fixed assets of the company, present and future.

d) INR 23.21 Lacs (P.Y. INR 23.21 Lacs) Secured by hypothecation on specific Plant & Machinery.

e) INR 141.68 Lacs (P.Y. INR 141.68 Lacs) Primary Security : Secured by specific first charge on specific Plant & Machinery. Secondary Security : Secured by second charge on all fixed assets of the company present and future.

f) INR 10,960 Lacs (P.Y. INR 10,960.00 Lacs) (I) Primary Security : Secured by first charge on all present and future current assets, monies receivable and claims . (II) Secondary Security : Secured by second charge on all fixed assets of the company, present and future.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

g) INR 597.78 Lacs (P.Y. INR 597.78 Lacs) Secured by hypothecation on specific Plant & Machinery.

h) INR 1,300 Lacs (P.Y. INR 1,300.00 Lacs) Primary Security : Secured by specific first charge on specific Plant & Machinery. Secondary Security : Secured by second charge on all fixed assets of the company present and future.

i) INR 1,080 Lacs (P.Y. INR 1,080.00 Lacs) Primary Security : Secured by first charge on all present and future current assets, monies receivable and claims. Secondary Security : Secured by second charge on all fixed assets of the company, present and future.

j) INR 24.10 Lacs (PY. INR 24.10 Lacs) Secured by hypothecation of vehicles.

k) The Company has preference shares having a par value of INR 100/- each. These shares carry dividend @ 1%. In the event of liquidation, the preference shareholders will have preference in repayment over equity shareholders.

l) The preference shares are overdue for redemption.

		Amount	Percentage
m)	Names of preference shareholders holding more than 5 % shares	Amount	Percentage
1)	Amtek India Limited	400,000	16.00%
2)	Amtek Auto Limited	450,000	18.00%
3)	Aarken Advisors Private Limited	450,000	18.00%
4)	Aryahi Buildwell Private Limited	475,000	19.00%
5)	Vishwas Marketing Services Private Limited	350,000	14.00%
6)	Mukund Motorparts Private Limited	375,000	15.00%

n) The Company has defaulted in repayment of its entire loans, borrowings, deposits and interest thereon since earlier years, the default is continuing in the current year as well. The details of such defaults are not available/complied and hence, have not been given.

15	OTHER FINANCIAL LIABILITIES	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Trade Payables # *		
	a) Total outstanding dues of Micro, Small and Medium Enterprises	-	-
	b) Total outstanding dues of Creditors Other than MSME	-	-
	Others		
	a) Deferred Payment Liabilities	-	113.61
	TOTAL	-	113.61

#Amount payable beyond one year
* (Refer Note No. 34 (25) for details of due to Micro & Small Enterprises)

16	LONG TERM PROVISIONS	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Provision for Gratuity	833.02	697.50
	Provision for Compensated Absences	642.94	623.05
	TOTAL	1,475.96	1,320.55

17	DEFERRED TAX LIABILITIES (NET)	Deferred Tax Liability/ (Asset) as at 31-Mar-2018	Deferred Tax Liability/ (Asset) as at 31-Mar-2017
	Deferred Tax Liabilities		
	On Account of Branches	33.37	33.37
	TOTAL	33.37	33.37

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

18	FINANCIAL LIABILITIES - SHORT TERM BORROWINGS	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Secured Loan		
	Loans repayable on Demand		
	From Banks	**326,677.60**	320,758.21
	Unsecured Loan		
	Loans repayable on Demand		
	From Bank and others (Financial Creditors claim) (Refer Note 34(31))	**22,780.31**	-
	TOTAL	**349,457.91**	320,758.21

Secured Loan from Bank

INR 326,677.60 Lacs (PY. INR 3,20,758.21 Lacs) Primary Security : Secured by first charge on all present and future current assets, monies receivable and claims. Secondary Security : Secured by second charge on all fixed assets of the company, present and future. (Refer Note No 34(11))

19	TRADE PAYABLES	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Trade Payables (Including Acceptances) *		
	a) Total outstanding dues of Micro and Small Enterprises	**114.62**	132.94
	b) Total outstanding dues of Creditors Other than above	**48,831.14**	41,917.68
	TOTAL	**48,945.76**	42,050.62

* (Refer Note No. 34 (25) for details of due to Micro, Small and Medium Enterprises)

* (Refer Note No. 34 (9 & 16) for dues to Related parties)

20	OTHER CURRENT FINANCIAL LIABILITIES	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	a) Current Maturities of Long Term Borrowings (Note No. 15)	**222,312.48**	203,236.83
	b) CIRP other current financial liabilities (Refer Note No 34(31))	**22,491.43**	0.00
	c) Deferred Payment Liabilities	**221.18**	84.01
	d) Unclaimed Dividend*	**17.33**	20.81
	e) Payable to Employees	**7,786.52**	4,792.98
	f) Audit fee Payable	**123.15**	70.13
	g) Expenses and other Payables	**3,547.89**	1,432.72
	TOTAL	**256,499.98**	209,637.48

* There is INR 3.47 lacs due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2018 which has been transferred to the said fund subsequently.

21	OTHER CURRENT LIABILITIES	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	a) Interest Accrued*	**161,613.93**	87,631.14
	b) Advances from Customers	**305.60**	13,764.57
	c) Statutory Liabilities	**6,765.55**	4,566.43
	TOTAL	**168,685.08**	105,962.14

* Includes interest on FITL/WCTL/Devloved LC's/Delayed/Non Payment of Statutory dues, other loans etc. at applicable rates for the year 2017-18 to the extent statement received

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

22	SHORT TERM PROVISIONS	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	a) Provision for Onerus Contract (Refer Note 34(24))	1,700.00	1,600.00
	b) Provision for Gratuity	267.75	579.33
	c) Provision for Leave Eancashment	220.99	-
	TOTAL	2,188.74	2,179.33

23	REVENUE FROM OPERATIONS	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	a) Sale of Products	22,252.46	80,379.74
	b) Sale of Services	1,049.18	941.40
	c) Other Operating Revenues	2,296.63	4,268.52
	TOTAL	25,598.26	85,589.66

24	OTHER INCOME*	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Other Operating Income		
	i) Lease Rentals	137.50	102.31
	Other Income		
	i) Interest on Fixed Deposits	72.05	101.45
	ii) Interest on Others	142.49	1,735.42
	iii) Bid Processing Income	100.00	-
	TOTAL	452.04	1,939.18

*[Ref Note 34(16) for related party transaction]

25	COST OF MATERIAL CONSUMED	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Cost of Material Consumed*	4,788.32	46,716.39
	TOTAL	4,788.32	46,716.39

* Refer Note No. 34 (5)

26	EXCISE DUTY PAID	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	Excise duty Paid	119.67	624.37
	TOTAL	119.67	624.37

27	ERECTION AND SUB-CONTRACTING EXPENSE	31/Mar/2018 INR in Lacs	31/Mar/2017 INR in Lacs
	a) Construction Materials and Stores Consumed	1,275.00	2,692.39
	b) Sub-contracting Expenses	11,049.94	26,215.44
	c) Repairs to Construction Equipments/Machinery	8.85	19.70
	d) Construction Transportation Charges	1,482.80	2,193.87
	TOTAL	13,816.59	31,121.40

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

28	CHANGES IN INVENTORIES	31/Mar/2018	31/Mar/2017
		INR in Lacs	INR in Lacs
a)	(Increase)/ Decrease Finished Goods Stock	3.99	1,959.56
b)	(Increase)/ Decrease WIP/Semi Finished Goods Stock	5,307.15	6,739.04
c)	(Increase)/ Decrease Scrap Stock	-104.17	26.47
	TOTAL	5,206.97	8,725.07

29	EMPLOYEE BENEFITS EXPENSE	31/Mar/2018	31/Mar/2017
		INR in Lacs	INR in Lacs
a)	Salaries, Wages and Bonus, etc.	7,739.13	9,122.62
b)	Leave Encashment	223.89	245.94
c)	Gratuity Expenses	332.39	240.78
d)	Contribution to Provident and Other Fund	366.27	559.08
e)	Welfare Expenses	150.17	238.88
	TOTAL	8,811.85	10,407.30

30	FINANCE COSTS	31/Mar/2018	31/Mar/2017
		INR in Lacs	INR in Lacs
a)	Interest Expense *	99,090.22	82,484.63
b)	Other Borrowing Costs	1,911.22	1,904.44
c)	Amortisation of Debenture issue Expenses	116.08	21.98
d)	Net (gain)/loss on foreign currency transactions and translation on borrowing cost	-115.85	-203.11
	TOTAL	101,001.67	84,207.94

*Includes the amount of interest on LC/BG invoked.

31	DEPRECIATION AND AMORTIZATION EXPENSE	31/Mar/2018	31/Mar/2017
		INR in Lacs	INR in Lacs
a)	Depreciation of Tangible Assets (Note No. 1)	2,197.01	4,796.29
b)	Amortisation of Intangible Assets (Note No. 1)	281.67	283.19
c)	Impairment of Intangible Assets (Note No. 1)	227.29	-
d)	Impairment of CWIP	2.80	-
	TOTAL	2,708.77	5,079.48

32	OTHER EXPENSES	31/Mar/2018	31/Mar/2017
		INR in Lacs	INR in Lacs
a)	Stores and Consumables	93.53	253.96
b)	Packing Materials	4.08	20.96
c)	Power and Fuel	196.03	416.01
d)	Conversion Expenses	41.54	367.90
e)	Service Charges	955.02	1,465.56
f)	Repairs to Plant and Machinery	21.64	117.73
g)	Repairs to Others	157.50	332.28
h)	Testing and Designing Expenses	0.46	14.93
i)	Excise Duty on Stocks (Net)	-39.48	-126.16
j)	Rent	22.74	39.53

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

k)	Rates and Taxes	**716.89**	4,328.19
l)	Insurance	**86.64**	452.51
m)	Travelling and Conveyance	**239.96**	1,079.64
n)	Postage, Telephone and Fax	**95.25**	207.22
o)	Printing and Stationery	**36.24**	97.97
p)	Professional and Legal Fees	**1,230.38**	1,307.55
q)	Directors' Sitting Fees	**1.30**	6.85
r)	Payment to auditors	**91.70**	176.18
s)	Net (gain)/loss on foreign currency transactions and translation	**-298.36**	1,725.05
t)	License and Tender Fees	**6.59**	56.46
u)	Donations	**-**	0.08
v)	Freight Outward	**270.38**	3,363.21
w)	Brokerage and Commission	**562.75**	1,998.48
x)	Bank Charges	**1,004.29**	2,305.48
y)	(Gain)/Loss on Sale of Property, Plant and Equipment (Net)	**-9.53**	6.05
z)	BG Encashed (Note 34(36))	**18,222.53**	9,402.50
aa)	Bad Debts	**-**	11,523.56
ab)	Provision for Trade Receivables (Note 34(12))	**190,219.39**	-
ac)	Provision for Loans and Advances to subsidaries [Note 34(10)]	**30,235.30**	-
ad)	Liquidated Damages	**647.01**	-
ae)	Immigration Expenses	**65.67**	521.97
af)	General Expenses	**580.64**	774.89
ag)	Sundry Dr./Cr.Bal.W/Off / Back (Net)	**7,723.93**	188.60
ah)	CIRP Claim admitted OC	**6,161.80**	-
ai)	CIRP Claim admitted FC	**45,271.74**	-
aj)	Impairment of Investments [Refer Note No 34 (9)	**1,647.77**	6,500.65
TOTAL		**306,263.32**	48,925.79

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE - 33 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Company Background

Jyoti Structures Limited ('the Company' or 'JSL') is engaged in manufacturing of transmission line towers, sub-station structures, tall antenna towers / masts and railway electrification structures. In addition, JSL is also a leading player in Turnkey / EPC projects involving survey, foundation, designing, fabrication, erection and stringing activities of extra high voltage transmission lines and procurement of major bought out items, supply of lattice and pipe type structures, civil works, erection, testing and commissioning of switchyard / substations and distribution networks, both in India and overseas.

The Company is a public limited Company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the Company is located at Valecha Chambers, 6th Floor, New Link Road, Andheri (West), Mumbai – 400 053, India.

Update on the Corporate Insolvency Resolution Process (CIRP)

CIRP process started with SBI, leader of the consortium of lending banks/ financial institution, filing the Company Petition No. 1137/I&BP/2017 with Hon'ble NCLT, Mumbai Bench.

A corporate insolvency resolution process (CIRP) of Jyoti Structures Limited was initiated on an application by SBI and admitted by the Hon'ble National Company Law Tribunal, Mumbai vide order dated 4 July 2017 under the Insolvency and Bankruptcy Code, 2016 (IBC) and hence currently, JSL is under CIRP. Ms. Vandana Garg (IBBI registration number IBBI/IPA-001/IP-P00025/2016-2017/10058) was appointed as the Interim Resolution Professional ("IRP") vide this order. Ms. Vandana Garg was subsequently confirmed by the Committee of Creditors as the Resolution Professional (RP) in its meeting dated 15 June 2018 under the provisions of IBC. The resolution plan has finally approved by NCLT, Mumbai on 27 March 2019.

The Section 20(1) of IBC reads as follows -

The interim resolution professional shall make every endeavor to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.

Accordingly, the RP has been managing the operations of the company as a going concern, in line with the directions of the Hon'ble NCLT, Mumbai. Under the current CIRP period, the resolution professional had invited resolution plans from prospective Resolution Applicants. Once a plan is submitted, it will be placed before the Committee of Creditors ("CoC") and thereafter to the NCLT for approval. The date of conclusion of CIRP was 2nd April 2018 (270 days)

The written order was received by the IRP on 12th July 2017 and as per Sec. 7 of IBC, 2016, the existing Board of Directors of the Corporate Debtor was suspended and the IRP took over control and management of JSL on 13th July 2017 and all powers of the Board has been vested with the IRP/ RP till resolution of the Corporate Debtors under the CIRP.

In the first CoC meeting held on 10th August, 2017, Ms. Vandana Garg was ratified to act as the Resolution Professional and Mr. Anil Mishra was appointed as the Interim Chief Financial Officer for the Corporate Debtor.

Accordingly, a) in the process or CIRP, only one resolution plan was received which was submitted by Mr. Sharad Sanghi, a high net worth individual; b) Hon'ble NCLT, Mumbai vide its order dt. 22nd December 2017 had extended 180 days CIRP period ending on 31st December 2017 by further 90 days ending 31st March 2018; c) CoC finally voted in favour of the resolution plan and approved it by 81.39% majority on 6th April 2018 d) The RP filed application no. MA No. 491/2018 on 2nd April 2018 with Hon'ble NCLT, Mumbai seeking direction on the matter; e) The Adjudicating Authority rejected the CoC approval of the resolution plan vide its oral order dt. 25th July 2017 and directed the RP to file application for liquidation within 15 days; f) Aggrieved by the impugned order of Hon'ble NCLT, Mumbai, the resolution applicant and about 850 employees of JSL filed separate appeals before Hon'ble NCLAT, New Delhi, which were accepted for hearing by the Appellate Authority on 13th August 2018, g) Hon'ble NCLAT, New Delhi vide its order dt. 20th August 2018 stayed the order of Hon'ble NCLT, Mumbai and directed not to initiate process of liquidation, not to sell assets of the Corporate Debtor and further directed the RP to keep it as a going concern, h) Hon'ble NCLAT, New Delhi vide its order dated 13th February 2019 set aside the impugned order of Hon'ble NCLT,

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Mumbai and directed it to approve the revised resolution plan submitted by the resolution applicant; i) Accordingly, Hon'ble NCLT, Mumbai vide its order dt. 27th March 2019 approved the revised resolution plan submitted on 25th March 2019 by the resolution applicant.

A) After approval of the resolution plan by the adjudicating authority on 28th March 2019 the first meeting was conducted on 2nd April 2019 with selected lenders and a joint meeting was convened on July 8, 2019 amongst the RP and the RA and the secured financial creditors, it was decided that a monitoring committee (MC) would be formed to oversee the implementation of the Approved Resolution Plan comprising of: (i) representative(s) of the secured financial creditors; (ii) the RP; and (iii) the RA with having one voting right for each group of the MC members and also it was unanimously decided that the RP would be the Chairperson of the monitoring committee; b) In view of the foregoing, the RP from time to time conducted meetings to discuss the progress and implementation of the Approved Resolution Plan. It is pertinent to note that till date, the RP has conducted 6 (six) meetings of the secured financial creditors and the RA on April 2, 2019, May 21, 2019, June 10, 2019, July 08, 2019, September 17, 2019 and December 4, 2019 and 6 (six) meetings of the monitoring committee with the RA on July 30, 2019, August 20, 2019, October 24, 2019 , November 19, 2019, December 27, 2019 and January 16, 2020. The RP has also filed 3 (three) status reports on July 30, 2019, October 11, 2019 and January 16, 2020 with the Hon'ble NCLT, Mumbai on progress and implementation status of the approved resolution plan; c) The secured financial creditors in their meeting convened on 4th December, 2019 had decided that the RP shall approach Hon'ble NCLT, Mumbai to seek direction on implementation of the Approved Resolution Plan including the timeline for bringing in the Equity Infusion Amount by Respondent No. 1 under the Approved Resolution Plan and accordingly the RP filed an application with Hon'ble NCLT Mumbai on 24th January 2020 in this regard. These meetings and the discussions therein being confidential and having a direct significant impact on the resolution process, the details / minutes in respect of these were not shared with any third person including the statutory auditors. However, need based representations were being made to them.

Based on opinion taken and considering the fact that the approved plan is subject to various conditions precedent before which the plan can be considered to be implemented, no effect for the approved plan has been taken in these standalone financial statements. Necessary effect of the implementation of the plan shall be taken in the year in which these conditions precedent are fulfilled and the conditions are complied with.

Considering the above facts and continuing operations of the Company, the financial statements have been prepared on a going concern basis which is in line with the orders of the Hon'ble NCLAT notwithstanding that the company has accumulated losses which have eroded its net-worth and there have been defaults on various grounds statutory, compliance, financial etc.

The standalone financial statements for the year ended 31 March 2018 were taken on record by the Resolution Professional and the same has been issued on 11th February, 2020.

1. Basis of Preparation of Financial Statements:

(i) **Compliance with Ind AS:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended 31st March, 2017 were the first the Company had prepared under Ind AS. For all period's upto and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2016 and the opening Balance Sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows were provided in the Notes to the standalone financial statements for the year ended March 31, 2017.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The financial statements have been prepared on accrual and going concern basis, subject to specific cases where stated otherwise in the respective note(s). The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'.

(ii) **Historical Cost convention:**

The financial statements have been prepared on a historical cost basis, except for the following:

1. certain financial assets and liabilities that are measured at fair value;
2. defined benefit plans - plan assets measured at fair value.

(iii) **Current non-current classification:**

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the company for the purpose of current and non-current classification of assets and liabilities. However, considering the defaults in meeting its debt obligations and other factors as hereinafter enumerated at Note No. 34, the classification has not been strictly followed due to terms of the loan covenants or non-availability / limited availability of relevant information, which have been disclosed in the respective note(s). All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the company for the purpose of current and non-current classification of assets and liabilities. However, considering the defaults in meeting its debt obligations and other factors as hereinafter enumerated at Note No. 34, the classification has not been strictly followed due to terms of the loan covenants or non-availability / limited availability of relevant information, which have been disclosed in the respective note(s).

2. Key Accounting Estimates and Judgements:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates and assumptions affect the application of accounting policies and reported amount of assets and liabilities, the disclosures of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Appropriate changes in the accounting estimates are incorporated by the management, if actual results differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that has the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

a) Measurement of defined benefit obligations – Clause 7 of Note 34

b) Measurement and likelihood of occurrence of provisions and contingencies – Clause 2 of Note 34 and Note 16 and 22

c) Carrying value of exposure in subsidiaries and others and their respective impairment - refer clause 10,13 and 26 of Note No. 34

d) Estimation of current tax expenses and Payable – Clause 20 of Note 34

e) Estimates of useful lives and residual value of property, plant and equipment and intangible assets

f) Financial instruments

g) Amount of liabilities recognized in the financial statements in respect of unrecognized claims preferred by financial and operational creditors (refer Note 34)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. Revenue Recognition:

Sale of goods and services:

Revenue is recognized to the extent that the Company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax are excluded from revenue.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is determined by surveys of work performed and as per the terms of the contract. Sales/income are booked on the basis of running account bills based on completed work and are net of claims accepted. Escalations and other claims which are not acknowledged by customers are not taken into account.

Other income

Interest income is recognized by using effective interest method.

Rental income arising from operating leases on plant and machinery and vehicles is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

The insurance claims are accounted for on accrual basis based on fair estimation of sanctions by the insurance companies.

Income from export incentives are recognised on receipt basis.

4. Property, Plant and Equipment:

(i) Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at cost of acquisition or construction, net of recoverable taxes including any cost attributable for bringing the asset to its working condition for its intended use and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any.

(ii) Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value as its deemed cost of all of its property, plant and equipment recognised as at 1st April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

(iii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iv) Tools and tackles having useful life of more than twelve months are capitalized as Property, Plant and Equipment.

(v) The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

(vi) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in line with revisions to accounting estimates.

(vii) The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

5. Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

6. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

7. Depreciation / Amortisation:

(a) Depreciation on tangible assets is provided on straight line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except as stated in (b) below.

(b) On the tangible assets of foreign branches, depreciation is provided on straight line method. The applicable rates are based on the local laws and practices of the respective countries, except where the rates of depreciation are less than as prescribed in schedule II of the Act, the depreciation is provided as per the rates prescribed in schedule II to the Act.

(c) The Company amortizes computer software using the straight-line method over the period of 6 years.

(d) Leasehold Land is amortised over the period of lease.

(e) Tools and tackles are amortised over their estimated useful life.

8. Inventories:

(a) Raw materials, Construction materials including steel, cement and others, Components and Stores and Spares are valued at lower of cost or net realisable value.

(b) Cost of inventories is determined by using the weighted average method.

(c) Material purchased for supply against specific contracts is valued at cost or net realisable value as per the contract, whichever is lower.

(d) Work-in-progress at site is valued at cost including material cost and attributable overheads. Provision is made when expected realisation is lesser than the carrying cost.

(e) Finished goods, black finished goods and work-in-progress are valued at cost or net realisable value, whichever is lower. Finished goods are valued inclusive of excise duty.

(f) Cost of black finished good, work-in-progress and finished goods comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity.

(g) Scrap is valued at net realisable value.

9. Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

10. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

a) The Company's business model for managing the financial asset and

b) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Company's business model objective for managing the financial asset is to hold financial assets to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer clause 21 of Note 34). Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both the following conditions are met:

a. The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer clause 21 of Note 34). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer clause 21 of Note 34). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI.

On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

<u>De-recognition:</u>

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Financial liabilities

<u>Initial recognition and measurement:</u>

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

<u>Subsequent measurement:</u>

All financial liabilities of the Company are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method or at FVTPL (Refer clause 21 of Note 34 for further details).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(a) **Financial Liabilities at FVTPL:**

A financial liability is classified at FVTPL if it is classified as held for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expenses, are recognized in Statement of Profit & Loss (including Other Comprehensive Income).**Financial Liabilities at Amortised Cost:**

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using EIR method.

Amortised cost is calculated by taking into account any discount premium and fees or costs that are integral part of the EIR. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

11. Investments in Subsidiaries and Joint Ventures:

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e. 1st April, 2015.

12. Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period to get ready for its intended use. All other borrowing costs are recognised as expenses in the period in which they are incurred.

13. Impairment of assets:

(a) Financial Assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i) Trade receivables and lease receivables

ii) Financial assets measured at amortized cost (other than trade receivables and lease receivables)

iii) Financial assets measured at fair value through other comprehensive income (FVTOCI).

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables and other assets. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

(b) Non-Financial Assets:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company’s assets. If any such indication exists, then recoverable amount of the asset is estimated. An impairment loss, if any, is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

The impairment loss recognized in a prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

14. Foreign Currency:

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees.

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Any income or expense on account of exchange difference, either on settlement or on translation, is recognised in Statement of Profit or Loss, except exchange difference arising from the translation of the items which are recognised in OCI.

(ii) Foreign Operations

(a) The assets and liabilities of foreign operations are translated into the functional currency at the rate prevailing at the end of the year. Income and expenditure are translated on the yearly average exchange rate prevailing during the year.

(b) From 1st April, 2015 onwards, the resultant exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

(c) When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal.

15. Excise Duty:

The excise duty in respect of closing inventory of finished goods is included as part of the inventory. The amount of Central Value Added Tax (CENVAT) credit in respect of materials consumed for sales is deducted from cost of materials consumed.

16. Leased Assets:

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Assets given on operating lease are included in property, plant and equipment.

17. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, bank overdrafts and cash credits. Bank overdrafts and cash credits are shown within borrowings in current liabilities in the balance sheet.

18. Employees Benefits:

a) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

b) Long Term Employee Benefits:

I. Defined Contribution Plan:

The Company's contributions to provident fund are considered as defined contribution plans. The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees, before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined Benefit Plan:

The cost of providing defined benefits like Gratuity and Leave Encashment is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods. The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

19. Income Taxes:

(a) Current Tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

(b) Deferred Tax:

Deferred tax arising on the timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Minimum Alternate Tax (MAT):

MAT paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal taxes during the specified period under the Income Tax Act, 1961. The Company reviews the 'MAT Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(d) Current and deferred taxes are recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognized in Other Comprehensive Income.

20. Earnings Per Share:

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

21. Provisions and Contingencies:

a) A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

b) If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

c) A disclosure for a contingent liability is made when there is a possible or present obligation that may but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

22. Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to chief operating decision maker. The Board of Directors of the Company has been identified as chief operating decision maker which assesses the financial performance and position of the Company, and makes strategic decisions.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE - 34 OTHER NOTES

1. **Outstanding Contracts – Capital Account:**

   Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) are Rs. Nil (P. Y. Rs. Nil).

2. **Contingent Liabilities not provided for:**

(Rs. In Lacs)

Sr. No.	Particulars	2017-18	2016-17
i)	Outstanding Bank Guarantee (BG)	72,832.18*	74,537.38
ii)	Disputed liabilities in respect of Income Tax, Sales Tax, Central Excise and Service Tax	52,426.95	6,028.53
iii)	Corporate Guarantees (CG) #	67,537.09	67,311.07
iv)	WRIT Petitions	228.11	-
v)	Civil Matters	1,564.08	101.22
vi)	Company Petitions and NCLT Cases	8,674.00	-
vii)	Labour Matters	8.96	-
viii)	Negotiable Instrument Act Matters	600.51	-
ix)	Arbitration Matters	2,878.11	-

*In the absence of detailed break-up of opening outstanding bank guarantee, only current year's outstanding bank guarantee amount has been considered for contingent liabilities. Further, as per claims admitted by the RP the amount is INR 81,002.00 Lacs and the difference is under reconciliation.

Out of these the CG amounting to INR 32,536.50 Lacs in respect of which the corresponding party has submitted their claim which have not been admitted by the RP.

**Interest/penalty amount on the above dues has not been determined and considered since the claim itself is disputed.

3. **Statutory Auditors Remuneration:**

(Rs. In Lacs)

Sr. No.	Particulars	2017-18	2016-17
i)	For Audit	47.75**	30.10
ii)	For Other Services	0	15.05
iii)	For Branch Audit and Taxation Matters fees	0	17.92
	Total	**47.75**	**63.07**

Figures are exclusive of Service Tax/Goods and Services Tax (GST).

** Out of the total audit fees, INR 26.50 lacs (including limited review fees) pertain to previous auditor's fees who had carried out the limited review of the Company till 31st December 2017.

4. **CIF Value of Imports (Direct)*:**

(Rs. In Lacs)

Sr. No.	Particulars	2017-18	2016-17
i)	Capital Goods	Nil	Nil
ii)	Raw Materials and Components	1,305.39*	18,926.90
iii)	Spares and Others	Nil	Nil

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

5. **Value of Imported and Indigenous Raw Materials and Stores & Components Consumed:***

(Rs. In Lacs)

	Particulars	2017-18		2016-17	
		%	Amount	%	Amount
a)	Raw Materials and Components				
	i) Imported	-	1305.39	40.51%	18,926.90
	ii) Indigenous	-	-	59.49%	27.789.48
b)	Stores & Spares*:				
	i) Imported	-	-	Nil	Nil
	ii) Indigenous	-	-	100.00%	253.96

6. **Earnings and Expenditure in Foreign Currency:***

(Rs. In Lacs)

Sr. No.	Particulars	2017-18*	2016-17
i)	**Earnings in Foreign Currency:** **Export of goods/services (including deemed exports and sales through export house)**		
	At FOB Price	-	44,191.36
	At Invoice Value (Designing & testing charges)	-	548.34
	Rent of Equipments	-	102.31
	Interest from Subsidiaries	-	946.90
ii)	**Expenditure in Foreign Currency:**		
	Expenses of overseas projects (Including foreign taxes)	-	49,119.36
	Interest	-	551.36
	Professional Fees	-	5.64
	Others	-	168.60

*At note no 4, 5 and 6 have been incorporated as and to the extent provided by the erstwhile management. The relevant back-up papers / details are either not available / fully available and / or are under reconciliation. The same has been relied upon by the auditors.

7. **Disclosure as required by Indian Accounting Standard 19 'Employee Benefits':**

Defined Contribution Plans:

a) Provident Fund

The Provident Fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

(Rs. In Lacs)

Sr No	Particulars	2017-18	2016-17
i)	Contribution to Provident Fund (including charge)	342.51	546.13
ii)	Contribution to Other Fund	23.75	73.44

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Defined Benefit Plans:

Gratuity and Leave Encashment

A. Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

(Rs. In Lacs)

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Present value of obligation	1909.64	1815.24	863.93	837.08
Fair value of plan assets	809.98	752.44	-	-
(Asset)/Liability recognised in the Balance Sheet	1,099.66	1,062.80	863.93	837.08

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

(Rs. In Lacs)

Defined Benefit Obligation	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Opening Defined Benefit Obligation	1,815.24	1,695.91	837.08	649.25
Service cost for the year	126.96	168.77	110.66	133.03
Interest cost for the year	130.70	122.11	60.27	46.75
Actuarial losses (gains)	(163.26)	(24.58)	(144.08)	66.17
Benefits paid	-	(146.96)	-	(58.11)
Closing defined benefit obligation	1,909.64	1,815.24	863.93	837.08

(Rs. In Lacs)

Fair Value of Plan Assets	Gratuity	
	2017-18	2016-17
Opening fair value of plan assets	752.44	695.70
Expected return including interest and other income	57.54	56.74
Actuarial gains and (losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing balance of fund	809.98	752.44

C. Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

(Rs. In Lacs)

	Gratuity		Leave Encashment	
Gratuity	2017-18	2016-17	2017-18	2016-17
Current service cost	126.96	168.77	110.66	133.03
Net interest on net Defined Liability / (Asset)	76.52	72.01	60.27	46.75
Charged to Profit and Loss on Settlement*	128.91	-	52.96	-
Total	**332.39**	240.78	**223.89**	179.78

*During the year on full and final settlement the company has accrued gratuity and leave encashment liability along with the other employee costs payable. The provision for Gratuity and Leave Encashment thus held is without considering these final settlement dues. Accordingly, no claim in respect of these claims on the value have been considered. Further, due to this the amount as reported in this note is not in agreement with the amount as disclosed in note no 29.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Amounts recognized in Other Comprehensive Income:

(Rs. In Lacs)

	Gratuity		Leave Encashment	
Gratuity	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Actuarial (Gains) / Losses on Liability	(163.26)	(24.58)	(144.08)	66.17
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	(3.37)	(6.64)	-	-
Total	**(166.62)**	**(31.23)**	**(144.08)**	**66.17**

D. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefit plans at their fair value on the Balance Sheet date, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Principal Actuarial Assumptions	2017-18	2016-17
Discount rate	7.45%	7.20%
Expected return on plan assets	7.45%	7.20%
Annual increase in Salary costs	6.50%	6.50%
Attrition Rate	15.00%	5%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

E. **Sensitivity Analysis**

The Sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

(Rs. In Lacs)

Particulars	Gratuity		Leave Encashment	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Discount Rate:				
One percentage increase	(50.07)	1,693.09	(21.16)	778.38
One percentage decrease	54.26	1,955.62	22.94	905.44
Salary Escalation Rate:				
One percentage increase	48.34	1,955.20	22.93	905.23
One percentage decrease	(46.12)	1,691.26	(21.54)	777.50
Withdrawal Rate:				
One percentage increase	2.38	1,821.25	0.05	840.30
One percentage decrease	(2.66)	1,808.55	(0.06)	833.47

The above information is as per certificates of the Actuary.

OCI Presentation of defined benefit plan:

Gratuity is in the nature of defined benefit plan, Re-measurement gains / (losses) on defined benefit plans is shown under OCI as items that will not be reclassified to profit or loss and also the income tax effect on the same.

Leave encashment cost is in the nature of short term employee benefits.

Presentation in Statement of Profit & Loss and Balance Sheet:

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss. IND AS 19 does not require segregation of provision in current and non-current, however net defined liability/(Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

8. The Company has invested an amount of Rs. 419 in the equity share capital of Jyoti Structures Africa (Pty) Limited (JS Africa), a subsidiary company. As on 31st March, 2018, the Company has also advanced loan of Rs.3,258.85 Lacs (P.Y. Rs. 3,053.55 Lacs) to JS Africa and the outstanding receivable from that company is Rs. 3,917.37 Lacs (P. Y. Rs. 2,816.83 Lacs) against advances and receivables. Though the net worth of the subsidiary has been eroded, the Company has not provided for diminution in value of investment of Rs. 419 and no provision is made against outstanding loans and dues of the said company. Considering the business outlook of the subsidiary Company and the available orders in hand, the management is of the opinion that these accumulated losses of that company are temporary in nature and will be recovered in the near future. However, the audited financial statements and / or other details are not available.

9. Considering the long-term nature of investments and in absence of availability of audited financial statements, no provision has been considered necessary by the management in respect of impairment in the value of investment as well as loans and advance except for the Subsidiaries/Joint Venture (JV) mentioned in the following table, other than to the extent provided for:.

Position As on 31 March 2018:

(Rs.In Lacs)

Name of Subsidiaries/JVs	Relation	Investment	Provision for Diminution in value of Investment*	Loans & Advances	Trade Receivable	Provision for Loans & Advances and Trade Receivable	Trade Payable
Gulf Jyoti International LLC	JV	1,642.77	(1,642.77)	7,446.01	10,488.74	(16,659.00)	-
Jyoti Structures Kenya Ltd.	Step – Subsidiary	-	-	-	-	-	(566.06)
JS FZE Nigeria	Step – Subsidiary	-	-	-	30.54	-	0.00
JSL Corporate Services Ltd.	Subsidiary	350.00	-	-	1.18	-	(466.41)
JSL FZE Namibia	Step – Subsidiary	-	-	-	420.73	-	-
Jyoti Americas LLC	Subsidiary	-	-	791.45	5,267.33	(6,059.00)	-
Jyoti Energy Ltd.	Subsidiary	5.00	-	-	41.68	-	-
Jyoti Holding Inc	Subsidiary	6,000.65	(6,000.65)	6,470.60	1,159.88	(7,517.00)	-
Jyoti Structures Africa Pty. Ltd.#	Subsidiary	-	-	3,258.85	3,917.37	-	-
Jyoti Structures FZE	Subsidiary	317.04	-	38.01	-	-	(2,314.98)
Lauren Jyoti Pvt Ltd.	JV	500.00	(500.00)	-	-	-	-

*In the absence of further / adequate details w.r.t to these parties being available we have made provision for impairment on identified cases, the amount recoverable for these parties is not fully available due to non-availability of required data/detail.

Investment at the end of the year in Jyoti Structures Africa (Pty) Ltd. is Rs. 419/- (P. Y. Rs. 419/-)

Position As on 31 March 2017:

(Rs.In Lacs)

Name of Subsidiaries/JVs	Relation	Investment	Provision for Diminution in value of Investment	Loans & Advances	Trade Receivable	Provision for Loans & Advances and Trade Receivable	Trade Payable
Gulf Jyoti International LLC	JV	1,642.77	-	7,565.29	5,649.49	-	-
Jyoti Structures Kenya Ltd.	Step – Subsidiary	-	-	-	-	-	(540.97)
JS FZE Nigeria	Step – Subsidiary	-	-	-	31.03	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Name of Subsidiaries/JVs	Relation	Investment	Provision for Diminution in value of Investment	Loans & Advances	Trade Receivable	Provision for Loans & Advances and Trade Receivable	Trade Payable
JSL Corporate Services Ltd.	Subsidiary	350.00	-	-	1.18	-	(466.41)
JSL FZE Namibia	Step – Subsidiary	-	-	-	394.23	-	-
Jyoti Americas LLC	Subsidiary	-	-	804.16	5,627.33	-	-
Jyoti Energy Ltd.	Subsidiary	5.00	-	-	41.68	-	-
Jyoti Holding Inc	Subsidiary	6,000.65	(6,000.65)	6,574.48	1,178.50	-	-
Jyoti Structures Africa Pty. Ltd.#	Subsidiary	-	-	3,053.55	2,816.83	-	-
Jyoti Structures FZE	Subsidiary	317.04	-	40.15	-	-	(796.32)
Lauren Jyoti Pvt Ltd.	JV	500.00	(500.00)	-	-	-	-

#Investment at the end of the year in Jyoti Structures Africa (Pty) Ltd. is Rs. 419/-

10. During the year, the Company has provided for diminution in value of loans and advances given to its Subsidiaries/Joint Venture in total amounting to Rs.30,235 Lacs. However, excess/shortfall in the provision is not ascertainable in the absence of appropriate documentations including the financial statements of the subsidiaries. Further, in absence of availability of audited financial statements for Financial Year 2017-18 the same have not been considered for consolidation for reporting purpose.

11. Pursuant to the defaults in repayment of debt by the Company, National Company Law Tribunal (NCLT) has admitted the petition filed by lenders on 4th July 2017 for resolution of the company under the provisions of Insolvency Bankruptcy Code, 2016. Accordingly, Corporate Insolvency Resolution Process (“CIRP”) under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company. Pending resolution process, the Company has provided interest for loans from banks, financial institutions, public deposits, debentures etc. amounting to Rs. 99,090.22 Lacs to give a true and fair picture of the financials and comparative with previous period notwithstanding that the amount of the company has been classified as substandard by banks. Interest on bank loans has been calculated on the basis of available bank statements and in case where bank statements are not available or interest has not been charged in bank statement, the same has been calculated based on interest rates as mentioned in Master Restructuring Agreement dated 29 September 2014.

12. Based on its internal evaluation of the trade receivables, the company has made a provision of Rs.1,90,219.39 Lacs till 31 December 2017 the same provision is being considered till March 31, 2018. However, the company is in the process of reassessing the amount of provision required based on details available till date, effect of which shall be taken in the financials on completion of the process in the subsequent year(s).

13. During the year, the Company has accrued interest receivable on loans given to its subsidiary Jyoti Structure Africa (Pty) and Jyoti Structure FZE amounting to Rs. 136.02 Lacs and to Rs. 1.37 Lacs respectively however, term sheet and other relevant records were not available to identify the correctness of the same.

14. In terms of appointment, the company has provided remuneration amounting to Rs. 194.71 Lacs to Mr. K. R. Thakur, Whole-time Director for the year. The remuneration payable to Mr. Thakur is not within the provisions of section 197 read with part II of Schedule V of Companies Act, 2013.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

15. **Disclosures as required by Indian Accounting Standard 17 'Leases':**

a) The Company has taken on leave and license/under operating leases the residential/office premises and warehouses, including furniture fittings therein as applicable and machinery. These lease arrangements range for a period between one and two years. All the lease arrangements are cancellable. Most of the leases are renewable for a further period on mutually agreed terms and also include escalation clauses.

(Rs. In Lacs)

Sr. No	Particulars	2017-18	2016-17
1	Lease payments recognised in the Statement of Profit and Loss for the year	8.89	240.58
2	Future minimum payments under the agreements, which are non-cancellable. (All the lease agreements are cancellable)	-	-

b) The Company had entered into agreements for giving plant and machineries and other fixed assets under operating leases. These leases have terms of one to two years. Disclosures in respect of the said agreements are given below:

(Rs. In Lacs)

Sr. No	Particulars	2017-18	2016-17
1	Lease income recognised in the Statement of Profit and Loss for the year	137.50	102.31
2	Future minimum lease receipt under the agreements, which are non-cancellable are as follows:		
	i) Not later than one year	Nil	-
	ii) Later than one year and not later than five years	Nil	-

The agreements provide for early termination by either party with a notice period which varies from fifteen days to three months and they contain a provision for their renewal.

16. **Disclosures as required by Indian Accounting Standard 24 – 'Rel ated Party Disclosures':**

A. Relationships (During the year):

(a) Subsidiary of the Company (Extent of holding):
- i. Jyoti Energy Ltd. (100%)
- ii. JSL Corporate Services Ltd. (100%)
- iii. Jyoti Structures Africa (Pty) Ltd. (70%)
- iv. Jyoti International Inc. (100%)
- v. Jyoti Americas LLC (100%)
- vi. Jyoti Structures Canada Ltd. (100%)
- vii. Jyoti Structures FZE (100%)

(b) Subsidiary of Jyoti Structures FZE
- i. Jyoti Structures Namibia (Pty) Ltd. (70%)
- ii. Jyoti Structures Nigeria Ltd. (100%)
- iii. Jyoti Structures Kenya Ltd. (100%)

(c) Joint Ventures:
- i. Gulf Jyoti International LLC (30%)
- ii. Lauren Jyoti Pvt. Ltd. (50%)

(d) Key Management Personnel:
- i. Mr. K. R. Thakur (Whole-time Director)

(e) Relatives of Director:
- i. Jyoti Motiani (Daughter of Director)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

B. Transactions during the year:

The following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Particulars	Type of Relationship	Related Party	2017-18 In Rs. Lacs	2016-17 In Rs. Lacs
1	Sale of Goods/ Services	(a)	(iii)	Nil	317.13
		(a)	(v)	Nil	Nil
		(b)	(i)	Nil	Nil
		(c)	(i)	Nil	Nil
2	Lease Rentals	(c)	(i)	137.50	36.31
		(b)	(i)	Nil	Nil
3	Interest on Fund Transfer and loan, Commission on Corporate Guarantee	(a)	(iii)	136.02	135.29
		(a)	(iv)	Nil	274.88
		(a)	(v)	Nil	141.45
		(a)	(vii)	1.37	2.98
		(c)	(i)	Nil	392.31
		(c)	(ii)	Nil	Nil
4	Purchase of Goods/ Services	(a)	(vii)	Nil	
		(c)	(i)	Nil	18,431.93
		(b)	(iii)	Nil	Nil
5	Remuneration paid	(d)	(i)	Nil	209.25
	Remuneration payable	(d)	(i)	194.71	Nil
6	Salary Paid	(e)	(i)	Nil	28.55
7	Net amount given/(taken) during the year	(a)	(v)	Nil	93.78
		(a)	(vii)	Nil	1,050.25
		(b)	(iii)	Nil	599.60
		(a)	(iii)	(68.11)	Nil
8	Investment at the end of the year	(a)	(i)	5.00	5.00
		(a)	(ii)	350.00	350.00
		(a)	(iii)	0.00*	0.00*
		(a)	(iv)	Nil	Nil
		(a)	(vii)	317.04	317.04
		(c)	(i)	Nil	1,642.77
		(c)	(ii)	Nil	Nil
9	Outstanding balances [Net of receivables/ (payables)] at end of the year	(a)	(i)	41.68	41.68
		(a)	(ii)	(465.24)	(465.24)
		(a)	(iii)	7,176.22	5,870.38
		(a)	(iv)	7,630.49	7,752.98
		(a)	(v)	6,058.78	6,431.49
		(a)	(vii)	(2,276.97)	(756.17)
		(b)	(i)	420.73	394.23
		(b)	(ii)	30.54	31.03
		(b)	(iii)	(566.06)	(540.97)
		(c)	(i)	17,934.75	13,214.77
		(b)	(ii)	Nil	Nil
10	Outstanding Corporate Guarantee	(a)	(iv)	Nil #	32,401.03
		(a)	(v)	16,593.62	16,524.52
		(c)	(i)	18,406.98	18,385.52

*Investment at the end of the year in Jyoti Structures Africa (Pty) Ltd. is Rs.419/- (P. Y. Rs.419/-)

Refer note no 34(2)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Compensation of Key Management Personnel of the Company:

(Rs .In Lacs)

Particulars	2017-18	2016-17
Short Term Employee Benefits Paid/Payable	194.71	209.25
Post-Employment Benefits	-	-
Termination Benefits	-	-
Share-based payments	-	-
Total compensation paid to key management personnel	194.71	209.25

Note: out of the amounts provided, an amount of Rs.74.71 lacs is in excess of the amount allowed under section 197 of the Companies Act, 2013.

17. Remittance in Foreign Currencies for Dividend:

The Company has not declared Dividend for the year 2015-16, 2016-17 and 2017-18 and hence no remittance in Foreign Currencies on account of Dividend.

18. Disclosure details of Loans Given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013:

a) Loans given

(Rs. In Lacs)

Loans given to Subsidiaries	Year ended 31-Mar-2018	Maximum balance during the year	Year ended 31-Mar-2017	Maximum balance during previous year
Jyoti Structures FZE	38.01	40.15	40.15	67.69
Jyoti International Inc	6,470.60	6,574.48	6,574.48	6,574.48
Jyoti Americas LLC	791.45	804.16	804.16	804.16
Jyoti Structures Africa Pty. Ltd.	3,258.85	3,258,85	3,053.55	3,053.55
Total	**10,558,58**	**10,558.58**	**10,472.34**	**10,499.88**

(Rs. In Lacs)

Loans given to Joint Venture	Year ended 31-Mar-2018	Maximum balance during the year	Year ended 31-Mar-2017	Maximum balance during previous year
Gulf Jyoti International LLC	7,446.01	7,565.29	7,565.29	7,565.29
Lauren Jyoti Pvt Ltd.	Nil	Nil	-	6,962.08
Total	**7,446.01**	**7,565.29**	**7,565.29**	**14,527.37**

All above loans have been given for business purposes.

b) Investments are shown under respective head. (Refer Note 2)

c) Corporate Guarantees given

(Rs. in Lacs)

Sr. No.	Name of Company	As at 31-Mar-2018	As at 31-Mar-2017
i)	Jyoti International Inc.*	Nil*	32,401.03
ii)	Jyoti Americas LLC	16,593.62	16,524.52
iii)	Gulf Jyoti International LLC	18,406.98	18,385.52

*Also refer note 34(2)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

19. Earnings Per Share (EPS):

S. No.	Particulars	2017-18	2016-17
i)	Profit/(Loss) after Tax available to equity holders (in Rs. Lacs)	(4,16,666.77)	(1,48,274.65)
ii)	Weighted Average Number of Ordinary Shares for Basic Earnings per Share (In Lacs.)	1,095.28	1,095.28
iii)	Weighted Average Number of Ordinary Shares for Diluted Earnings per Share (in Lacs) (In Nos.)	1,095.28	1,095.28
iv)	Nominal value of Ordinary Share	Rs.2	Rs.2
v)	Basic Earnings Per Ordinary Share	Rs.(380.42)	Rs.(135.71)
vi)	Diluted Earnings Per Ordinary Share	Rs.(380.42)	Rs.(135.71)

As referred to Note no 27, in the absence of any claim received from the lenders for issuance of shares of the Company, the same has not been considered for diluted EPS.

20. Income Taxes Expense:

Tax Expense recognised in the Statement of Profit and Loss

(Rs. In Lacs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Current Tax		
Current Tax on taxable income for the year	-	-
Total current tax expense	-	-
Deferred Tax		
Deferred Tax charge/(credit)	-	(3.95)
Total deferred income tax expense/(benefit)	-	(3.95)
Tax in respect of earlier years	-	-
Total Income Tax Expense	**-**	**(3.95)**

A. Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

(Rs. In Lacs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Enacted income tax rate in India applicable to the Company	34.608%	34.608%
Profit/(Loss) before tax		(1,48,278.87)
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	-	-

For the year ended 31st March, 2017 and 31st March, 2018 the Company has incurred losses due to which no provision for tax was required for said years. The current tax expense appearing in the Statement of Profit and Loss is on account of tax liability of overseas branches.

B. The movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018:

(Rs. In Lacs)

Particulars	As at 31st March, 2017 - Deferred Tax Asset/ (Liabilities)	(Credit)/ Charge in the Statement of Profit and Loss	As at 31st March, 2018 - Deferred Tax Asset/ (Liabilities)
On Account of Overseas Branches	(33.37)	-	(33.37)
Total	**(33.37)**		**(33.37)**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

21. Financial Instruments:

(a) Category-wise classification of Financial Instruments

(Rs. In Lacs)

Particulars	Note	Non- Current		Current	
		As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
-Investments in quoted Mutual Funds	3	**41.35**	38.14	**-**	-
Financial assets measured at amortised cost					
-Investment in unquoted Equity Instruments	3	**5.00**	5.00	**-**	-
-Trade Receivables	4 & 7	**-**	35,078.41	**2,35,932.16**	3,98,091.24
-Security and other deposits	5	**521.61**	547.43		-
-Loans to Employees	5 & 10	**-**	28.93	**29.20**	5.93
-Cash and Cash Equivalents	8	**-**	-	**2,549.16**	2,515.06
-Other Balances with Banks	9	**-**	-	**892.17**	713.83
-Loan to Related Parties (Net)	10	**-**	-	**4,053.21**	30,922.62
-Sundry Deposits	10	**-**	-	**264.58**	264.58
-Claims Receivable	10	**-**	-	**-**	14,839.46
-Interest Receivable	10	**-**	-	**-**	10,494.28
-Expenses Receivable	10		-	**1,143.92**	1,549.15
Financial liabilities measured at fair value through other comprehensive income					
-Sales Tax Deferrals	15 & 21	**-**	113.61	**221.18**	84.01
Financial liabilities measured at amortised cost					
-Non-Convertible Debentures	14	**-**	2,907.57	**5,068.63**	2,044.99
-Term Loan	14	**-**	-	**21,166.54**	1,95,939.12
-Redeemable Preference Shares	14	**-**	-	**4,225.00**	3,834.09
-Unsecured Loans	21	**-**	-	**265.62**	265.62
-Deposits	14	**-**	-	**857.76**	857.76
-Loans Repayable on Demand	19	**-**	-	**3,49,457.92**	3,20,758.21
-Trade Payables (including acceptances)	15 & 20	**-**	-	**48,945.76**	42,050.62
-Unclaimed Dividend	21	**-**	-	**17.33**	20.81
-Payable to employees	21	**-**	-	**7,786.52**	4,792.98
-Payable towards Other Expenses	21	**-**	-	**3,671.04**	1,502.85
CIRP FC Claim	21	**-**	-	**22,491.43**	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(b) Fair Value Measurements

The fair value of financial instruments as referred to in the note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

• Level 1: Quoted prices for identical instruments in an active market;

• Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

• Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

As at 31st March, 2018:

(Rs. In Lacs)

Financial Assets/Financial Liabilities	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial assets measured at fair value through other comprehensive income				
-Investments in quoted Mutual Funds	41.35	41.35	-	-
Financial liabilities measured at fair value through other comprehensive income				
-Sales Tax Deferrals	221.18	-	-	221.18

As at 31st March, 2017

(Rs. In Lacs)

Financial Assets/Financial Liabilities	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial assets measured at fair value through other comprehensive income				
-Investments in quoted Mutual Funds	38.13	38.13	-	-
Financial liabilities measured at fair value through other comprehensive income				
-Sales Tax Deferrals	197.62	-	-	197.62

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(c) Financial Risk Management – Objectives and Policies

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly.

A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and loans.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point (bps) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

- Exposure to interest rate risk:

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Total Borrowings	5,71,544.47	5,26,607.35
% of Borrowings out of above bearing variable rate of interest	61.36%	60.37%

- Interest Rate Sensitivity:

A change of 50 bps in interest rates would have would have the following impact on loss before tax

(Rs. In Lacs)

	2017-18	2016-17
50 bps increase would increase the loss before tax by	1,753.50	1,589.52
50 bps decrease would decrease the loss before tax by	1,753.50	1,589.52

ii) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates.

The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure, the Company does not enter into any forward exchange contract or into any derivative instruments for trading or speculative purposes.

Foreign Currency exposures that are unhedged as on 31st March 2018 could not be identified (Rs.1,00,390.19 as on 31st March 2017)

The Company is mainly exposed to changes in USD, EUR and AED. The below table demonstrates the sensitivity to a 5% increase or decrease in the above mentioned currencies against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents the management's assessment of a reasonably possible change in the foreign exchange rates.

(Rs. In Lacs)

Particulars*	**2017-18**		**2016-17**	
	5% Increase	**5% Decrease**	**5% Increase**	**5% Decrease**
USD			3,453.39	(3,453.39)
EUR			23.36	(23.36)
AED			1,036.98	(1,036.98)
(Increase)/Decrease in loss			4,513.72	(4,513.72)

*In the absence of appropriate information for foreign currency risk the increase/decrease, the same could not be identified.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

iii) Other Price Risk:

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

At 31st March 2018, the investment in mutual funds amounts to Rs.41.35 Lacs (Rs.38.13 Lacs as on 31st March, 2017;)

A 5% increase in market prices would have led to approximately an additional gain of Rs.2.07 Lacs in Other Comprehensive Income.

A 5% decrease in prices would have led to an equal but opposite effect.

B) Credit Risk

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Account Receivables:*

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Not due	-	-
0-3 months	-	79,059.07
3-6 months	-	2,473.49
6-12 months	-	5,098.82
Beyond 12 months and less than 2 years	-	3,46,538.26
Total	**-**	**4,33,169.65**

In the absence of appropriate information for ageing of account receivables, the same could not be identified.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Movement in provisions of doubtful debts:

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening provision	-	272.23
Add: Additional Provision made	1,90,219.39	-
Less: Provision reversed/written off	-	(272.23)
Closing provisions	1,90,219.39	-

C) Liquidity Risk

Liquidity Risk is defined as the risk that the Company will face in meeting its obligations associated with its financial liabilities. The processes and policies related to such risks are overseen by the management. The management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities:

(Rs. In Lacs)

Particulars	Less than 1 year	1 to 5 years	Total
As at 31st March, 2018			
Borrowings (Refer Note 19 & 21)	5,71,770.40	-	5,71,770.40
Trade Payables (Refer Note 20)	48,945.76	-	48,945.76
Other Financial Liabilities (Refer Note 15 & 21)	221.18	-	221.18
As at 31st March, 2017			
Borrowings (Refer Note 15 & 20)	5,24,709.77	1,897.58	5,26,607.35
Trade Payables (Refer Note 20)	42,050.62	-	42,050.62
Other Financial Liabilities (Refer Note 15 & 21)	84.01	113.61	197.62

22. Engineering Procurement Construction (EPC) Contracts provide for levy of liquidity damages (LD) to the extent of 10% of the contract value for delay in execution of the contracts. As a trade practice, on completion of the contracts such delay is generally condoned by granting time extension. It is not possible to ascertain the quantum of the LD for the projects where execution is delayed, as the proposals for time extension are pending with the customers and in the past, time extensions have been granted in similar circumstances. However, considering recurring/persisting delays it is not possible to assess the amount for which the company would be liable. However, wherever the amount has been admitted by the company or recovered, the same has been charged to expenses.

23. Upto the previous year the Company had a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long-term contracts has been made in the books of accounts. The Company has not entered into a derivative contract during the year. However, due to data/details not being fully available such cases could not be ascertained fully for the year.

24. Inadequate working capital has put considerable financial pressure on the Company and in particular, on the cash flows delaying commissioning of most of the projects executed by the Company. The Company has made a total provision of Rs. 1,700.00 Lacs (Including Rs. 100 Lacs during the year) (P.Y Rs. 1,600 Lacs) for estimated losses in few projects on completion of these contracts. The Company is assessing the status in respect of all its contracts and is communicating with its customers to expedite execution and/or minimize penal consequences.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

25. Trade Payable includes dues to micro and small enterprises to whom the Company owes amounts outstanding for more than 45 days. The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

    The details are as follows:

(In Rs. Lacs)

Sr. No.	Particulars	2017-18	2016-17
1)	The Principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**298.90**	261.64
2)	The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year	**Nil**	Nil
3)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**Nil**	Nil
4)	The amount of interest accrued and remaining unpaid at the end of each accounting year	**184.28**	128.70
5)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	**Nil**	Nil

The information is provided based on the details provided by the erstwhile management and could not be duly reconciled with the books.

26. The subsidiary company viz. Jyoti International Inc. and the step down subsidiary company Jyoti Americas LLC have defaulted in honoring the terms of the debt agreement including dividend payable and repayment of loan with lender for following loans pertains to foreign/overseas branches/subsidiaries:

    a) Subordinated Debt: USD 1,30,00,000

    b) Preferred stock Series A of USD 1,00,00,000

    c) Additional Preferred stock Series A of USD 1,88,00,000

    Jyoti International Inc. has a contingent liability of USD 3,47,00,000 for above mentioned preferred stock variable return along with its accretion as per the terms of preferred stock agreement.

    As per preferred stock agreement, lenders have not exercised their rights and claims for the settlement of the above debt through the issuance of common stock of Jyoti Structures Ltd, since its due date 28th August, 2016, till the end of current financial year. Accordingly, the Company has not recorded an obligation of USD 3,47,00,000 related to the preferred stock variable return as of 31st March 2017.

    Consequential liability arising on account of the same could not be determined in the absence of details being available for the matter.

27. The number of shares of Jyoti Structures Ltd. to be issued on settlement of the preference stock on the Maturity on 28th August, 2016, cannot be ascertained since the lenders have not invoked their rights on the due date and till 31st March 2018, and therefore, the dilutive effect of those shares on the Diluted EPS of the Company has not been considered.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

28. Confirmation of balances could not be obtained as at March 31, 2018 for banks balances, bank borrowings and for various trade receivables and other advances, trade payables, statutory dues receivables loans and advances, Earnest Money Deposits (EMD) etc., though, the management has requested for the confirmation of balances. In the absence of such confirmations and reconciliation being available the unmatched if any could not be ascertained. Necessary impact arising of reconciliation, if any, shall be considered in the year in which the reconciliation process is completed.

29. The company has various input credits and balances with various statutory authorities pertaining to service tax, VAT, sales tax etc. aggregating to INR 2,194.84 lacs. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities. No adjustments have been made in the books of accounts in respect of such amounts. However, during the year, the company has based on its understanding charged off statutory dues balances amounting to Rs. 7593.88 Lacs where the same have been adjusted by the respective authorities / have not been received. The details for the same are being compiled and necessary actions such as filing appeal, revision, etc. shall be taken in due course. Necessary impact, shall be taken in the year in which such process is completed.

30. Goods and Service Tax (“GST”) has been implemented with effect from July 1, 2017 and therefore, Revenue from Operations for the year ended March 31, 2018 are net of GST. Revenue from operations and expenses for the year ended 31 March 2017 being inclusive of excise duty are not comparable with corresponding figures of year ended 31 March 2018.

31. Pursuant to the process of evaluation and admission of claims by the RP, the RP has admitted claims of operational creditors amounting to Rs. 47,556 Lacs as at 30-Jun-2017 as against which an amount of Rs. 16,885 Lacs was appearing in the books as at 30 June 2017, resulting into a net difference of Rs. 30,671 Lacs. These claims have been admitted by the RP based on the details provided and verified but the same cannot be accounted for in the books as payable due to following reasons:

Nature	Amount (Rs. in Lacs)	Reasons for not recognising in books
Overseas Vendors	16,711	These claims are made by vendors who are from overseas. Hence, the claims prima-facie represents amount pertaining to either foreign branches or subsidiaries. In view of the fact, that there is no access to such records / ledgers etc., it is not possible to conclusively account for these in the books of the company without having the ledgers form foreign branches / subsidiaries etc.
Statutory claims	5,147	These amounts represents Income Tax demands / claims which have been admitted by the RP based on details provided but these are contested at various forums by the company and accordingly, recognising liability in respect of these would not be appropriate.
Others	8,813	These include vendors of India and overseas location which may have not been recognised in the past in the books due to service defaults, non-availability of details and could not be matched with ledgers since vendor have not submitted the details. In some of these cases, the claims have been accounted for after the cut-off date and hence accounting it again will lead to duplication. Hence, the same are not accounted for. However, on a conservative basis, we are recognising an amount of Rs. 6162 Lacs as OC Claims Admitted under Trade Payable with corresponding debit to other expenses.

32. Pursuant to the reconciliation of financial and other claims by RP, the RP has accounted for an amount of Rs. 22,780 Lacs as financial creditors (borrowings) and Rs. 22,491 Lacs as other financial liability in the books of account with a corresponding charge to other expenses of Rs. 45,272 Lacs. These amounts are subject to further confirmation / changes and necessary impact of the same shall be taken in the books after completion of the entire process.

33. Corporate Social Responsibility (CSR) - In view of losses incurred, expenditure on CSR is not applicable for the year ended as at 31st March, 2018.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

34. Cost of material consumed includes Bought-out materials purchased for supplies to customers under the contracts

35. The Hon'ble NCLT vide its order dated 27 March 2019 had approved the resolution plan for the company, which shall be effective from the implementation date being the date on which the conditions precedent such as infusion of upfront amount of equity, signing of binding agreement etc. are complied with. Pending the implementation of the plan, no effect of the plan has been given in the standalone financial statements of the company for the year ended 31 March 2018. Correspondingly, no effect has been given in the books for the difference arising on reconciliation of claims of financial and operational creditors as admitted during the resolution process vis-à-vis the amount as appearing in the books of accounts as at 31 March 2018.

36. Due to liquidity constraints and other factors such as ongoing resolution process, continuing defaults in repayment of debts and interest thereon etc., the ability of the company to execute contracted projects have been impaired leading to penal clauses under the respective contracts being invoked by the customers which includes cancellation of contracts and / or invocation of bank guarantees provided by the company. The company has been challenging such cases at appropriate legal / arbitral forum. However, pending settlement of such process, guarantees invoked have been charged off to the statement of Profit and Loss during the year.

37. During the year, the Resolution Professional, appointed under CIRP, had invited claims from operational creditors for the amounts receivable by them from the company, which were subjected to scrutiny for evaluating the genuineness of such claims. Eligible claims were admitted by the RP as payable. Such admitted claims were reconciled with the outstanding balances as per books on a case to case basis. Claims admitted in excess of the amounts appearing in the books were accounted for as expenses with corresponding payable on an adhoc basis. However, where the amount appearing in the books is more than the admitted amount, reversal for such excess have not been done.

    Pursuant to such reconciliation, claims aggregating to Rs. 6162 Lac were accounted for as trade payables with consequential debit to Other Expenses. Corresponding impact for input tax credits, statutory deductions etc. have not been given in the books. Necessary impact in respect of these shall be given in the subsequent year(s)..

38. During the quarter ended March 31, 2018, the Resolution Professional appointed under CIRP, had on a detailed review of the accounts and financial statements reversed income / expenses and provisions hitherto being accounted for till the quarter ended December 31, 2017 since the back-up papers / details / rationale for accruing / providing the same were either not available or not justified. Some of the material reversals carried out were as under:
    a) Interest
    b) Provision for Corporate Guarantees of Rs. 34,987.04 Lacs has been reversed during the quarter ended March 31 2018, since the same was in respect of guarantees invoked by a financial creditor for which claims were preferred after the statutory period of claims under IBC and hence were neither admitted by the RP not were payable, in the view of RP.

39. As per section 134 of the Companies Act, 2013, the standalone financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the ongoing CIRP, powers of the board of directors have been suspended and these powers are, in terms of the code, now vested with Ms. Vandana Garg, as Interim Resolution Professional (IRP) to carry out the functions of the Company in his capacity as the IRP from 4th July 2017. Accordingly, Financial Statements of the Company for the year ended 31 March 2018 were taken on record and authorized for issue by Resolution Professional (RP) on 11th February 2020.

40. These financial statements carries opening balances of assets and liabilities of the previous financial year(s)/ period(s) before the appointment of Resolution Professional (RP) under the Insolvency and Bankruptcy Code (IBC), 2016 and therefore, the RP is not in a position to comment/verify the authenticity of the said opening balances, information provided herein. Further, these also includes the balances of branches which have been considered but in respect of which the relevant back up papers / details are not fully available.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

41. In absence of the Board of Directors, the RP is approving these statements for the purposes of compliance with the provisions of the Companies Act, 2013 and on the basis of representation by the key managerial personnel (KMP) of the Company and others regarding authenticity or veracity of the information provided in the financial statements. Approval of the RP and affixing of signature on these statements by the RP should not be construed as endorsement or certification by the RP of any facts or figures provided herein.

42. These standalone financial statements includes the details in respect of the branches of the company, it incorporates 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. These financial statements does not include the amounts in respect of two of the branches of the company at Kuwait and Egypt.

43. The previous year figures are not comparable in view of some of the branches details for the current year are not available or are not available for the full year vis-à-vis the full year figures being considered in the previous year.

44. These standalone financial statements are authorized to be issued at the Board Meeting of the company held at February 11, 2020.

45. The company has been at default in meeting its statutory obligations under various statutes such as TDS, ESI , EPF, etc. such as payment of dues and meeting the compliances w.r.t. filing of returns / forms etc. with ROC, GST, TDS etc. The company is in the process of reconciling the dues and for filing the required returns etc.

46. There are no shared allotted under ESOP / ESOS as at the reporting date.

47. The company based on its assessment in earlier year(s) have balances in the nature of accrued revenue. The billing in respect of these have not been done and the amount is being carried forward since the relevant details, project and billing status etc. are being evaluated. The details are not fully available.

48. Previous year's figures have been re-arranged, re-grouped and re-classified, wherever necessary.

The Notes referred to above form an integral part of the Statement of Accounts.

As per our report attached
For **MKPS & ASSOCIATES**
Chartered Accountants
Firm's Registration No: 302014E

Sd/-
Narendra Khandal
Partner
Membership Number 065025
Mumbai; 11 February 2020

Sd/-
SONALI GAIKWAD
Company Secretary

For and on behalf of the Board

Sd/-
ANIL MISHRA
(Interim CFO appointed by COC for CIR process)

Sd/-
VANDANA GARG
Insolvency Resolution Professional
IBBI/IPA-001/IP-P00025/2016-2017/10058

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. Lacs)

Sr. No.	Name of the subsidiary	JSL Corporate services limited	Jyoti Energy Limited	Jyoti Structures Africa (Pty) Ltd	Jyoti Structures FZE
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	ZAR	AED
3.	Share capital	350.00	5.00	419	317
4.	Reserves & surplus	137.89	(28.26)	(1,922.29)	672.00
5.	Total assets	488.95	30.08	7,444.28	4926.60
6.	Total Liabilities	1.06	53.34	9,579.02	3939.17
7.	Investments	0.00	0.00	0.00	0.00
8.	Turnover	0.00	0.00	6096.22	818.00
9.	Profit before taxation	(0.12)	(1.13)	34.16	(3,436.48)
10.	Provision for taxation	0.00	0.00	0.00	(5.51)
11.	Profit after taxation	(0.12)	(1.13)	34.16	(3,430.97)
12.	Proposed Dividend	0.00	0.00	0.00	0.00
	% of shareholding	100%	100%	70%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations

2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of associates/Joint Ventures	Gulf Jyoti International LLC	Lauren Jyoti Pvt. Ltd.
1	Latest audited Balance Sheet Date	December 31, 2017	March 31, 2018
2	Shares of Associate/Joint Ventures held by the company on the year end		
	No.	0	0

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Sr. No.	Name of associates/Joint Ventures	Gulf Jyoti International LLC	Lauren Jyoti Pvt. Ltd.
	Amount of Investment in Associates/Joint Venture	0.00	0.00
	Extend of Holding%	30%	50%
3	Description of how there is significant influence	JV	JV
4	Reason why the associate/joint venture is not consolidated	Not Applicable	“See note iii)
5	Net worth attributable to shareholding as per latest audited Balance Sheet	below *”	
6	Profit/Loss for the year	0.00	-
	Considered in Consolidation		
	Not Considered in Consolidation	0.00	-

Notes:

i) Please refer to consolidated financial statement and notes appearing thereon.

ii) * Financial Statement of Gulf Jyoti International for the year ended 31st March, 2017 has not been approved by the Board of Directors of Joint Venture Company.

iii) * Financial Statement of Lauren Jyoti Pvt Ltd. for the year ended 31st March, 2014, 31st March, 2015, 31st March, 2016 and 31st March, 2017 has not been approved by the Board of Directors of Joint Venture Company.

iv) ** Profit / Loss for the year is based on unaudited financial statements as on 31st March, 2016.

For Jyoti Structures Limited
(Company under Corporate Insolvency Resolution Process)
Sd/-
Vandana Garg
Erstwhile Resolution Professional
IBBI/IPA-001/IP-P0025/2016-17/10058

Date: August 13, 2020
Place: Mumbai

Note: Pursuant to the Hon’ble NCLT’s Order dated July 4, 2017, the CIRP process was initiated in respect of the Company under the provisions of the Code and Ms. Vandana Garg was appointed as IRP/ RP. As per the provisions of the Code, the management of affairs and powers of the Board of Directors of the Company were vested in the RP. In terms of the Approved Resolution Plan, till the date of transfer of control of the Company to the proposed investors, the Company is being managed and controlled by the RP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the RP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee) and have the same powers (which she has) during the CIRP and all rights, powers, duties and privileges of the board of directors of the Company.

Independent Auditors' Report

To the Members of Jyoti Structures Limited

1. Report on the Consolidated Ind AS Financial Statements

We were engaged to audit the accompanying consolidated Ind AS financial statements of **Jyoti Structures Limited** (hereinafter referred to as "the Holding Company") and 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"), associates and joint ventures, which comprise the consolidated Balance Sheet as at 31st March 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated profit, consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group, its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

The Hon'ble National Company Law Tribunal, Mumbai ("NCLT") on July 4, 2017 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed against the Holding 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 CIR process has confirmed appointment of Ms. Vandana Garg as the Resolution Professional ("RP") to manage the affairs of the Holding Company. In view of the pendency of the CIR process, the power and responsibilities of the Board of Directors of the Holding Company shall vest with the RP under the provisions of the Code.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, 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.

4. 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 America 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 also 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. The same is also not in line with the accounting policies as disclosed in the Consolidated Ind AS financial statements.*

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 Ind AS financial statements.

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 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 Ind AS Financial Statements 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 of the Holding Company situated 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 Ind AS financial statements 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 against the holding company 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 consolidated statement of cash flows for the year ended March 31, 2018, the relevant details for all the items are not available and in some cases, the details of the amount considered are not available and hence we are unable to comment on the presentation and disclosure w.r.t. consolidated statement of cash flows.

K) With respect to the amount of Non-Controlling Interest (NCI) considered in the consolidated financial statements, there was opening difference between the amount as per Balance sheet and the amount in the corresponding Notes. The details of the same were not made available. Pending reconciliation an amount of Rs. 204.54 Lacs have been adjusted against opening balances. In the absence of details we are unable to comment on the amount of NCI considered in the consolidated financial statements.

L) In respect of Property, Plant & Equipment, the back-up papers of the amount considered in Note No. 1 of the accompanying consolidated financial statements are not available / reconciled with the reported amounts in the absence of which we are unable to comment on the amounts of Property, Plant & Equipment.

M) ***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 Ind AS financial statements 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 consolidated Ind AS financial statements, which have been further stated at Note No. 34 of the consolidated Ind AS financial statements. Due to these conditions at the date of this report, we are unable to ascertain the impacts of the same on the Consolidated Ind AS Financial Statements.

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 Ind AS Financial Statements.

iii) 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 Ind AS Financial Statements 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 Statements.

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, and the consequential treatment w.r.t. elimination, disclosures etc. in these Consolidated Ind AS Financial Statements.

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 Consolidated Ind AS Financial Statements.

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 Ind AS Financial Statements.

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 Ind AS Financial Statements.

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 Ind AS Financial Statements.*

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 and other dues 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 Consolidated Ind AS Financial Statements. 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 working 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 Ind AS Financial Statements:

a) *The Holding Company has not appointed Internal Auditors as required by Section 138 of the Companies Act 2013;*

b) *The Holding 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 holding 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 (including foreign branches), which is also not in compliance with the requirements of Ind AS 21 issued by ICAI. Further, the disclosure / presentation requirements in respect of the same have also not been complied with.*

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:

e. *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;*

f. *Provision for Onerous contracts – same provision continuing as on December 31, 2017 – Rs. 17 Crore; for which no details / basis is available;*

g. *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;*

h. *Retainership Charges payable – Rs. 6.94 Crore of which Rs. 5.94 Crore is continuing since December 31, 2017;*

b) The Consolidated Ind AS Financial Statements 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, in the absence of 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 Ind AS Financial Statements.

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 / position arising out of the same 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 Consolidated Ind AS 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 of the Act 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, secured and unsecured, repayment schedules, default for borrowing etc. for various items of assets and liabilities has not been done as per contracted terms as required under Ind AS but the same have been done as per the respective disclosures made in the Notes to the financial statements.;*

vi. *The security details in respect of borrowings are continuing as per last year since, the details in respect of the same are not fully available. Further, the details of defaults in respect of borrowings have not been fully disclosed.*

N) The disclosures / presentation requirements pertaining to companies other than the holding company as required under the Companies Act, 2013; SEBI (LODR) 2015, Ind AS and other statutory / technical standards could not be checked in the absence of the relevant underlying details being available. Accordingly, the disclosures made at Note No. 34, could be checked only w.r.t holding company. The details included / considered / incorporated in the said notes pertaining to other companies could not be verified. In many cases, these details are incorporated only to the extent of the holding company in the absence of details being available for other components.

5. *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 the 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 Consolidated Ind AS Financial Statements.*

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 Consolidated Ind AS Financial Statements, 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 / reconcile the balances as reported in the financials and as per bank.

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 Consolidated Ind AS Financial Statements 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 Consolidated Ind AS Financial Statements.

6. Disclaimer of Opinion

Because of the significance of the matters described in paragraphs 4 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Consolidated Ind AS Financial Statements.

7. Other Matters

i. 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.

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

8. Report on Other Legal and Regulatory Requirements

i. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and on the other financial information of subsidiaries, associates and joint ventures, as noted in our report above, we report, to the extent applicable, that:

a. As described in the basis for disclaimer of opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. Due to the possible effects of the matter described in the basis for disclaimer of opinion paragraph, and having regard to the fact that significant number of vouchers and base records; inventory and fixed assets register were not available or did not have the required details and the details / audited financial statements of the subsidiaries / associates / Joint Ventures are not available, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The financial returns / statements of the branches considered in the financial statements in respect of 7 branches for the year ended March 31, 2018 and for 5 branches for the nine months ended December 31, 2017 have not been subject to audit and hence no reports in respect of the same have been considered by us. These branch accounts have been incorporated based on management accounts and hence we are unable to comment on the possible impact, if any, arising on audit thereof. Further, financial returns / statements / reports in respect of 2 branches have not been received and not considered in these consolidated financial statements of which the impact is not ascertained by the management and hence we are unable to comment on the same. The audited financials of one of the subsidiaries were available which have been considered for the purposes of our audit report;

d. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to comment if the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this report are in agreement with the books of account;

e. Due to the possible effects of the matter described in the basis for disclaimer of opinion paragraph, we are unable to state whether the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder;

f. The matters described in the basis for disclaimer of opinion and Report on Internal Financial Controls over financial reporting (Annexure A), in our opinion, may have adverse effect on the functioning of the Company;

g. Management is unable to provide us the evidence regarding director's qualification as on 31st March, 2018 for being appointed on board as the same have not been received from the directors by the Resolution Professional. In view of this, we are unable to comment whether directors are disqualified from being appointed as director in terms of Section 164(2) of the Act. However, the powers of the board have been superseded by the Resolution Professional appointed by the NCLT w.e.f. July 4, 2017;

   Further, in view of the holding company being in default w.r.t. payment of interest and principal w.r.t. its deposits and such defaults continuing for a period of more than one year, the directors of the holding company as at 1-Apr-2017 are disqualified from being appointed as director in terms of section 164(2) of the Act. Management has represented that the powers of the board have been superseded by the Resolution Professional appointed by the NCLT w.e.f. July 4, 2017. However, no representation have been received by the RP from such directors.

   In respect of the subsidiaries / associates / joint ventures incorporated in India, no audit report / other details / representations are available hence we are unable to comment on the disqualification or otherwise in respect of these components.

h. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for disclaimer of opinion paragraph above and Report on Internal Financial Controls over financial reporting (Annexure B);

i. With respect to the adequacy of the internal financial controls over financial reporting, the operating effectiveness of such controls of the holding Company and other components being companies incorporated in India, refer to our separate report in "Annexure A"

j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

   i. In view of the related matters described in the basis for disclaimer of opinion paragraph, we are unable to state whether Note 34 to the consolidated financial statements discloses the complete impact of pending litigations on its financial position;

   ii. In view of the related matters described in the basis for disclaimer of opinion paragraph, we are unable to state whether the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The holding company does not have any derivative contract, in respect of other components, we are unable to comment on this aspect in the absence of any details;

   iii. There has been delay in transfer of unclaimed dividend of Rs. 3.47 Lacs to Investor Education and Protection Fund by the company. In respect of other components, in the absence of details, we are unable to comment in this regard.

For MKPS & Associates
Chartered Accountants
Firm's Regn. No. 302014E
Sd/-
Narendra Khandal
Partner
M No. 065025
UDIN: 20065025AAAACE3814
Mumbai, March 14, 2020

Annexure - A to Independent Auditors' Report on Consolidated Ind AS Financial Statements

(Referred to in paragraph 8 (i) (i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of **Jyoti Structures Limited** (herein after referred to as "the Holding Company") as of and for the year ended 31st March 2018, we were engaged to audit the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, Associates and Joint Ventures which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Group.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Disclaimer of Opinion

The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018. In respect of other components, being companies incorporated in India, the audited financials, risk control matrices and other control framework details were not made available to us due to which we are unable to form any opinion in respect of the said components.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Company, and the disclaimer has affected our opinion on the consolidated Ind AS financial statements of the Company and we have issued a disclaimer of opinion on the consolidated Ind AS financial statements.

For MKPS & Associates
Chartered Accountants
Firm's Regn. No. 302014E
Sd/-
Narendra Khandal
Partner
M No. 065025
UDIN: 20065025AAAACE3814
Mumbai, March 14, 2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

	Note	As at 3/31/2018 INR in Lacs	As at 3/31/2017 INR in Lacs
ASSETS			
1) **Non Current Assets**			
a) Property, Plant and Equipment	1	**8,990.05**	35,122.34
b) Capital Work-in-Progress		**-**	2,636.63
c) Goodwill	1.1	**11.03**	7.71
d) Other Intangible Assets	1.1	**-**	755.71
e) Investment accounted for using equity method	2	**-**	2,300.42
		9,001.08	40,822.81
f) **Financial Assets**			
i) Investment	3	**46.36**	43.13
ii) Trade Receivables	4	**-**	35,078.41
iii) Other Financial Assets	5	**521.61**	576.36
		567.97	35,697.90
Total Non Current Assets		**9,569.05**	76,520.71
2) **Current Assets**			
a) Inventories	6	**5,640.59**	16,025.90
b) **Financial Assets**			
i) Trade Receivables	7	**243,497.88**	407,703.02
ii) Cash and cash equivalents	8	**2,704.28**	4,523.07
iii) Bank Balances other than (ii) above	9	**892.17**	713.83
iv) Other Current Financial Assets	10	**3,756.33**	42,946.36
		250,850.66	455,886.28
c) Other Current Assets	11	**12,964.37**	28,363.42
d) Current Tax Asset (Net)	11.1	**-**	0.58
Total Current Assets		**269,455.62**	500,276.18
TOTAL		**279,024.67**	576,796.89
EQUITY AND LIABILITIES			
1) EQUITY			
a) Equity Share Capital	12	**2,190.55**	2,190.55
b) Other Equity	13	**(558,363.52)**	(172,156.98)
Equity attributable to owners		**(556,172.97)**	(169,966.43)
c) Non controlling Interest		**(214.08)**	17,936.93
TOTAL EQUITY		**(556,387.05)**	(152,029.50)
2) LIABILITIES			
A) **Non Current Liabilities**			
a) **Financial Liabilities**			
i) Long Term Borrowings	14	**3,348.55**	18,294.50
ii) Other Financial Liabilities	15	**-**	455.39
		3,348.55	18,749.89
c) Long Term Provisions	16	**1,475.96**	1,320.55
d) Deferred Tax Liabilities (Net)	17	**10.25**	18.12
		1,486.21	1,338.67
TOTAL NON CURRENT LIABILITIES		**4,834.76**	20,088.56
B) **Current Liabilities**			
a) **Financial Liabilities**			
i) Short Term Borrowings	18	**349,457.92**	321,440.13
ii) Trade Payables	19	**51,484.44**	46,576.49
iii) Other Current Financial Liabilities	20	**258,676.59**	219,511.79
		659,618.95	587,528.41
b) Other Current Liabilities	21	**168,701.71**	120,577.70
c) Short Term Provisions	22	**2,256.30**	631.72
		170,958.01	121,209.42
TOTAL CURRENT LIABILITIES		**830,576.96**	708,737.83
TOTAL		**279,024.67**	576,796.89
Significant Accounting Policies	33		
Other Notes to Financial Statements	34		

The Significant Accounting Policies and Notes referred to above form an integral part of Financial Statements.

As per our report attached
For **MKPS & ASSOCIATES**
Chartered Accountants
Firm's Registration No: 302014E

For and on behalf of the Board

Sd/-
ANIL MISHRA
(Interim CFO appointed by COC for CIR process)

Sd/-
Narendra Khandal
Partner
Membership Number 065025
Mumbai; 14th March,2020

Sd/-
SONALI GAIKWAD
Company Secretary

Sd/-
VANDANA GARG
Insolvency Resolution Professional
IBBI/IPA-001/IP-P00025/2016-2017/10058

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

		Note	Year Ended 31 Mar 2018 INR in Lacs	Year Ended 31 Mar 2017 INR In Lacs
CONTINUING OPERATIONS				
I	**INCOME**			
	Revenue from Operations	23	**32,512.48**	90,343.52
	Other Income	24	**332.71**	1,869.82
	Total Revenue		**32,845.19**	92,213.34
II	**EXPENSES**			
	Cost of Materials Consumed	25	**8,164.50**	48,115.46
	Excise duty paid	26	**119.67**	624.37
	Erection and Sub-contracting Expense	27	**16,821.46**	30,845.84
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	**4,662.27**	8,636.63
	Employee Benefits Expense	29	**10,621.66**	11,662.44
	Finance Costs	30	**101,081.75**	84,527.09
	Depreciation and Amortization Expense (Net)	31	**2,873.03**	6,332.75
	Other Expenses	32	**308,571.25**	44,028.19
	Total Expenses		**452,915.59**	234,772.77
III	**Loss Before Tax and Share in joint venture (I-II)**		**(420,070.40)**	(142,559.43)
IV	**Share of Joint Venture**			
	Share of Profit / (Loss) of Joint Venture		**-**	-
V	**Loss Before Tax (III+IV)**		**(420,070.40)**	(142,559.43)
VI	**Tax Expense:**			
	Current Tax		**-**	
	Deferred Tax (Net)		**(5.51)**	(22.08)
	Total Tax Expense		**(5.51)**	(22.08)
VII	**Loss for the year (V-VI)**		**(420,064.89)**	(142,537.35)
VIII	**Other Comprehencive income**			
	A. Items that will not be reclassified to profit or loss			
	Changes in revaluation surplus		**-**	-
	Remeasurements of the defined benefit plans		**(309.60)**	(31.23)
	B. Items that will be reclassified to profit or loss			
	Remeasurement of Investement at fair value		**3.23**	5.92
	Exchange (Loss)/Gain in translating the financial statements of a foreign operation		**(2,335.61)**	(357.56)
	Amortisation of Debenture Issue expenses		**-**	-
	NPV of Deferred Liability		**4.94**	8.29
	The effective portion of gains and loss on hedging		**-**	-
	Others (specify nature)		**-**	-
	Total (B-A)		**(2,017.84)**	(312.12)
IX	**Total Comprehencive income (VII + VIII)**		**(422,082.73)**	**(142,849.47)**
X	**Net Profit Attributable to**			
	Owner		**(420,065.25)**	(142,605.78)
	Non controling Interest		**0.36**	68.43
	Other Comprehensive income			
	Owner		**(2,017.84)**	(312.12)
	Non controling Interest		**(150.90)**	-
	Total Comprehensive income			
	Owner		**(422,083.09)**	(142,917.90)
	Non controling Interest		**(150.54)**	68.43
XI	**Earning Per Equity Share (In INR)**			
	[Nominal value of share INR 2]			
	1) Basic		**INR -383.52**	INR -130.2
	2) Diluted		**INR -383.52**	INR -130.2
	Significant Accounting Policies	33		
	Other Notes to Financial Statements	34		

The Significant Accounting Policies and Notes referred to above form an integral part of Financial Statements.

As per our report attached

For **MKPS & ASSOCIATES**
Chartered Accountants
Firm's Registration No: 302014E

For and on behalf of the Board

Sd/-
ANIL MISHRA
(Interim CFO appointed by COC for CIR process)

Sd/-
Narendra Khandal
Partner
Membership Number 065025
Mumbai; 14th March,2020

Sd/-
SONALI GAIKWAD
Company Secretary

Sd/-
VANDANA GARG
Insolvency Resolution Professional
IBBI/IPA-001/IP-P00025/2016-2017/10058

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

				Year Ended 31 Mar 2018 INR in Lacs	Year Ended 31 Mar 2017 INR in Lacs
I		**CASH FLOW FROM OPERATING ACTIVITIES**			
		Net Profit/(Loss) Before Taxes	[A]	**(420,070.41)**	(142,559.43)
		ADJUSTMENTS FOR:			
	i)	Depreciation and amortization		**2,873.03**	6,332.75
	ii)	Impairment of Investments		**1,647.77**	502.83
	iii)	Interest Expense		**99,170.30**	82,803.79
	iv)	(Gain)/Loss on Sale of Property, Plant and Equipment (Net)		**(14.46)**	1.80
	v)	Amortisation of Borrowings		**506.99**	1,060.59
	vi)	Interest Received		**(83.29)**	(1,726.65)
	vii)	Employee Compensation Expense - ESOS		**-**	-
	viii)	Remeasurements of the defined benefit plans		**309.60**	31.23
	ix)	Currency rate adjustment in Fixed Assets		**514.60**	37.28
	x)	Exchange (Loss)/Gain in translating the financial statements of foreign operations		**(2,749.82)**	(357.56)
			[B]	**102,174.72**	88,686.06
		Operating Profit before Working Capital changes	**[A+B] = [C]**	**(317,895.69)**	(53,873.37)
		ADJUSTMENTS FOR:			
	i)	Inventories		**5,841.22**	9,419.80
	ii)	Trade Receivable & Other Receivable, financial assets, Other Current Assets		**299,367.60**	1,819.49
	iii)	Current Liabilities and Provisions		**131,662.05**	97,139.86
			[D]	**436,870.87**	108,379.15
		Cash Generated from Operations	[C+D] = [E]	**118,975.18**	54,505.78
	i)	Direct Taxes Paid (Net)		**(5.58)**	(1,287.30)
			[F]	**(5.58)**	(1,287.30)
		Net Cash (used in) / from Operating Activities [I]	[E+F] = [G]	**118,969.60**	53,218.48
II		**CASH FLOW FROM INVESTING ACTIVITIES**			
	i)	Proceeds from Sale of Property, plant and equipment		**291.28**	68.14
	ii)	Purchase of Property, plant and equipment [After Elimination of (Increase)/Decrease in Capital work-in-progress]		**(1,026.79)**	(446.35)
	iii)	Investment in a Subsidiary Company		**-**	-
	iii)	Investments in Other than Subsidiary company		**-**	-
	v)	Proceeds from Redemption of Investments		**-**	-
	iii)	Interest Received		**83.29**	1,726.65
	iv)	Net Advances to Subsidiary Companies		**(59,358.06)**	-
	v)	Net Advances to Companies other than Subsidiary Companies		**(3,922.16)**	(12,530.94)
	vi)	Proceeds from Short Term Borrowings			
		Net Cash (used in) / from Investing Activities [II]		**(63,932.44)**	(11,182.50)
III		**CASH FLOW FROM FINANCING ACTIVITIES**			
	i)	Repayment of Non Convertible Debentures		**-**	(2.00)
	ii)	Proceeds from Long Term Borrowings		**15,892.25**	19,729.38
	iii)	Repayment of Long Term Borrowings		**(24.08)**	(2,353.59)
	iv)	Proceeds from Asset Finance from Banks		**532.21**	-
	v)	Repayment of Asset Finance from Banks		**-**	(9.43)
	vi)	Proceeds from Asset Finance from Financiers		**-**	4.50
	vii)	Repayment of Asset Finance from Financiers		**(533.97)**	-
	viii)	Net Increase/(Decrease) in Interest Free Sales Tax Defferal Loan		**(23.56)**	-

		Year Ended 31 Mar 2018 INR in Lacs	Year Ended 31 Mar 2017 INR in Lacs
ix) Proceeds from Short Term Borrowings from banks		**(8,486.55)**	16,413.24
x) Dividend Distribution Tax Paid on Preference Share		**-**	(5.09)
xi) Dividend and Dividend Distribution Tax for earlier year		**(3.48)**	(3.95)
xii) Interest Expense		**(99,170.30)**	(82,803.79)
Net Cash (used in) / from Financing Activities [III]		**(91,817.48)**	(49,030.73)
Net Increase/(Decrease) in Cash and Cash Equivalents	I + II + III	**(36,780.32)**	(6,994.75)
Cash and Cash Equivalents at the beginning of the year		**(208,669.40)**	(200,131.85)
Cash and Cash Equivalents at the end of the year *		**(245,449.72)**	(207,126.60)

* Cash and Cash Equivalents comprise of :

Particulars		Year Ended 31/Mar/2017 In INR	Year Ended 31/Mar/2016 In INR
a) Balances with Banks		**2,433.73**	4,184.47
b) Fixed Deposit with original maturity for less than 3 months		**259.10**	310.00
c) Cash On Hand		**11.46**	28.60
	Sub Total (A)	**2,704**	4,523
d) Short Term Borrowings (Refer Note No. 20)		**(349,457.92)**	(321,440.13)
Less: Loans other than Overdraft and Cash Credit		**(101,303.91)**	**(109,790.46)**
Sub Total (B)		**(248,154.01)**	**(211,649.67)**
Total (A+B)		**(245,449.72)**	**(207,126.60)**

As per our report attached
For **MKPS & ASSOCIATES**
Chartered Accountants
Firm's Registration No: 302014E

Sd/-
Narendra Khandal
Partner
Membership Number 065025
Mumbai; 14th March,2020

Sd/-
SONALI GAIKWAD
Company Secretary

For and on behalf of the Board

Sd/-
ANIL MISHRA
(Interim CFO appointed by COC for CIR process)

Sd/-
VANDANA GARG
Insolvency Resolution Professional
IBBI/IPA-001/IP-P00025/2016-2017/10058

Note :

1. The Statement of cash flow is prepared in accordance with the format prescribed as per Ind-AS 7
2. "Other non-cash items" includes excess provision written back, diminution of value of investment, materials written off and miscellaneous adjustments not affecting Cash Flow.
3. In Part-I of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-II and Part-III, figures in brackets indicate cash outflows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Property, Plant and Equipment (INR in Lacs)

1 Tangible Assets :	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Tools and Tackles	Furniture & Fixtures	Computer and Office Equipments	Vehicles	31 Mar 2018
Gross Carrying Value									
As at 1 April 2016	2,637.67	223.70	12,261.59	35,834.73	11,131.40	966.74	2,109.77	6,557.43	**71,723.03**
Additions	-	-	-	85.18	227.54	7.73	71.59	12.71	**404.75**
Disposals	-	-	-	98.03	20.11	5.69	90.47	82.69	**296.99**
Transfer to assets held for sale	-	-	-	-	-	-	-	-	**-**
Other adjustments	-	-	-	-	-	-	-	-	**-**
As at 31 March 2017	**2,637.67**	**223.70**	**12,261.59**	**35,821.88**	**11,338.83**	**968.78**	**2,090.89**	**6,487.45**	**71,830.79**
Additions	-	-	-	16.05	67.33	8.71	6.17	70.99	**169.25**
Disposals	-	-	-	334.58	29.48	47.76	10.61	490.76	**913.20**
Other adjustments	2,519.49	-	9,342.00	15,499.56	2,248.40	238.88	243.44	71.87	**30,163.64**
As at 31 March 2018	**118.18**	**223.70**	**2,919.59**	**20,003.78**	**9,128.28**	**690.86**	**1,843.01**	**5,995.80**	**40,923.20**
Accumulated Depreciation	-	-	-	-	-	-	-	-	**-**
As at 1 April 2016	-	28.24	2,091.31	16,579.88	6,338.71	600.34	1,658.51	3,590.14	**30,887.13**
Charge for the year	-	3.79	76.15	1,596.39	3,426.05	55.15	152.41	738.42	**6,048.37**
Disposals	-	-	-	75.45	20.11	5.19	89.43	36.87	**227.05**
As at 31 March 2017	**-**	**32.03**	**2,167.46**	**18,100.82**	**9,744.65**	**650.30**	**1,721.49**	**4,291.69**	**36,708.45**
Charge for the year	-	3.79	76.15	1,256.37	559.70	47.52	107.72	312.75	**2,364.00**
Disposals	-	-	-	103.90	414.74	54.39	7.76	55.58	**636.37**
Other adjustments*	-	-	1,123.85	3,369.54	1,696.04	76.17	189.02	48.31	**6,502.93**
As at 31 March 2018	**-**	**35.82**	**1,119.76**	**15,883.75**	**8,193.57**	**567.26**	**1,632.43**	**4,500.56**	**31,933.15**
Net Block	-	-	-	-	-	-	-	-	**-**
As at 31 March 2017	**2,637.67**	**191.67**	**10,094.13**	**17,721.06**	**1,594.18**	**318.47**	**369.40**	**2,195.75**	**35,122.34**
As at 31 March 2018	**118.18**	**187.88**	**1,799.83**	**4,120.03**	**934.71**	**123.60**	**210.58**	**1,495.25**	**8,990.05**

1.1 Intangible assets	Software	Goodwill on amalgamation	31 Mar 2018 in Rupees
Gross Carrying Value			
As at 1 April 2016	2,706.35	312.37	**3,018.72**
Additions	0.13	-0.23	**-0.10**
Disposals	-	-	**-**
As at 31 March 2017	**2,706.49**	**312.13**	**3,018.62**
Additions	-	-	**-**
Disposals	-	-	**-**
Transfer to assets held for sale	-	-	**-**
Other adjustments	246.76	-4.43	**242.32**
As at 31 March 2018	**2,459.73**	**316.56**	**2,776.29**
Accumulated Depreciation	-	-	**-**
As at 1 April 2016	1,667.45	303.37	**1,970.82**
Charge for the year	283.33	1.05	**284.38**
Disposals	-	-	**-**
As at 31 March 2017	**1,950.78**	**304.43**	**2,255.20**
Charge for the year	281.67	1.10	**282.77**
Disposals	-	-	**-**
Impairment	227.29	-	**227.29**
As at 31 March 2018	**2,459.73**	**305.53**	**2,765.26**
Net Block	-	-	**-**
As at 31 March 2017	**755.71**	**7.71**	**763.42**
As at 31 March 2018	**-**	**11.03**	**11.03**

Notes:

1 For assets given as security refer Standalone Balance Sheet Note No 15.

2 Intangible Assets amounting to carrying value of Rs. 508.95 lacs have been fully impaired during the year since the corresponding assets were no longer available for use by the Company and hence, had nil realisable value/value in use.

3 *Adjustment is pertaining to one of the subsidiary Jyoti International Inc (including its step down subsidiaries) which has been included in opening property, plant and equipment however, in the absence of avaialbility of financials for the current year the same has not been consolidated and therefore, adjustment has been made to that extent.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2	INVESTMENT ACCOUNTED FOR USING EQUITY METHOD	Joint Venture Other	Face Value	JSL No. of Shares/Units 31 Mar 2018 Nos	JSL No. of Shares/Units 31 Mar 2017 Nos	Total Amount 31 Mar 2018 INR in Lacs	Total Amount 31 Mar 2017 INR In Lacs
	Investment in Equity Instruments						
	Unquoted, fully paid up - At Cost						
	Jyoti International Inc. - Eq. Shares	Subsidiary	$ 0.01 Each	**100**	100	**6,000.65**	6,000.65
	Less: Diminution of Investment #	Subsidiary	$ 0.01 Each			**(6,000.65)**	(6,000.65)
	Gulf Jyoti International LLC - Eq. Shares	Joint Venture	AED 1000 Each	**12,930**	12,930	**1,642.77**	2,300.41
	Less: Diminution of Investment ** #	Joint Venture				**(1,642.77)**	
	Lauren Jyoti Pvt Ltd. - Eq Share	Joint Venture	INR 10 Each		50,00,000	**-**	500.00
	Less: Diminution of Investment	Joint Venture	INR 10 Each			**-**	(500.00)
	TAQA Jyoti Energy Ventures Private Limited	Other	INR 10 Each			**2.83**	2.83
	Less: Diminution of Investment	Other	INR 10 Each			**(2.83)**	(2.83)
						-	2,300.41

* Investment at the end of the year in Jyoti Structures Africa (Pty) Ltd. is INR 419/- (P.Y. INR 419/-)

**# Provision for diminution of investment during the year is Rs. 16,47,77,017/-

Provision for diminution of Investment during the year FY 16-17 is Rs. 6,500.65 Lacs

Book value of Unquoted Investments is INR 667.04 Lacs (P.Y. INR 2,314.81 Lacs)

The company has determined Provisoin For Impairment to the extent the details of some of the subsidiaries were available. In the absence of the details for all the subsidiaires, a comprehensive assessment is under progress and the amount may change based on details that may be available.

During the year, the equity shares of Lauren Jyoti Private Limited. had been disposed off pursuant to an agreement dated 18 April 2017 between the JV partner. This investment had been fully provided for in the earlier year.

3	NON CURRENT INVESTMENT	OTHER	Face Value	No. of Shares/Units 31 Mar 2018 Nos	No. of Shares/Units 31 Mar 2017 Nos	Amount 31 Mar 2018 INR in Lacs	Amount 31 Mar 2017 INR In Lacs
	Investment in Equity Instruments						
	Unquoted, fully paid up - At Cost						
	Jankalyan Sahakari Bank Ltd. - Eq. Shares	Other	INR 10 Each	**49,955**	49,955	**5.00**	5.0
						5.00	5.00
	Investment in mutual fund At fair value Quoted, Fully paid-up - At fair value through other comprehensive income						
	SBI Blue Chip Fund	Mutual Fund	INR 10 Each	**20,000**	20,000	**7.72**	6.72
	SBI Infrastructure Fund	Mutual Fund	INR 10 Each	**50,000**	50,000	**7.64**	6.82
	SBI Magnum Equity Fund	Mutual Fund	INR 10 Each	**12,136**	12,136	**11.24**	10.44
	UTI Bond Fund	Mutual Fund	INR 10 Each	**28,352**	28,352	**14.75**	14.16
						41.35	38.14
	TOTAL					**46.35**	43.14

Book value of Unquoted Investments is INR 5.00 Lacs (P.Y. INR 5.00 Lacs)

Market value of Quoted Investments is INR 41.35 Lacs (P.Y. INR 38.14 Lacs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

		Total	
4	**NON CURRENT TRADE RECEIVABLES**	**31 Mar 2018**	31 Mar 2017
		INR in Lacs	INR In Lacs
	Unsecured, considered good		
	Trade Receivables	**-**	35,078.41
	Non Current Bank Balances		
	Fixed Deposit with Original maturity for more than 12 months	**-**	-
	TOTAL	**-**	35,078.41

The Company is in the process of bifurcating its trade receivables as current and non-current pending which the entire amount of receivables have been considered as current notwithstanding the contractual payment terms.

5	**OTHER NON CURRENT FINANCIAL ASSETS**	**31 Mar 2018**	31 Mar 2017
		INR in Lacs	INR In Lacs
	Unsecured and considered good		
	a) Security and Other Deposits	**521.61**	547.43
	b) Other Loans and Advances (Loan to Employees)	**-**	28.93
	TOTAL	**521.61**	576.36

6	**INVENTORIES** **(VALUED AT LOWER OF COST OR NET REALIZABLE VALUE)**	**31 Mar 2018** **INR in Lacs**	31 Mar 2017 INR In Lacs
	a) Raw Materials		
	i) In Stock	**565.93**	3,028.44
	ii) In Transit	**-**	-
	b) Construction Materials at Site	**199.81**	848.47
	c) Semi Finished Goods	**296.88**	296.88
	d) Work-in-Progress	**3,960.08**	8,715.34
	e) Finished Goods	**443.63**	2,861.10
	f) Stores and Consumables	**99.17**	229.65
	g) Scrap	**75.10**	46.02
	TOTAL	**5,640.60**	16,025.90

7	**TRADE RECEIVABLES**	**31 Mar 2018**	31 Mar 2017
		INR in Lacs	INR In Lacs
	Unsecured		
	a) Considered good	**235,932.16**	351,636.94
	b) Considered doubtful	**197,785.12**	56,066.09
	c) Provision for doubtful trade receivables	**(190,219.39)**	-
	TOTAL	**243,497.89**	407,703.03

i. Details of amount receivable from Directors and other related parties (refer note no 34 (10))

ii. Provision for Impairment of Receivable (ECL) has been made based on the project status and to the extent such details were available where the assessment of the same is under process / updation and the amount may change based on further input being available.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

8	CASH AND CASH EQUIVALENTS	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs
	Cash and Cash Equivalents		
	a) Balances with Banks	**2,433.72**	4,184.48
	b) Fixed Deposit with original maturity for less than 3 months	**259.10**	310.00
	c) Cash On Hand	**11.46**	28.60
	TOTAL	**2,704.28**	4,523.08

9	BANK BALANCES OTHER THAN ABOVE	31 Mar 2018 INR in Lacs	31 Mar 2017 INR In Lacs
	a) Margin Money with bank	**874.86**	693.02
	b) Unpaid Dividend Bank Balance *	**17.31**	20.81
	TOTAL	**892.17**	713.83

* There is INR 3.47 lacs due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2018 which has been transferred to the said fund subsequently.

10	OTHER CURRENT FINANCIAL ASSETS	31 Mar 2018 INR in Lacs	31 Mar 2017 INR In Lacs
	Unsecured and considered good		
	a) Loan And Advances to Related Parties	29,694.23	13,243.09
	Less: Provison for Loans and Advances to related parties	**(30,235.30)**	-
	b) Other Loans and Advances		
	i) Loans to Employees	**36.88**	5.93
	ii) Sundry Deposits	**444.81**	391.12
	iii) Claim Receivables	**2,658.57**	17,200.30
	iv) Interest Receivable	**-**	10,494.28
	v) Expenses Receivable and Other Advances	**1,143.93**	1,598.42
	vi) Advances Recoverable in Cash or Kind	**13.22**	13.22
	TOTAL	**3,756.34**	42,946.36

11	OTHER CURRENT ASSETS	31 Mar 2018 INR in Lacs	31 Mar 2017 INR In Lacs
	Unsecured and considered good		
	i) Prepaid Expenses	**1,082.39**	2,184.29
	ii) Balances With Statutory/Government Authorities	**2,652.95**	10,638.20
	iii) Advances to Supplier	**3,842.05**	9,779.37
	iv) Interest Accrued on Deposits	**541.57**	519.81
	v) Revenue accrued but not due	**4,845.44**	5,241.75
	TOTAL	**12,964.40**	28,363.42

11.1	CURRENT ASSET (TAX)	31 Mar 2018 INR in Lacs	31 Mar 2017 INR In Lacs
	Advance income-tax (net of provision for taxation)	**-**	0.58
	TOTAL	**-**	0.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

		Total			
12	**SHARE CAPITAL**	**31 Mar 2018**		**31 Mar 2017**	
		Number	**INR in Lacs**	**Number**	**INR in Lacs**
	Authorised :				
	Equity Shares of INR 2/- each	**300,000,000**	**6,000.00**	300,000,000	6,000.00
	Redeemable Preference Shares of INR 100/- each				
		300,000,000	**6,000.00**	300,000,000	6,000.00
	Issued :				
	Equity Shares of INR 2/- each	**109,542,970**	**2,190.86**	109,542,970	2,190.86
		109,542,970	**2,190.86**	109,542,970	2,190.86
	Subscribed and Paid-up :				
	Equity Shares of INR 2/- each fully paid up	**109,527,710**	**2,190.55**	109,527,710	2,190.55
	TOTAL	**109,527,710**	**2,190.55**	109,527,710	2,190.55

a) Movements in equity share capital

Equity Shares		31 Mar 2018		31 Mar 2017
	Number	**INR in Lacs**	Number	INR in Lacs
At the beginning of the period	**109,527,710**	**2,190.55**	109,527,710	2,190.55
Issued during the period - ESOS	**-**	**-**	-	-
Issued during the period - QIP	**-**	**-**	-	-
Outstanding at the end of the period	**109,527,710**	**2,190.55**	109,527,710	2,190.55

b) Names of Equity shareholders holding more than 5 % shares

		Number	%	Number	%
1)	HDFC Trustee Company Ltd. - HDFC Children Gift Fund - Investment Fund (Equity Shares)	**-**	**0.00%**	8,897,200	8.12%
2)	Surya India Fingrowth Pvt. Ltd.	**5,860,320**	**5.35%**	5,860,320	5.35%

For Details of preference shareholders including holding more than 5% Refer Note No. 14 (o)

c) The Company has equity shares having a par value of INR 2/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, since the Company is admitted in NCLT on 4 July 2017. the distribution if any shall be based on the provisions of Insolvency and Bankruptcy Code (IBC), 2016.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2018

13 . OTHER EQUITY

(INR in Lacs)

	Reserves & Surplus								Total Reserve	Non Controlling Interest	Others (Share Application Money)	Total Equity
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Employee Stock Option Outstanding	Fixed Deposit Redemption Reserve	Retained Earnings				
Balance as at 1st April, 2016	**6.06**	**27,653.82**	**300.00**	**1,243.50**	**16,606.64**	**341.75**	**-**	**(75,303.97)**	**(29,152.20)**	**209.43**	**-**	**(28,942.77)**
Profit for the year								(142,537.35)	(142,537.35)	(68.43)		(142,605.78)
Other Comprehensive Income for the year								(312.12)	(312.12)	-		(312.12)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**		**(142,849.47)**	**(142,849.47)**	**(68.43)**	**-**	**(142,917.90)**
(Excess)/Short Provision of Taxes for earlier year								(296.30)	(296.30)			(296.30)
Transfer to Equity Share Capital									-		-	-
Share Issue Expenses					(128.66)		128.66		-			-
Transfer to Fixed deposit redemption reserve					341.75	(341.75)			-			-
Transfer to general reserve									-			-
Balance as at 31st March, 2017	**6.06**	**27,653.82**	**300.00**	**1,243.50**	**16,819.72**	**-**	**128.66**	**(218,449.74)**	**(172,297.97)**	**141.00**	**-**	**(172,156.97)**
Profit for the year								(420,064.89)	(420,064.89)	0.36		(420,064.53)
Other Comprehensive Income for the year								(2,017.84)	(2,017.84)	(150.90)		(2,168.74)
Adjustments of subsidiary not included in opening*								36,236.13	36,236.13	(204.54)		36,031.59
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(385,846.60)**	**(385,846.60)**	**(355.08)**	**-**	**(386,201.68)**
(Excess)/Short Provision of Taxes for earlier year								(4.87)	(4.87)	-		(4.87)
Share Issue Expenses									-			-
Transfer to Fixed deposit redemption reserve									-			-
Transfer to general reserve					-	-			-			-
Balance as at 31st March, 2018	**6.06**	**27,653.82**	**300.00**	**1,243.50**	**16,819.72**	**-**	**128.66**	**(604,301.20)**	**(558,149.43)**	**(214.08)**	**-**	**(558,363.52)**

*Adjustment is pertaining to one of the subsidiary Jyoti International Inc (including its step down subsidiaries) which has been included in opening reserves however, in the absence of avaialbility of financials for the current year the same has not been consolidated and therefore, opening adjustment has been made in retained earnings.

Nature of Reserve

Capital Reserve

Capital reserve is utilised in accordance with provision of the Act.

Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Represent reserve created during buy back of Equity Shares and it is a non-distributable reserve.

Debenture Redemption Reserve

The company is required to create a debenture redemption reserve out profit of the which is available for the purpose of redemption of debentures.

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

Fixed Deposit Redemption Reserve

The company is required to create a fixed deposit redemption reserve out general reserve of the which is available for the purpose of redemption of fixed deposit

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

14 FINANCIAL LIABILITIES - LONG TERM BORROWINGS	Total			
	Non-Current		Current	
	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs
Secured Loans				
Non Convertible Debenture	**-**	2,907.57	**5,068.63**	2,044.99
Term Loan				
From Banks	**-**	7.95	**211,669.54**	200,530.83
From Others	**-**	15,378.98	**-**	2,022.96
TOTAL - A	**-**	18,294.50	**216,738.17**	204,598.78
Unsecured Loans				
Redeemable Preference Shares	**-**	-	**4,225.00**	3,834.09
Term Loan				
From Bank	**-**	-	**225.92**	-
From Other				
Others	**3,348.55**	-	**265.62**	265.62
Deposits	**-**	-	**857.76**	857.76
TOTAL - B	**3,348.55**	-	**5,574.30**	4,957.47
Amount disclosed under the head “Other Current Financial Liabiliities” (Note No. 20) (Refer a)			**(222,312.47)**	(209,556.25)
TOTAL - A + B	**3,348.55**	18,294.50	**-**	-

Notes:

The holding company’s default in repayment of loans, borrowings, debentures and preference shares to the banks and others in the earlier year continued during the year. Pursuant to the continuing defaults of the holding company, a corporate insolvency resolution process (“CIRP”) under the Insolvency and Bankruptcy Code, 2016 was initiated against the holding company vide an order of the Principal Bench of the National Company Law Tribunal (“NCLT”) dated 4th July, 2017. Owing to the initiation of CIRP, and the terms of the loan covenants, the borrowings are considered currently payable and therefore, classified under other financial liabilities as ‘current maturities of long term borrowings’. Pending completion of resolution under CIRP unto year end, the original repayment schedule is not applicable and hence not considered.

The above amounts include interest charged by banks and debited to loan account. (Refer Note no 34 (17) for rate of interest and other details).

Nature of Securities for Secured Loan

Non-Convertible Debenture

a) INR 4,952.55 Lacs (P.Y. INR 4,932.58 Lacs) Secured by Mortgage over identified immovable property of the subsidiary company; Subservient charge on all moveable and immoveable properties of the company;

Term Loan

a) INR 4,673.34 Lacs (P.Y. INR 4,772.41 Lacs) Secured by i) first pari passu charge by hypothecation of moveable assets of the company and first pari passu charge on company’s immovable properties situated at M.I.D.C., Satpur Industrial Area, Nasik (Maharashtra), Raipur (Chhattisgarh) and Ghoti, Dist. Nasik (Maharashtra), Malvan, Dist. Sindhudurgh (Maharashtra), Flats and office premises situated at Andheri (W), Mumbai. ii) second charge on current assets of the company and iii) exclusive charge on specific machinery and equipments;

b) INR 1,57,104.58 Lacs (P.Y. INR 1,59,103.79 Lacs) Primary Seucrity : Secured by first charge on all present and future current assets, monies receivable and claims. Secondary Security : Secured by second charge on all fixed assets of the company, present and future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

c) INR 1,315.09 Lacs (P.Y. INR 1,315.09 Lacs) Primary Seucrity : Secured by first charge on all present and future current assets, monies receivable and claims. Secondary Security : Secured by second charge on all fixed assets of the company, present and future.

d) INR 23.21 Lacs (P.Y. INR 23.21 Lacs) Secured by hypothecation on specific Plant & Machinery.

e) INR 141.68 Lacs (P.Y. INR 141.68 Lacs) Primary Security : Secured by specific first charge on specific Plant & Machinery. Secondary Security : Secured by second charge on all fixed assets of the company present and future.

f) INR 10,960.00 Lacs (P.Y. INR 10,960.00 Lacs) (I) Primary Seucrity : Secured by first charge on all present and future current assets, monies receivable and claims . (II) Secondary Security : Secured by second charge on all fixed assets of the company, present and future.

g) INR 597.78 Lacs (P.Y. INR 593.28 Lacs) Secured by hypothecation on specific Plant & Machinery.

h) INR 1,300.00 Lacs (P.Y. INR 1,300.00 Lacs) Primary Security : Secured by specific first charge on specific Plant & Machinery. Secondary Security : Secured by second charge on all fixed assets of the company present and future.

i) INR 1,080.00 Lacs (P.Y. INR 1,080.00 Lacs) Primary Seucrity : Secured by first charge on all present and future current assets, monies receivable and claims. Secondary Security : Secured by second charge on all fixed assets of the company, present and future.

j) INR 24.10 Lacs (PY. INR 155.23 Lacs) Secured by hypothecation of vehicles.

k) INR 21,993.65 Lacs (PY INR 21,993.65 Lacs)Term Loan is secured by first priority liens on all property and equipment of Jyoti International Inc (present and future), including but not limited to, equipment, real estate, leases, and intangible assets and second lien on all current assets(present and future).

l) INR 7.95 Lacs (PY. INR 27.50 Lacs) Secured by hypothecation of vehicles in Jyoti Structures FZE.

m) The Company has the Preference shares having at par value of INR 100/- each. These shares carry dividend @ 1%. In the event of liquidation, the Preference shareholders will have preference in repayment over equity shareholders.

n) The preference shares are overdue for redemption.

o)	**Names of preference shareholders holding more than 5 % shares**	**Percentage**	Amount
1)	Amtek India Limited	**16.00%**	400,000
2)	Amtek Auto Limited	**18.00%**	450,000
3)	Aarken Advisors Private Limited	**18.00%**	450,000
4)	Aryahi Buildwell Private Limited	**19.00%**	475,000
5)	Vishwas Marketing Services Private Limited	**14.00%**	350,000
6)	Mukund Motorparts Private Limited	**15.00%**	375,000

p) The Company has defaulted in repayment of its entire loans, borrowings, deposits and interest theron since earlier years, the default is continuing in the current year as well. The details of such defaults are not available/compiled and hence, have not been given.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

15	OTHER FINANCIAL LIABILITIES	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs
	Trade Payables # *		
	a) Total outanding dues of Micro, Small and Medium Enterprises	-	-
	b) Total outstanding dues of Creditors Other than MSME	-	341.76
	Others		
	a) Deferred Payment Liabilities	-	113.61
	TOTAL	-	455.37

#Amount payable beyond one year

* (Refer Note No. 34 (23) for details of due to Micro, Small and Medium Enterprises)

16	LONG TERM PROVISIONS	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs
	Provision for Gratuity	833.02	697.50
	Provision for Compensated Absenses	642.94	623.05
	TOTAL	1,475.96	1,320.55

17	DEFERRED TAX LIABILITIES (NET)	Deferred Tax Liability/(Asset) as at 31-Mar-2017	Deferred Tax Liability/(Asset) as at 31-Mar-2016
	Deferred Tax Liabilities		
	On Account of Branches	33.37	33.38
	Deferred Tax Assets		
	On Account of Subsidiaries	(23.12)	(15.25)
	TOTAL	10.25	18.13

		Total	
18	FINANCIAL LIABILITIES - SHORT TERM BORROWINGS	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs
	Secured Loan		
	Loans repayable on Demand		
	From Banks	326,677.60	321,440.14
	Unsecured Loan		
	From Bank and others (Financial Creditors claim) (Refer Note 34(32))	22,780.31	-
	TOTAL	349,457.91	321,440.14

Secured Loan from Bank

INR 3,26,677.60 Lacs (PY. INR 3,21,440.14 Lacs) Primary Security : Secured by first charge on all present and future current assets, monies receivable and claims. Secondary Security : Secured by second charge on all fixed assets of the company, present and future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

19	TRADE PAYABLE	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs
	Trade Payables (Including Acceptances) *		
	a) Total outanding dues of Micro, Small and Medium Enterprises	**114.62**	132.94
	b) Total outstanding dues of Creditors Other than MSME	**51,369.82**	46,443.55
	TOTAL	**51,484.44**	46,576.49

* (Refer Note No. 34(23) for details of due to Micro, Small and Medium Enterprises)

20	OTHER CURRENT FINANCIAL LIABILITIES	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs
a)	Current Maturities of Long Term Borrowings (Note No. 14)	**218,963.93**	209,556.24
b)	Deferred Payment Liabilities	**221.18**	84.01
c)	Unclaimed Dividend*	**17.33**	20.81
d)	Paybale to employees	**8,206.92**	6,021.50
e)	Audit Fee Payable	**124.53**	71.09
f)	Expenses and other payable	**8,651.26**	3,758.13
g)	CIRP other current financial liabilities (Refer Note No 34(32))	**22,491.43**	-
	TOTAL	**258,676.58**	219,511.78

* There is INR 3.47 lacs due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2018 which has been transferred to the said fund subsequently.

21	OTHER CURRENT LIABILITIES	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs
a)	Interest Accrued*	**161,613.93**	89,606.70
b)	Advances from Customers	**305.60**	18,949.28
c)	Preferred Stock Accretion	**-**	7,329.41
d)	Statutory Liabilities	**6,782.18**	4,692.31
	TOTAL	**168,701.71**	120,577.70

* Includes interest on FITL/WCTL/Devloved LC's/Delayed/Non Payment of Statutory dues, other loans etc. at applicable rates for the year 2017-18 to the extent statement received.

22	SHORT TERM PROVISIONS	31 Mar 2018 INR in Lacs	31 Mar 2017 INR in Lacs
a)	Provision for Employee Benefits	-	631.71
b)	Proposed Dividend	**-**	-
c)	Provision for Income Tax on Proposed Dividend	**-**	-
d)	Provision for Onerus Contract	**1,700.00**	-
e)	Provision for Leave Eancashment	**220.99**	-
f)	Provision for Gratuity	**335.31**	-
	TOTAL	**2,256.30**	631.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

			31 Mar 2018	31 Mar 2017
23	**REVENUE FROM OPERATIONS**		**31 Mar 2018**	31 Mar 2017
			INR in Lacs	INR In Lacs
	a)	Sale of Products	23,070.45	85,450.12
	b)	Sale of Services	7,145.40	624.88
	c)	Other Operating Revenues	2,296.63	4,268.52
	TOTAL		**32,512.48**	90,343.52

24	**OTHER INCOME**		**31 Mar 2018**	31 Mar 2017
			INR in Lacs	INR In Lacs
	Other Operating Income			
	i)	Lease Rentals	137.50	102.31
	Other Income			
	i)	Interest on Fixed Deposit	79.26	126.00
	ii)	Interest on Others	4.03	1,600.65
	iii)	Net Gain on Foeign Currency Transactions and Translation	11.92	40.87
	iv)	Bid Processing Income	100.00	-
	v)	Write back investment/advance prov	-	-
	TOTAL		**332.71**	1,869.83

25	**COST OF MATERIAL CONSUMED**	**31 Mar 2018**	31 Mar 2017
		INR in Lacs	INR In Lacs
	Cost of Material Consumed*	8,164.50	48,115.46
	TOTAL	**8,164.50**	48,115.46

*[Ref Note 34(16) for related party transaction]

26	**EXCISE DUTY PAID**	**31 Mar 2018**	31 Mar 2017
		INR in Lacs	INR In Lacs
	Excise duty Paid	119.67	624.37
	TOTAL	**119.67**	624.37

27	**ERECTION AND SUB-CONTRACTING EXPENSE**		**31 Mar 2018**	31 Mar 2017
			INR in Lacs	INR In Lacs
	a)	Construction Materials and Stores Consumed	1,275.00	2,693.08
	b)	Sub-contracting Expenses	13,604.66	25,696.43
	c)	Repairs to Construction Equipments/Machinery	53.37	35.06
	d)	Construction Transportation Charges	1,888.42	2,421.29
	TOTAL		**16,821.45**	30,845.86

28	**CHANGES IN INVENTORIES**		**31 Mar 2018**	31 Mar 2017
			INR in Lacs	INR In Lacs
	a)	(Increase)/ Decrease Finished Goods Stock	3.99	1,959.56
	b)	(Increase)/ Decrease WIP/Semi Finished Goods Stock	4,762.46	6,650.61
	c)	(Increase)/ Decrease Scrap Stock	(104.17)	26.47
	TOTAL		**4,662.28**	8,636.64

29	**EMPLOYEE BENEFITS EXPENSE**		**31 Mar 2018**	31 Mar 2017
			INR in Lacs	INR In Lacs
	a)	Salaries, Wages and Bonus, etc.	9,418.96	10,343.63
	b)	Leave Encashment	223.89	245.93
	c)	Gratuity Expenses	359.93	(0.01)
	d)	Employee Compensation Expense - ESOS	-	(0.01)
	e)	Contribution to Provident and Other Fund	366.27	835.46
	f)	Welfare Expenses	252.61	237.40
	TOTAL		**10,621.66**	11,662.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

			31 Mar 2018	31 Mar 2017
30	**FINANCE COST**		**INR in Lacs**	INR In Lacs
	a)	Interest Expense*	99,170.30	82,618.34
	b)	Other Borrowing Costs	1,911.22	2,089.88
	c)	Amortisation of Debenture Issue Expenses	116.08	21.98
	d)	Net (gain)/loss on foreign currency transactions and translation on borrowing cost	(115.85)	(203.11)
	TOTAL		**101,081.75**	84,527.09

*Includes the amount of interest on LC/BG invoked.

			31 Mar 2018	31 Mar 2017
31	**DEPRECIATION AND AMORTIZATION EXPENSE**		**INR in Lacs**	INR In Lacs
	a)	Depreciation of Tangible Assets (Note No. 1)	2,361.27	6,048.37
	b)	Amortization of Inangible Assets (Note No. 1)	281.66	283.19
	c)	Impairment of Intangible Assets (Note No. 1)	227.28	-
	d)	Impairment of CWIP	2.79	1.19
	TOTAL		**2,873.00**	6,332.75

			31 Mar 2018	31 Mar 2017
32	**OTHER EXPENSES**		**INR in Lacs**	INR In Lacs
	a)	Stores and Consumables	93.53	253.96
	b)	Packing Materials	4.08	20.96
	c)	Power and Fuel	218.31	418.09
	d)	Conversion Expenses	41.54	367.90
	e)	Service Charges	955.02	1,465.56
	f)	Repairs to Buildings	-	-
	g)	Repairs to Plant and Machinery	21.64	117.73
	h)	Repairs to Others	158.81	334.29
	i)	Testing and Designing Expenses	0.46	14.93
	j)	Excise Duty on Stocks (Net)	(39.48)	(126.16)
	k)	Rent	62.84	78.60
	l)	Rates and Taxes	716.89	4,328.19
	m)	Insurance	101.60	468.06
	n)	Travelling and Conveyance	351.55	1,228.21
	o)	Postage, Telephone and Fax	137.02	249.65
	p)	Printing and Stationery	42.90	106.11
	q)	Professional and Legal Fees	1,474.52	1,322.46
	r)	Directors' Sitting Fees	1.30	6.85
	s)	Payment to Auditors	96.83	178.74
	t)	Net (gain)/loss on foreign currency transactions and translation other than borrowing cost	(285.07)	2,030.52
	u)	Licence and Tender Fees	25.78	82.76
	v)	Donations	-	0.08
	w)	Freight Outward	270.38	3,363.21
	x)	Brokerage and Commission	562.75	2,004.37
	y)	Bank Charges	1,024.29	2,315.12
	z)	(Gain)/Loss on Sale of Property, Plant and Equipment (Net)	(14.46)	1.80
	aa)	BG Encashment	18,222.53	9,402.50
	ab)	Bad Debts	1,757.99	11,577.64
	ac)	Immigration Expenses	65.78	535.22
	ad)	General Expenses	594.40	1,378.02
	ae)	Impairment of Investment	1,647.77	502.83
	ae)	Liquidity Damages [Refer Note No. 34 (15)]	647.01	-
	ag)	CSR Expenses [Refer Note No. 34 (34)]	-	-
	ah)	Provision for Trade Receivables	190,219.39	-
	ai)	Provision for Loans and Advances to subsidaries	30,235.30	-
	aj)	CIRP Claim admitted OC	6,161.80	-
	ak)	CIRP Claim admitted FC	45,271.74	-
	al)	Sundry Dr./Cr.Bal.W/Off / Back	7,724.51	-
	TOTAL		**308,571.25**	44,028.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE - 33 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Group's Background

The consolidated financial statements comprise financial statements of Jyoti Structures Limited ('the Holding Company'), its subsidiaries and joint venture (collectively, 'the Group') for the year ended 31st March, 2018.

The Holding Company is a public limited Company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the Company is located at Valecha Chambers, 6th Floor, New Link Road, Andheri (West), Mumbai – 400 053, India.

The Group is engaged in manufacturing of transmission line towers, sub-station structures, tall antenna towers / masts and railway electrification structures. In addition, the group is also a leading player in Turnkey / EPC projects involving survey, foundation, designing, fabrication, erection and stringing activities of extra high voltage transmission lines and procurement of major bought out items, supply of lattice and pipe type structures, civil works, erection, testing and commissioning of switchyard / substations and distribution networks, both in India and overseas.

Update on the Corporate Insolvency Resolution Process (CIRP) initiated in respect of the Holding Company

CIRP process started with SBI, leader of the consortium of lending banks/ financial institution, filing the Company Petition No. 1137/I&BP/2017 with Hon'ble NCLT, Mumbai Bench.

A corporate insolvency resolution process (CIRP) of Jyoti Structures Limited was initiated on an application by SBI and admitted by the Hon'ble National Company Law Tribunal, Mumbai vide order dated 4 July 2017 under the Insolvency and Bankruptcy Code, 2016 (IBC) and hence currently, JSL is under CIRP. Ms. Vandana Garg (IBBI registration number IBBI/IPA-001/IP-P00025/2016-2017/10058) was appointed as the Interim Resolution Professional ("IRP") vide this order. Ms. Vandana Garg was subsequently confirmed by the Committee of Creditors as the Resolution Professional (RP) in its meeting dated 15 June 2018 under the provisions of IBC. The resolution plan has finally approved by NCLT, Mumbai on 27 March 2019.

The Section 20(1) of IBC reads as follows -

The interim resolution professional shall make every endeavor to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.

Accordingly, the RP has been managing the operations of the company as a going concern, in line with the directions of the Hon'ble NCLT, Mumbai. Under the current CIRP period, the resolution professional had invited resolution plans from prospective Resolution Applicants. Once a plan is submitted, it will be placed before the Committee of Creditors ("CoC") and thereafter to the NCLT for approval. The date of conclusion of CIRP was 2nd April 2018 (270 days).

The written order was received by the IRP on 12th July 2017 and as per Sec. 7 of IBC, 2016, the existing Board of Directors of the Corporate Debtor was suspended and the IRP took over control and management of JSL on 13th July 2017 and all powers of the Board has been vested with the IRP/ RP till resolution of the Corporate Debtors under the CIRP.

In the first CoC meeting held on 10th August, 2017, Ms. Vandana Garg was ratified to act as the Resolution Professional and Mr. Anil Mishra was appointed as the Interim Chief Financial Officer for the Corporate Debtor.

Accordingly, a) in the process or CIRP, only one resolution plan was received which was submitted by Mr. Sharad Sanghi, a high net worth individual; b) Hon'ble NCLT, Mumbai vide its order dt. 22nd December 2017 had extended 180 days CIRP period ending on 31st December 2017 by further 90 days ending 31st March 2018; c) CoC finally voted in favour of the resolution plan and approved it by 81.39% majority on 6th April 2018 d) The RP filed application no. MA No. 491/2018 on 2nd April 2018 with Hon'ble NCLT, Mumbai seeking direction on the matter; e) The Adjudicating Authority rejected the CoC approval of the resolution plan vide its oral order dt. 25th

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

July 2017 and directed the RP to file application for liquidation within 15 days; f) Aggrieved by the impugned order of Hon'ble NCLT, Mumbai, the resolution applicant and about 850 employees of JSL filed separate appeals before Hon'ble NCLAT, New Delhi, which were accepted for hearing by the Appellate Authority on 13th August 2018, g) Hon'ble NCLAT, New Delhi vide its order dt. 20th August 2018 stayed the order of Hon'ble NCLT, Mumbai and directed not to initiate process of liquidation, not to sell assets of the Corporate Debtor and further directed the RP to keep it as a going concern, h) Hon'ble NCLAT, New Delhi vide its order dated 13th February 2019 set aside the impugned order of Hon'ble NCLT, Mumbai and directed it to approve the revised resolution plan submitted by the resolution applicant; i) Accordingly, Hon'ble NCLT, Mumbai vide its order dt. 27th March 2019 approved the revised resolution plan submitted on 25th March 2019 by the resolution applicant.

A) After approval of the resolution plan by the adjudicating authority on 28th March 2019 the first meeting was conducted on 2nd April 2019 with selected lenders and a joint meeting was convened on July 8, 2019 amongst the RP and the RA and the secured financial creditors, it was decided that a monitoring committee (MC) would be formed to oversee the implementation of the Approved Resolution Plan comprising of: (i) representative(s) of the secured financial creditors; (ii) the RP; and (iii) the RA with having one voting right for each group of the MC members and also it was unanimously decided that the RP would be the Chairperson of the monitoring committee; b) In view of the foregoing, the RP from time to time conducted meetings to discuss the progress and implementation of the Approved Resolution Plan. It is pertinent to note that till date, the RP has conducted 6 (six) meetings of the secured financial creditors and the RA on April 2, 2019, May 21, 2019, June 10, 2019, July 08, 2019, September 17, 2019 and December 4, 2019 and 6 (six) meetings of the monitoring committee with the RA on July 30, 2019, August 20, 2019, October 24, 2019 , November 19, 2019, December 27, 2019 and January 16, 2020. The RP has also filed 3 (three) status reports on July 30, 2019, October 11, 2019 and January 16, 2020 with the Hon'ble NCLT, Mumbai on progress and implementation status of the approved resolution plan; c) The secured financial creditors in their meeting convened on 4th December, 2019 had decided that the RP shall approach Hon'ble NCLT, Mumbai to seek direction on implementation of the Approved Resolution Plan including the timeline for bringing in the Equity Infusion Amount by Respondent No. 1 under the Approved Resolution Plan and accordingly the RP filed an application with Hon'ble NCLT Mumbai on 24th January 2020 in this regard. These meetings and the discussions therein being confidential and having a direct significant impact on the resolution process, the details / minutes in respect of these were not shared with any third person including the statutory auditors. However, need based representations were being made to them.

Based on opinion taken and considering the fact that the approved plan is subject to various conditions precedent before which the plan can be considered to be implemented, no effect for the approved plan has been taken in these standalone financial statements. Necessary effect of the implementation of the plan shall be taken in the year in which these conditions precedent are fulfilled and the conditions are complied with.

Considering the above facts and continuing operations of the Company, the financial statements have been prepared on a going concern basis which is in line with the orders of the Hon'ble NCLAT notwithstanding that the company has accumulated losses which have eroded its net-worth and there have been defaults on various grounds statutory, compliance, financial etc..

The standalone financial statements for the year ended 31 March 2018 were taken on record by the Resolution Professional and the same has been issued on 14th March, 2020.

1. **Basis of Preparation of Financial Statements:**

(i) **Compliance with Ind AS**

These Consolidated Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

These Consolidated Financial statements for the year ended 31st March, 2017 were the first the Group has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2016, the Group prepared its Consolidated Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The Consolidated Financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Notes to the consolidated financial statements for the year ended March 31, 2017.

The Consolidated Financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the Consolidated Financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS', included in the Notes to the Consolidated IndAS financial statements for the year ended March 31, 2017.

(ii) **Historical Cost convention:**

The financial statements have been prepared on a historical cost basis, except for the following:

a. certain financial assets and liabilities that are measured at fair value;

b. defined benefit plans - plan assets measured at fair value.

(iii) **Current non-current classification:**

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the company for the purpose of current and non-current classification of assets and liabilities. However, considering the defaults in meeting its debt obligations and other factors as hereinafter enumerated at Note No. 37, the classification has not been strictly followed due to terms of the loan covenants or non-availability / limited availability of relevant information, which have been disclosed in the respective note(s).

1. **Basis of Consolidation**

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31st March. When the end of the reporting period of the Holding Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Holding Company to enable the Holding Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2. **Principles of consolidation and equity accounting:**

(a) The consolidated financial statements have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements'. The percentage of ownership interest of the Holding Company in the Subsidiary Companies and the Joint Venture Companies as on 31st March, 2018 are as under:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Name of the Company	Percentage of Holding (%)	Country of Incorporation
Subsidiaries (including step down subsidiaries)		
JSL corporate Services Ltd.	100	India
Jyoti Energy Ltd.	100	India
Jyoti Structures FZE	100	United Arab Emirates
Jyoti Structures Nigeria Ltd.	100	Nigeria
Jyoti Structures Kenya Ltd.	100	Kenya
Jyoti Structures Namibia (Pty) Ltd.	70	Namibia
Jyoti Structures Africa (Pty) Ltd.	70	South Africa
Jyoti International Inc	100	United States of America
Jyoti America LLC	100	United States of America
Jyoti Structures Canada Limited	100	Canada
Joint Venture Companies		
Gulf Jyoti International LLC	30	United Arab Emirates
GJIL Tunisie Sarl	49	United Arab Emirates
Lauren Jyoti Private Limited	50	India

Notes:

(i) Jyoti Structures FZE holds 70% equity in subsidiary Company Jyoti Structures Namibia (Pty) Ltd.

(ii) Jyoti Structures Nigeria Ltd. and Jyoti Structures Kenya Ltd. are 100% subsidiaries of Jyoti Structures FZE.

(iii) Jyoti America LLC and Jyoti Structures Canada Limited are 100% subsidiaries of Jyoti International Inc.

(iv) Gulf Jyoti International LLC holds 49% in Joint Venture Company Gulf Tunisia Sarl.

(v) Gulf Jyoti International LLC and Lauren Jyoti Private Limited, the Joint Venture Companies, are not considered in consolidation due to the non-availability of audited financial statements or management certified accounts.

(vi) Jyoti International Inc, a Subsidiary Company, and its step-down subsidiaries have not been considered in consolidation due to the non-availability of audited financial statements or management certified accounts.

(b) **Subsidiaries**:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The financial statements of the group companies are consolidated on a line-by-line basis. Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group including unrealized gain/loss from such transactions are eliminated upon consolidation.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. Loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(c) **Joint Ventures:**

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains/losses on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.

3. Business Combinations

In accordance with Ind AS 101 'First Time Adoption of Indian Accounting Standards', the Group has elected to apply the requirements of Ind AS 103 'Business Combinations' prospectively to business combinations on or after the date of transition (1st April, 2015). Pursuant to this exemption, goodwill/capital reserve arising from business combination has been stated at carrying amount under Previous GAAP. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment.

If business combination is achieved in stages, any previously held equity interest in the acquire is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

Common Control

Business combinations involving entities that are ultimately controlled by the same party/parties before and after the business combination are considered as common control entities and are accounted using the pooling of interest method as follows:

- The assets and liabilities of the controlling entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognize new assets or liabilities. Adjustments are made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount if share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

4. Use of Judgements and Estimates:

The preparation of these financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates and assumptions affect the application of accounting policies and reported amount of assets and liabilities, the disclosures of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Appropriate changes in the accounting estimates are incorporated by the management, if actual results differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that has the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

a) Measurement and likelihood of occurrence of provisions and contingencies - Note 18 and 24 and clause 3 of Note

b) Carrying value of exposure in Jyoti International Inc. and Lauren Jyoti Pvt Ltd. - refer note 2

c) Estimation of current tax expenses and Payable – Clause 14 of Note 37

d) Financial Instruments – Clause 15 of Note 3

e) Valuation of Inventories

f) Amount of liabilities recognized in the financial statements in respect of unrecognized claims preferred by financial and operational creditors (refer Note 34)

5. Revenue Recognition:

Revenue is recognized to the extent that the Group has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Group. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Group.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Group, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax are excluded from revenue.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is determined by surveys of work performed and as per the terms of the contract. Sales/income are booked based on running account bills based on completed work and are net of claims accepted. Escalations and other claims which are not acknowledged by customers are not considered.

Other income

Interest income is recognized by using effective interest method.

Rental income arising from operating leases on plant and machinery and vehicles is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

The insurance claims are accounted for on accrual basis based on fair estimation of sanctions by the insurance companies.

Income from export incentives are recognised on receipt basis.

6. Property, Plant & Equipment:

(i) Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at cost of acquisition or construction, net of recoverable taxes including any cost attributable for bringing the asset to its working condition for its intended use and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any.

(ii) Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

(iii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iv) Tools and tackles having useful life of more than 12 months are capitalized as Property, Plant and Equipment and accordingly depreciated over its useful life.

(v) The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

(vi) The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

7. Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

8. **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

9. **Depreciation / Amortisation:**

a) Depreciation on tangible assets is provided on straight line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except as stated in (b) below.

b) On the tangible assets of foreign branches of the Holding Company, depreciation is provided on straight line method. The applicable rates are based on the local laws and practices of the respective countries, except where the rates of depreciation are less than as prescribed in schedule II of the Act, the depreciation is provided as per the rates prescribed in schedule II to the Act.

c) The Group amortizes computer software using the straight-line method over the period of 6 years.

d) Leasehold Land is amortised over the period of lease.

e) Tools and tackles are amortised over their estimated useful life.

10. **Inventories:**

a) Raw materials, Construction materials including steel, cement and others, Components and Stores and Spares are valued at lower of cost or net realisable value.

b) Cost of inventories is determined by using the weighted average method, except that of Jyoti Structures Africa (Pty) Ltd., in which case the same has been done on the first-in first-out (FIFO) basis.

c) Material purchased for supply against specific contracts is valued at cost or net realisable value as per the contract, whichever is lower.

d) Work-in-progress at site is valued at cost including material cost and attributable overheads. Provision is made when expected realisation is lesser than the carrying cost.

e) Finished goods, black finished goods and work-in-progress are valued at cost or net realisable value, whichever is lower. Finished goods are valued inclusive of excise duty.

f) Cost of black finished good, work-in-progress and finished goods comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity.

g) Scrap is valued at net realisable value.

11. **Fair value measurement**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

12. **Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

a. The Group's business model for managing the financial asset and

b. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Group's business model objective for managing the financial asset is to hold financial assets to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer clause 15 of Note 37 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both the following conditions are met:

a. The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer clause 15 of Note 37 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer clause 15 of Note 37 for further details). The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI.

On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

On derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement:

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Subsequent measurement:

All financial liabilities of the Group are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method or at FVTPL (Refer clause 15 of Note 37 for further details).

(a) **Financial Liabilities at FVTPL:**

A financial liability is classified at FVTPL if it is classified as held for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expenses, are recognized in Consolidated Statement of Profit & Loss (including Other Comprehensive Income).

(b) **Financial Liabilities at Amortised Cost:**

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using EIR method.

Amortised cost is calculated by taking into account any discount premium and fees or costs that are integral part of the EIR. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

13. **Borrowing Cost:**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period to get ready for its intended use. All other borrowing costs are recognised as expenses in the period in which they are incurred.

14. **Impairment of assets:**

(a) Financial Assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

i) Trade receivables and lease receivables

ii) Financial assets measured at amortized cost (other than trade receivables and lease receivables)

iii) Financial assets measured at fair value through other comprehensive income (FVTOCI).

In case of trade receivables and lease receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables and other assets. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

(b) Non-Financial Assets:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Group's assets. If any such indication exists, then recoverable amount of the asset is estimated. An impairment loss, if any, is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

The impairment loss recognized in a prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

15. Foreign Currency:

The functional currency of the Group is the Indian rupee. These financial statements are presented in Indian rupees i.e. the presentation currency.

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Any income or expense on account of exchange difference, either on settlement or on translation, is recognised in Consolidated Statement of Profit or Loss, except exchange difference arising from the translation of the items which are recognised in OCI.

(ii) Foreign Operations

(a) The assets and liabilities of foreign operations are translated into the functional currency at the rate prevailing at the end of the year. Income and expenditure are translated on the yearly average exchange rate prevailing during the year.

(b) From 1st April, 2015 onwards, the resultant exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

(c) When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the Consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

16. **Excise Duty:**

The excise duty in respect of closing inventory of finished goods is included as part of the inventory. The amount of Central Value Added Tax (CENVAT) credit in respect of materials consumed for sales is deducted from cost of materials consumed.

17. **Leased Assets:**

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Assets given on operating lease are included in property, plant and equipment.

18. **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

For presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, bank overdrafts and cash credits. Bank overdrafts and cash credits are shown within borrowings in current liabilities in the balance sheet.

19. **Employees Benefits:**

a) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b) Long Term Employee Benefits:

I. Defined Contribution Plan:

The Group's contribution to provident fund is considered as defined contribution plans. The Group recognizes contribution payable to a defined contribution plan as an expense in the Consolidated Statement of Profit and Loss in the financial year to which it relates. If the contributions payable for services received from employees, before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined Benefit Plan:

The cost of providing defined benefits like Gratuity and Leave Encashment is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Consolidated Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Consolidated Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in the subsequent periods. The Group presents the above liability/(asset) as current and non-current in the Consolidated Balance Sheet as per actuarial valuation by the independent actuary.

20. Income Taxes:

(a) Current Tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

(b) Deferred Tax:

Deferred tax arising on the timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(c) Minimum Alternate Tax (MAT):

MAT paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal taxes during the specified period under the Income Tax Act, 1961. The Group reviews the 'MAT Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

(d) Current and deferred taxes are recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognized in Other Comprehensive Income.

21. Earnings Per Share:

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

22. Provisions and Contingencies:

a) A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

b) If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

c) A disclosure for a contingent liability is made when there is a possible or present obligation that may but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

23. Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to chief operating decision maker. The Board of Directors of the Company has been identified as chief operating decision maker which assesses the financial performance and position of the Company, and makes strategic decisions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE – 34 OTHER NOTES

1. **The details of companies considered in the Consolidated Financial Statements:**

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.

The financial statements / financial information of the Joint Ventures / Associates of the holding company are not available and hence the same have not been considered for the purpose of these consolidated financial statements. The financial information / statements of all the subsidiaries are not available and hence all the subsidiaries have also not been considered for the purpose of these consolidated financial statements. The subsidiaries considered are as per the table provided above. Out of these companies considered, only one company's financial statements have been subjected to audit. All other companies are consolidated based on the unaudited financial statements and hence are subject to changes on audit, the impact of which may be material.

The access of the RP to these subsidiaries / JV is limited in view if these being separate entity and most of them being located outside India. Accordingly, the consolidated has been done on the basis of details, to the extent available with the RP. The details to align the policies / framework of these subsidiaries with the policies of the Holding company are not available and hence no effect, if any, in respect of the same could be given. Similarly, the elimination of transactions within the group could also be done to the extent the details are available.

In case of the subsidiaries which have not been considered for consolidation, the resulting elimination has also not been done.

The resulting impact of all these on the consolidated financial statements is not ascertainable.

2. **Outstanding Contracts – Capital Account:**

Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of advances) are Rs. Nil (P. Y. Rs. Nil). Advances paid Rs. Nil (P. Y. Rs. Nil).

3. **Contingent Liabilities not provided for:**

(Rs. In Lacs)

Sr.No.	Paticulars	2017-18	2016-17
1	Outstanding of Bank Guarantee	72,832.18*	76,250.96
2	Disputed liabilities in respect of Income Tax, Sales Tax, Central Excise and Service Tax (under appeal)	54,426.95	6,028.53
3	Civil Suits	1,564.08	101.22
4	Corporate Guarantees#	67,537.09	78,392.23
5	WRIT Petitions	228.11	-
6	Company Petitions and NCLT Cases	8,674.00	-
7	Labour Matters	8.96	-
8	Negotiable Instrument Act Matters	600.51	-
9	Arbitration Matters	2,878.11	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

*In the absence of detailed break-up of opening outstanding bank guarantee, only current year's outstanding bank guarantee amount has been considered for contingent liabilities. Further, as per claims admitted by the RP the amount is INR 81,002.00 Lacs and the difference is under reconciliation.

Out of these the CG amounting to INR 32,536.50 Lacs in respect of which the corresponding party has submitted their claim which have not been admitted by the RP.

**Interest/penalty amount on the above has not been determined and considered since the claim itself is disputed.

4. In the absence of the audited financial statements or management certified accounts, for the year ended 31st March, 2018, of Joint Ventures (JV), the share in the profit/losses of the JV's has not been included in the Consolidated Financial Statements, and therefore the investment in the said JV has been stated at the same value as determined based on the management certified financial statements as on 31st March, 2017.

5. With the infusion of new orders in the group company, Jyoti Structures Africa (Pty) Ltd. (JSAL) the company has earned a profit of Rs. 34.16 Lacs (P.Y Rs. 261.06 Lacs) during the year ended 31st March, 2018. Based on the orders in hand and the business outlook of the JSAL, the management is of the opinion that, these accumulated losses are temporary in nature and will be recovered in the next couple of years. Hence, the consolidated financial statements have been prepared assuming that JSAL will continue as a going concern. No adjustments are, hence, made in the consolidated financial statements that might result from the outcome of the uncertainty.

6. Jyoti International Inc. and its subsidiaries (JII) have suffered recurring losses from its operations and have a net capital deficiency as at 31st March, 2018.

   Based on the expected orders and the business outlook of JII, the management is of the opinion that these losses are temporary in nature and will be recovered in the next couple of years. Due to the discontinued operations of the subsidiary, the financials are not available and hence have not been considered in the consolidated financial statements. However, based on the available audited financial statements of this subsidiary as on 31st March, 2016, the opening balance sheet has been incorporated in these consolidated financial statements.

7. Consequent to dispute with Lauren Engineers & Constructors Inc. JV partner, the financial statements for the last five years have not been adopted. The joint venture partners have decided to resolve the issues mutually and the legal cases were dropped. The joint venture partners have executed an M.O.U for the same on 18th April, 2018. Based on the above the Holding Company has written off the amounts receivable from the JV partner in the statement of profit and loss during the financial year ended 31st March, 2018.

   Further, as per an agreement dated 18th April, 2017 between the JV partners, the Holding Company has agreed to sell its investment in the said joint venture.

8. **Disclosure as required by Indian Accounting Standard 19 'Employee Benefits':**

   Defined Contribution Plans:

   Provident Fund

   The Provident Fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

   The Group has recognized the following amounts in the Statement of Profit and Loss for the year:

(Rs. In Lacs)

Sr. No.	Particulars	2017-18	2016-17
i)	Contribution to Provident Fund (including charges)	342.51	546.13
ii)	Contribution to Other Fund	23.75	73.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Defined Benefit Plans:

Gratuity and Leave Encashment

A. Balance Sheet

The assets, liabilities and surplus/ (deficit) position of the defined benefit plans at the Balance Sheet date were:

(In Rs. Lacs)

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Present value of obligation	1,909.64	1815.24	863.93	837.08
Fair value of plan assets	809.98	(752.44)	-	-
(Asset)/Liability recognised in the Balance Sheet	1,099.66	1,062.80	863.93	837.08

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

(In Rs. Lacs)

Defined Benefit Obligation	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Opening Defined Benefit Obligation	1,815.24	1,695.91	837.08	649.25
Service cost for the year	126.96	168.77	110.66	133.03
Interest cost for the year	130.70	122.11	60.27	46.75
Actuarial losses (gains)	(163.26)	(24.58)	(144.08)	66.17
Benefits paid	-	(146.96)	-	(58.11)
Closing defined benefit obligation	1,909.64	1,815.24	863.93	837.08

(In Rs. Lacs)

Fair Value of Plan Assets	Gratuity	
	2017-18	2016-17
Opening fair value of plan assets	752.44	695.70
Expected return	57.54	50.09
Actuarial gains and (losses)	-	6.65
Contributions by employer	-	-
Benefits paid	-	-
Closing balance of fund	809.98	752.44

C. Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

(In Rs. Lacs)

Gratuity	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Current service cost	126.96	168.77	110.66	133.03
Net interest on net Defined Liability / (Asset)	76.52	72.01	60.27	46.75
Charged to Profit and Loss on Settlement*	128.91	-	52.96	-
Total	**332.39**	**240.78**	**223.89**	179.78

*During the year on full and final settlement the holding company has accrued gratuity and leave encashment liability along with the other employee costs payable. The provision for Gratuity and Leave Encashment thus held in without considering these final settlement dues. Accordingly, no claim in respect

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

of these claims on the value have been considered.

Amounts recognised in Other Comprehensive Income:

(In Rs. Lacs)

Gratuity	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Actuarial (Gains) / Losses on Liability	(163.26)	(24.58)	(144.08)	66.17
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	(3.37)	(6.64)	-	-
Total	**(166.62)**	**(31.23)**	**(144.08)**	**66.17**

D. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefit plans at their fair value on the Balance Sheet date, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Principal Actuarial Assumptions	2017-18	2016-17
Discount rate	7.45%	7.20%
Expected return on plan assets	7.45%	7.20%
Annual increase in Salary costs	6.50%	6.50%
Attrition Rate	15.00%	5%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

E. Sensitivity Analysis

The Sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

(In Rs. Lacs)

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Discount Rate:				
One percentage increase	(50.07)	1,693.09	(21.16)	778.38
One percentage decrease	54.26	1,955.62	22.94	905.44
Salary Escalation Rate:				
One percentage increase	48.34	1,955.20	22.93	905.23
One percentage decrease	(46.12)	1,691.26	(21.54)	777.50
Withdrawal Rate:				
One percentage increase	2.38	1,821.25	0.05	840.30
One percentage decrease	(2.66)	1,808.55	(0.06)	833.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The above information is as per certificates of the Actuary.

OCI Presentation of defined benefit plan:

- Gratuity is in the nature of defined benefit plan, Re-measurement gains / (losses) on defined benefit plans is shown under OCI as items that will not be reclassified to profit or loss and also the income tax effect on the same.
- Leave encashment cost is in the nature of short term employee benefits.

Presentation in Statement of Profit & Loss and Balance Sheet:

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 does not require segregation of provision in current and non-current, however net defined liability/(Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

9. Disclosures as required by Indian Accounting Standard 17 – 'Leases'

a) The Group has taken on leave and license/under operating leases the residential/office premises and warehouses, including furniture fittings therein as applicable and machinery. These lease arrangements range for a period between one and two years. All the lease arrangements are cancellable. Most of the leases are renewable for a further period on mutually agreed terms and also include escalation clauses.

(Rs. In Lacs)

Sr No	Particulars	2017-18	2016-17
1	Lease payments recognised in the Statement of Profit and Loss for the year	8.89	342.71
2	Future minimum payments under the agreements, which are non-cancellable. (All the lease agreements are cancellable)	-	-

b) The Group had entered into agreements for giving plant and machineries and other fixed assets under operating leases. These leases have terms of one to two years. Disclosures in respect of the said agreements are given below:

(Rs. In Lacs)

Sr No	Particulars	2017-18	2016-17
1	Lease income recognised in the Statement of Profit and Loss for the year	137.50	102.31
2	Future minimum lease receipt under the agreements, which are non- cancellable are as follows:		
	i) Not later than one year	Nil	Nil
	ii) Later than one year and not later than five years	Nil	Nil

The agreements provide for early termination by either party with a notice period which varies from fifteen days to three months and they contain a provision for their renewal.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

10. Disclosures as required by Indian Accounting Standard 24, 'Related Party Disclosures'

A. Relationships (during the year)

a) Key Management Personnel:
   i) Mr. K. R. Thakur
   ii) Mr. P. K. Thakur

b) Joint Venture:
   i) Gulf Jyoti International LLC
   ii) Lauren Jyoti Private Limited-

c) Relative of Director:
   i) Jyoti Motiani (Daughter of Director)

B. Transactions during the year:

The following transactions were carried out with the related parties in the ordinary course of business.

(Rs. In Lacs)

Sr. No.	Particulars	Type of Relationship	2017-18	2016-17
1	Remuneration Paid/payable	a)	194.71	530.44
2	Purchase of Goods/Services	b)	-	18,431.93
3	Sale of Goods/Services	b)	-	-
4	Interest on Fund Transfer and loan, Commission earned on Corporate Guarantee.	b)	-	392.31
5	Investments at the end of the year	b)	-	2,300.41
6	Outstanding balance receivable/ (payable) at the end of the year.	b)	-	13,219.23
7	Salary Paid	c)	-	28.15

Compensation of Key Management Personnel of the holding Company:

(Rs. In Lacs)

Particulars	2017-18	2016-17
Short Term Employee Benefits	194.71	530.44
Post-Employment Benefits	-	-
Termination Benefits	-	-
Share-based payments	-	-
Total compensation paid to key management personnel	194.71	530.44

Note: out of the amounts provided, an amount of Rs. 74.71 lacs is in excess of the amount allowed under section 197 of the Companies Act, 2013.

The details of transactions with JV, if any, is not available and hence the same have not been incorporated in these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

11. Earnings per Share (EPS)

Sr. No.	Particulars	2017-18	2016-17
i)	Profit/(Loss) after Tax available to equity holders (In Rs. Lacs)	(4,22,082.74)	(1,42,605.79)
ii)	Weighted Average Number of Ordinary Shares for Basic Earnings per Share (In Lacs)	1095.28	1095.28
iii)	Weighted Average Number of Ordinary Shares for Diluted Earnings per Share (In Lacs)	1095.28	1095.28
iv)	Nominal Value of Ordinary Share	Rs. 2	Rs. 2
v)	Basic Earnings Per Ordinary Share	Rs. (383.52)	Rs. (130.20)
vi)	Diluted Earnings Per Ordinary Share	Rs. (383.52)	Rs. (130.20)

As referred to Note no 21, in the absence of any claim received from the lenders for issuance of shares of the Company, the same has not been considered for diluted EPS

12. Income Taxes Expense

Tax Expense recognised in the Statement of Profit and Loss

(Rs. In Lacs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Current Tax		
Current Tax on taxable income for the year	-	-
Total current tax expense	-	-
Deferred Tax		
Deferred Tax charge/(credit)	(5.51)	(27.90)
Total deferred income tax expense/(benefit)	(5.51)	(27.90)
Tax in respect of earlier years		-
Total Income Tax Expense	(5.51)	(27.90)

A. Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

(Rs. In Lacs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Enacted income tax rate in India	34.608%	34.608%
Profit/(Loss) before tax	(4,20,070.41)	(1,42,556.60)
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India		-

For the year ended 31st March, 2017 and 31st March, 2018 the Holding Company has incurred losses due to which no provision for tax was required for said years. The current tax expense appearing in the Statement of Profit and Loss is on account of tax liability of overseas branches and a foreign subsidiary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

B. The movement in deferred tax assets and liabilities during the year ended 31st March, 2017 and 31st March, 2018:

(Rs. In Lacs)

Particulars	As at 1st April, 2016 – Deferred Tax Asset/ (Liabilities)	(Credit)/ Charge in the Statement of Profit and Loss	As at 31st March, 2017 - Deferred Tax Asset/ (Liabilities)	(Credit)/ Charge in the Statement of Profit and Loss	As at 31st March, 2018 - Deferred Tax Asset/ (Liabilities)
On Account of Overseas Branches and Foreign Subsidiaries	(15.68)	(2.44)	(18.12)	(5.51)	(10.25)
Total	(15.68)	(2.44)	(18.12)	(5.51)	(10.25)

13. Financial Instruments

1. Category-wise classification of Financial Instruments

(Rs. In Lacs)

Particulars	Note	Non-Current		Current	
		As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
-Investments in quoted Mutual Funds	3	41.35	38.13	-	-
Financial assets measured at amortised cost					
-Investment in unquoted Equity Instruments	3	5.00	5.00	-	-
-Trade Receivables	4 & 8	-	35,078.41	2,43,497.88	4,07,703.02
-Security and other deposits	5	521.61	547.43	-	-
-Loans to Employees	5 & 11	-	28.93	36.88	5.93
-Cash and Cash Equivalents	9	-	-	2,704.28	4,523.07
-Other Balances with Banks	10	-	-	892.17	713.83
-Loan to Related Parties	11	-	-	29,694.23	13,243.09
-Sundry Deposits	11	-	-	444.81	391.12
-Claims Receivable	11	-	-	2,658.57	17,200.30
-Interest Receivable	11	-	-	-	10,494.28
-Expenses Receivable	11	-	-	1,157.15	1,611.64
Financial liabilities measured at fair value through other comprehensive income					
-Sales Tax Deferrals	16 & 22	-	113.61	221.18	84.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note	Non-Current		Current	
		As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Financial liabilities measured at amortised cost					
-Non-Convertible Debentures	15	-	2,907.57	5,068.63	2,044.99
-Term Loan	15	-	15,386.93	2,18,284.22	2,02,553.79
-Redeemable Preference Shares	15	-	-	4,225.00	3,834.09
-Unsecured Loans	15	-	-	491.54	265.62
-Deposits	15	-	-	857.76	857.76
-Loans Repayable on Demand	20	-	-	3,49,457.92	3,21,440.13
-Trade Payables (including acceptances)	16 & 21	-	341.77	51,484.43	46,576.49
-Unclaimed Dividend	22	-	-	17.33	20.81
-Payable to employees	22	-	-	8,206.92	6,021.50
-Payable towards Other Expenses	22	-	-	8,792.42	3,829.22
CIRP FC Claiim	22			22491.43	-

2. Fair Value Measurements

The fair value of financial instruments as referred to in the note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

• Level 1: Quoted prices for identical instruments in an active market;

• Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

• Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

As at 31st March, 2018:

(Rs. In Lacs)

Financial Assets/Financial Liabilities	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial assets measured at fair value through other comprehensive income				
-Investments in quoted Mutual Funds	41.35	41.35	-	-
Financial liabilities measured at fair value through other comprehensive income				
-Sales Tax Deferrals	221.18	-	-	221.18

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

As at 31st March, 2017:

(Rs. In Lacs)

Financial Assets/Financial Liabilities	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial assets measured at fair value through other comprehensive income				
-Investments in quoted Mutual Funds	38.13	38.13	-	-
Financial liabilities measured at fair value through other comprehensive income				
-Sales Tax Deferrals	197.62	-	-	197.62

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

3. Financial Risk Management – Objectives and Policies

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Group formulated by the Risk Management Committee are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly.

A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and loans.

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point (bps) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Total Borrowings	5,71,770.41	5,49,290.88
% of Borrowings out of above bearing variable rate of interest	61.37%	58.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Interest Rate Sensitivity

A change of 50 bps in interest rates would have the following impact on profit before tax

(Rs. In Lacs)

Particulars	2017-18	2016-17
50 bps increase would increase the loss before tax by	1,633.50	1,592.93
50 bps decrease would decrease the loss before tax by	1,633.50	1,592.93

ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates.

The Group has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure, the Group does not enter into any forward exchange contract or into any derivative instruments for trading or speculative purposes.

Foreign Currency exposures that are unhedged as on 31st March, 2018 could not be identified (Rs. 90,629.82 as on 31st March, 2017).

The Group is mainly exposed to changes in USD, EUR and AED. The below table demonstrates the sensitivity to a 5% increase or decrease in the above-mentioned currencies against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents the management's assessment of a reasonably possible change in the foreign exchange rates.

(Rs. In Lacs)

Particulars*	2017-18		2016-17	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD			2,744.16	(2,744.16)
EUR			23.36	(23.36)
AED			1,342.78	(1,342.78)
(Increase)/Decrease in loss			4,110.30	(4,110.30)

*In the absence of appropriate information for foreign currency risk the increase/decrease, the same could not be identified.

iii) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

At 31st March 2018, the investment in mutual funds amounts to Rs. 41.35 Lacs (Rs.38.13 Lacs as on 31st March 2017)

A 5% increase in market prices would have led to approximately an additional gain of Rs. 2.07 Lacs in Other Comprehensive Income.

A 5% decrease in prices would have led to an equal but opposite effect.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

B. Credit Risk

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Account Receivables*

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Not due	-	366.21
0-3 months		80,020.20
3-6 months		2,473.64
6-12 months		5,098.67
Beyond 12 months and less than 2 years		3,53,128.80
Total		4,41,087.52

*In the absence of appropriate information for ageing of account receivables, the same could not be identified.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Movement in provisions of doubtful debts

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening provision	-	272.23
Add: Additional Provision made	1,90,219.39	-
Less: Provision reversed/written off	-	(272.23)
Closing provisions	1,90,219.39	-

C) Liquidity Risk

Liquidity Risk is defined as the risk that the Group will face in meeting its obligations associated with its financial liabilities. The processes and policies related to such risks are overseen by the management. The management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities:

(Rs. In Lacs)

Particulars	Less than 1 year	1 to 5 years	Total
As at 31st March, 2018			
Borrowings (Refer Note 15 & 20)	5,68,421.86	-	5,68,421.86
Trade Payables (Refer Note 21)	51,484.43	-	51,484.43
Other Financial Liabilities (Refer Note 16 & 22)	221.18	-	221.18
As at 31st March, 2017			
Borrowings (Refer Note 15 & 20)	5,30,996.39	18,294.50	5,49,290.89
Trade Payables (Refer Note 21)	46,576.49	341.77	46,918.26
Other Financial Liabilities (Refer Note 16 & 22)	84.01	113.61	197.62

14. Inadequate working capital has put considerable financial pressure on the Group and in particular, on the cash flows delaying commissioning of most of the projects executed by the Group. The Group has made a total provision of Rs. 1,700.00 Lacs (Including Rs. 100 Lacs during the year) (P.Y Rs. 1,600 Lacs) for estimated losses in few projects on completion of these contracts. The Group is assessing the status in respect of all its contracts and is in communicating with its customers to expedite execution and/or minimize penal consequences.

15. Engineering Procurement Construction (EPC) Contracts provide for levy of liquidity damages (LD) to the extent of 10% of the contract value for delay in execution of the contracts. As a trade practice, on completion of the contracts such delay is generally condoned by granting time extension. It is not possible to ascertain the quantum of the LD for the projects where execution is delayed, as the proposals for time extension are pending with the customers and in the past, time extension have been granted in similar circumstances. However, considering recurring/persisting delays it is not possible to assess the amount for which the holding company / group would be liable. However, wherever the amount has been admitted by the Group or recovered, the same has been charged to expenses.

16. The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long-term contracts has been made in the books of accounts. The Group has not entered into a derivative contract during the year.

17. The accumulated losses for the year ended 31st March, 2018 have resulted in erosion of net worth of the Holding Company and the Group. The Holding Company has not complied with terms and conditions of the restructuring scheme finalised during 2015, rendering it invalid for the year 2017-18. The lenders have informed

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

the Holding Company for initiating Strategic Debt Restructuring (SDR) as per RBI guidelines.

Subsequently, as per the revised guidelines of RBI, lenders have decided to implement restructuring scheme out of SDR scheme. During the year, the Joint Lender Forum have called for expression of interest from new investors and few investors have submitted bids with the lenders. Since the process is not completed, the management is of the opinion that after fresh investment done by the new investor and on approval of Restructuring Agreement by banks, the Holding Company will be able to return to profitability over the next few years.

However, after continuing defaults, the lenders have invoked the provisions of the IBC, 2016 and initiated Corporate Insolvency Resolution Process of the holding company in respect of which the details are as detailed hereinabove.

However, the financial statements have been prepared assuming that the Holding Company will continue as a going concern. No adjustments are made in the financial statements that might result from the outcome of this uncertainty.

18. In the last year, Jyoti Structures Africa (Pty) Limited was involved in a legal dispute with its service provider KRB Electrical Engineering Services (Pty) Limited, Sanyati Civil Engineering and Construction (Pty) Ltd (Central)/ ABSA as well as separate litigation with one of its former employees. At the year end, the management and their legal advisers have not been able to determine the extent of legal costs nor the outcome of the current proceedings. The same status in respect of these is continuing as per the audited financial statements for the current year.

19. The Group is operating in only one primary business segment of power transmission and distribution wherein it manufactures/deals in various components/equipment's and constructs infrastructure related to power transmission. As such there arno separate primary reportable or identifiable business segments. However, there are operations in different geographical segments of which details are not available and hence not disclosed.

20. The subsidiary company viz. Jyoti International Inc. and the step down subsidiary company Jyoti Americas LLC have defaulted in honoring the terms of the debt agreement including dividend payable and repayment of loan with lender for following loans:

    a) Subordinated Debt : USD 1,30,00,000

    b) Preferred stock Series A of USD 1,00,00,000

    c) Additional Preferred stock Series A of USD 1,88,00,000

    Jyoti International Inc. has a contingent liability of USD 3,47,00,000 for above mentioned preferred stock variable return along with its accretion as per the terms of preferred stock agreement.

    As per preferred stock agreement, lenders have not exercised their rights and claims for the settlement of the above debt through the issuance of common stock of Jyoti Structures Ltd, since its due date 28th August, 2017, till the end of current financial year. Accordingly, the Holding Company has not recorded an obligation of USD 3,47,00,000 related to the preferred stock variable return as of 31st March, 2018.

21. The number of shares of Jyoti Structures Ltd. to be issued on settlement of the preference stock on the Maturity on 28th August, 2016, cannot be ascertained since the lenders have not invoked their rights on the due date and till 31st March 2018, and therefore, the dilutive effect of those shares on the Diluted EPS of the Group has not been considered.

22. In terms of appointment, the holding company has provided remuneration amounting to Rs. 194.71 Lacs to Mr. K. R. Thakur, Whole-time Director for the year. The remuneration payable to Mr. Thakur is not within the provisions of section 197 read with part II of Schedule V of Companies Act, 2013. Further, the remuneration in earlier year(s) was also in excess of prescribed limits and hence such excess amounts was shown as receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

23. Trade Payables include dues to micro and small enterprises to whom the Group owes amounts outstanding for more than 45 days. The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

The details are as follows:

(In Rs. Lacs)

Sr.No.	Particulars	2017-18	2016-17
1)	The Principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	298.90	261.64
2)	The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
4)	The amount of interest accrued and remaining unpaid at the end of each accounting year	184.28	128.70
5)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The information is provided based on the details provided by the erstwhile management and could not be duly reconciled with the books.

24. Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary/Associates/Joint Ventures

Name of the Entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net assets	Amount (Rs. in Lacs)	As % of Consolidated profit or loss	Amount (Rs. in Lacs)	As % of Consolidated other Comprehensive Income	Amount (Rs. in Lacs)	As % of total Comprehensive Income	Amount (Rs. in Lacs)
Parent:								
Jyoti Structures Limited	99.76 %	(5,55,037.31)	99.19 %	(4,16,667.84)	0.79 %	15.87	98.71%	(4,16,650.97)
Subsidiaries:								
Indian								
1 JSL Corporate Services Ltd.	(0.09) %	487.89	0.00 %	(0.12)	0.00 %	-	0.00 %	(0.00)
2 Jyoti Energy Ltd.	0.00 %	(23.26)	0.00 %	(1.13)	0.00 %	-	0.00 %	(1.13)
Foreign								
1 Jyoti Structures Africa (Pty) Ltd.	0.38 %	(2,134.75)	(0.01)%	34.16	0.25 %	(502.98)	(0.11)%	488.83
2 Jyoti Structures FZE	(0.18)%	987.43	0.82 %	(3,430.97)	0.76 %	(1530.73)	1.18 %	(4,961.70)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Non-Controlling Interests in all subsidiaries	(0.00)%	(214.08)	0.00 %	(0.36)	0.00 %	-	0.00 %	-
Total Adjustment/ Elimination for consolidation	0.12 %	(667.04)	(0.00)%	(138.46)				
As per Consolidated Net Assets/Profit or Loss	100.00 %	(5,56,387.04)	100.00 %	(4,20,064.90)	100.00 %	(2,017.84)	100.00 %	(4,22,082.74)

* Note: The financials of the subsidiary company (Jyoti International Inc) of Jyoti Structures Ltd and Gulf Jyoti International LLC are not available and hence not considered in the consolidated results of the company. Refer Note No. 37(6) to Consolidated Financial Statements.

25. **Interest in other entities:**

The Consolidated Financial Statements present the Consolidated Accounts of Jyoti Structures Limited with its following Subsidiaries and Joint Ventures:

Name	Country of Incorporation	Proportion of Ownership of Interest	
		As at 31st March, 2018	**As at 31st March, 2017**
1) Subsidiaries			
Indian Subsidiaries:			
(a) Jyoti Energy Limited	India	100%	100%
(b) JSL Corporate Services Limited	India	100%	100%
Foreign Subsidiaries:			
(a) Jyoti Structures FZE	United Arab Emirates	100%	100%
(b) Jyoti Structures Africa (Pty) Limited	South Africa	70%	70%
(c) Jyoti International Inc*	United States of America	100%	100%
(d) Jyoti Structures Kenya Limited #	Kenya	100%	100%
(e) Jyoti Structures Nigeria Limited #	Nigeria	100%	100%
(f) Jyoti Structures Namibia (Pty) Limited #	Namibia	70%	70%
(g) Jyoti Americas LLC ^	United States of America	100%	100%
(h) Jyoti Structures Canada Limited ^	Canada	100%	100%
Joint Ventures			
(i) Gulf Jyoti International LLC*	United Arab Emirates	30%	30%
(j) GJIL Tunisie Sarl @	United Arab Emirates	49%	49%

** The financials of Jyoti International Inc and Gulf Jyoti International LLC have not been considered in the consolidated financial statements for the year ended 31st March, 2018 for reasons stated in Note No. 37(6) and Note No. 37(4) to Consolidated Financial Statements respectively.

Held by Jyoti Structures FZE

^ Held by Jyoti International Inc

@ Held by Gulf Jyoti International LLC

26. The details and other disclosures as required in respect of JV have not been made in the absence of details w.r.t. the same. Further, the details / disclosure / presentation requirements w.r.t. subsidiaries have been considered only to the extent such details are available and hence are not complete.

27. Total trade receivables of the Holding Company as at 31st March, 2018 are Rs. 2,35,932.16 Lacs (P. Y. Rs. 4,33,169.55 Lacs). In light of delays in realisation of aged trade receivables, the management of the said Company will review the receivables and will take proper action to recover the amounts. Provision has been made in identified cases and the same is under review which shall be updated based on availability of details.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

28. Cost of material consumed includes Bought-out materials purchased for supplies to customers under the contracts.

29. Confirmation of balances could not be obtained as at March 31, 2018 for banks balances, bank borrowings and for various trade receivables and other advances, trade payables, statutory dues receivables loans and advances, Earnest Money Deposits (EMD) etc., though, the management has requested for the confirmation of balances. In the absence of such confirmations and reconciliation being available the unmatched if any could not be ascertained. Necessary impact arising of reconciliation, if any, shall be considered in the year in which the reconciliation process is completed.

30. The Group has various input credits and balances with various statutory authorities pertaining to service tax, VAT, sales tax etc. aggregating to INR 2,194.84 lacs. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities. No adjustments have been made in the books of accounts in respect of such amounts. However, during the year, the group has based on its understanding charged off statutory dues balances amounting to Rs. 7593.88 Lacs where the same have been adjusted by the respective authorities / have not been received. The details for the same are being compiled and necessary actions such as filing appeal, revision, etc. shall be taken in due course. Necessary impact, shall be taken in the year in which such process is completed.

31. Goods and Service Tax (“GST”) has been implemented with effect from July 1, 2017 and therefore, Revenue from Operations for the year ended March 31, 2018 are net of GST. Revenue from operations and expenses for the year ended 31 March 2017 being inclusive of excise duty are not comparable with corresponding figures of year ended 31 March 2018.

32. Pursuant to the process of evaluation and admission of claims by the RP, the RP has admitted claims of operational creditors amounting to Rs. 47,556 Lacs as at 30-Jun-2017 as against which an amount of Rs. 16,885 Lacs was appearing in the books as at 30 June 2017, resulting into a net difference of Rs. 30,671 Lacs. These claims have been admitted by the RP based on the details provided and verified but the same cannot be accounted for in the books as payable due to following reasons:

Nature	Amount (Rs. in Lacs)	Reasons for not recognising in books
Overseas Vendors	16,711	These claims are made by vendors who are from overseas. Hence, the claims prima-facie represents amount pertaining to either foreign branches or subsidiaries. In view of the fact, that there is no access to such records / ledgers etc., it is not possible to conclusively account for these in the books of the holding company without having the ledgers form foreign branches / subsidiaries etc.
Statutory claims	5,147	These amounts represents Income Tax demands / claims which have been admitted by the RP based on details provided but these are contested at various forums by the holding company and accordingly, recognising liability in respect of these would not be appropriate.
Others	8,813	These include vendors of India and overseas location which may have not been recognised in the past in the books due to service defaults, non-availability of details and could not be matched with ledgers since vendor have not submitted the details. In some of these cases, the claims have been accounted for after the cut-off date and hence accounting it again will lead to duplication. Hence, the same are not accounted for. However, on a conservative basis, we are recognising an amount of Rs. 6162 Lacs as OC Claims Admitted under Trade Payable with corresponding debit to other expenses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

33. Pursuant to the reconciliation of financial and other claims by RP, the RP has accounted for an amount of Rs. 22,780 Lacs as financial creditors and Rs. 22,491 Lacs as other financial liability in the books of account with a corresponding charge to other expenses of Rs. 45,272 Lacs. These amounts are subject to further confirmation / changes and necessary impact of the same shall be taken in the books after completion of the entire process.

34. Corporate Social Responsibility (CSR) - In view of losses incurred, expenditure on CSR is not applicable for the year ended as at 31st March, 2018.

35. The Hon'ble NCLT vide its order dated 27 March 2019 had approved the resolution plan for the holding company, which shall be effective from the implementation date being the date on which the conditions precedent such as infusion of upfront amount of equity, signing of binding agreement etc. are complied with. Pending the implementation of the plan, no effect of the plan has been given in the financial statements of the group for the year ended 31 March 2018. Correspondingly, no effect has been given in the books for the difference arising on reconciliation of claims of financial and operational creditors as admitted during the resolution process vis-à-vis the amount as appearing in the books of accounts as at 31 March 2018.

36. Due to liquidity constraints and other factors such as ongoing resolution process, continuing defaults in repayment of debts and interest thereon etc., the ability of the holding company to execute contracted projects have been impaired leading to penal clauses under the respective contracts being invoked by the customers which includes cancellation of contracts and / or invocation of bank guarantees provided by the company. The holding company has been challenging such cases at appropriate legal / arbitral forum. However, pending settlement of such process, guarantees invoked have been charged off to the statement of Profit and Loss during the year.

37. During the year, the Resolution Professional, appointed under CIRP, had invited claims from operational creditors for the amounts receivable by them from the company, which were subjected to scrutiny for evaluating the genuineness of such claims. Eligible claims were admitted by the RP as payable. Such admitted claims were reconciled with the outstanding balances as per books on a case to case basis. Claims admitted in excess of the amounts appearing in the books were accounted for as expenses with corresponding payable on an adhoc basis. However, where the amount appearing in the books is more than the admitted amount, reversal for such excess have not been done.

38. Pursuant to such reconciliation, claims aggregating to Rs 6162 Lac were accounted for as trade payables with consequential debit to Other Expenses. Corresponding impact for input tax credits, statutory deductions etc. have not been given in the books. Necessary impact in respect of these shall be given in the subsequent year(s).

39. During the quarter ended March 31, 2018, the Resolution Professional appointed under CIRP, had on a detailed review of the accounts and financial statements reversed income / expenses and provisions hitherto being accounted for till the quarter ended December 31, 2017 since the back-up papers / details / rationale for accruing / providing the same were either not available or not justified. Some of the material reversals carried out were as under:

    a) Interest

    b) Provision for Corporate Guarantees of Rs. 34,987.04 Lacs has been reversed during the quarter ended March 31 2018, since the same was in respect of guarantees invoked by a financial creditor for which claims were preferred after the statutory period of claims under IBC and hence were neither admitted by the RP not were payable, in the view of RP.

40. As per section 134 of the Companies Act, 2013, the consolidated financial statements of a Group are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the ongoing CIRP, powers of the board of directors have been suspended and these powers are, in terms of the code, now vested with Ms. Vandana Garg, as

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Interim Resolution Professional (IRP) to carry out the functions of the Company in his capacity as the IRP from 4th July 2017. Accordingly, Financial Statements of the holding Company and the Group for the year ended 31 March 2018 were taken on record and authorized for issue by Resolution Professional (RP) on 4th July 2017.

41. These financial statements carries opening balances of assets and liabilities of the previous financial year(s)/ period(s) before the appointment of Resolution Professional (RP) under the Insolvency and Bankruptcy Code (IBC), 2016 and therefore, the RP is not in a position to comment/verify the authenticity of the said opening balances, information provided herein. Further, these also includes the balances of branches which have been considered but in respect of which the relevant back up papers / details are not fully available.

42. In absence of the Board of Directors, the RP is approving these statements for the purposes of compliance with the provisions of the Companies Act, 2013 and on the basis of representation by the key managerial personnel (KMP) of the holding Company and others regarding authenticity or veracity of the information provided in the financial statements. Approval of the RP and affixing of signature on these statements by the RP should not be construed as endorsement or certification by the RP of any facts or figures provided herein.

43. These consolidated financial statements includes the details in respect of the branches of the holding company, it incorporates 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. These financial statements does not include the amounts in respect of two of the branches of the holding company at Kuwait and Egypt.

44. The previous year figures are not comparable in view of some of the branches details for the current year are not available or are not available for the full year vis-à-vis the full year figures being considered in the previous year.

45. These Consolidated financial statements are authorized to be issued at the Board Meeting of the holding company held at March 14, 2020.

46. The holding company has been at default in meeting its statutory obligations under various statutes such as TDS, ESI , EPF, etc. such as payment of dues and meeting the compliances w.r.t. filing of returns / forms etc. with ROC, GST, TDS etc. The holding company is in the process of reconciling the dues and for filing the required returns etc.

47. There are no shares allotted under ESOP / ESOS as at the reporting date.

48. The holding company based on its assessment in earlier year(s) have balances in the nature of accrued revenue. The billing in respect of these have not been done and the amount is being carried forward since the relevant details, project and billing status etc. are being evaluated. The details are not fully available.

49. Previous year's figures have been re-arranged, re-grouped, re-calculated and re-classified, wherever necessary.

The Notes referred to above form an integral part of the Statement of Accounts.

As per our report attached
For **MKPS & ASSOCIATES**
Chartered Accountants
Firm's Registration No: 302014E

For and on behalf of the Board

Sd/-
ANIL MISHRA
(Interim CFO appointed by COC for CIR process)

Sd/-
Narendra Khandal
Partner
Membership Number 065025
Mumbai; 14 March, 2020

Sd/-
SONALI GAIKWAD
Company Secretary

Sd/-
VANDANA GARG
Insolvency Resolution Professional
IBBI/IPA-001/IP-P00025/2016-2017/10058

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