# 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.inWeb site :www.jyotistructures.in


Ref: JSL/RP/GEN/2021-22/08

Date: April 14, 2021

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

Dear Sir/Madam,

**Sub: Outcome of Board Meeting (ERP) held on April 14, 2021.**

**Ref: Board Meeting Intimation Letter dated April 7, 2021 having Ref No. JSL/RP/GEN/2020-21/89**

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors (Erstwhile Resolution Professional "ERP") of the Company, at their meeting held today i.e. April 14, 2021 has inter alia considered and approved the **Consolidated Unaudited Financial Results together with Limited Review Report for the Quarter and Nine Months ended December 31, 2019**

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

Thanking You.
Yours Faithfully,

For **Jyoti Structures Limited**

JYOTI STRUCTURES LIMITED MUMBAI

**Ms. Vandana Garg**
**Erstwhile Resolution Professional and Member of Monitoring Committee for Implementation of Resolution Plan**
**IP Registration Number: IBBI/IPA-001/IP-P00025/2016-17/10058**
**Vskgarg0899@gmail.com/vandanagarg@bdo.in**

**JYOTI STRUCTURES LIMITED**
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Tel : 4091 5000 Fax : 40915014/15, e-mail : investor@jsl.co.in, Website: www.Jyotistructures.in

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019**

(Rs. In Lacs)

| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | 31-12-2019 | 30-09-2019 | 31-12-2018 | 31-12-2019 | 31-12-2018 | 31-03-2019 |
| | | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Un-Audited) | Audited |
| 1 | **Income** | | | | | | |
| | (a) Revenue from operations | 70.73 | 415.51 | 3,203.86 | 1,660.27 | 15,281.34 | 18,245.51 |
| | (b) Other Income | 2.01 | (14.08) | (14.01) | 9.78 | 592.03 | 599.75 |
| | **Total Revenue** | **72.74** | **401.43** | **3,189.85** | **1,670.05** | **15,873.37** | **18,845.26** |
| 2 | **Expenses** | | | | | | |
| | (a) Cost of materials consumed | (78.52) | 394.16 | 553.93 | 672.80 | 7,625.53 | 7,557.84 |
| | (b) Change in inventories of finished goods, work-in-progress and stock-in-trade | (65.05) | (1,655.44) | 40.69 | (142.01) | 2,429.72 | (722.10) |
| | (c) Erection and sub-contracting expenses | 495.56 | 425.79 | 1,553.42 | 1,582.26 | 5,754.39 | 7,429.51 |
| | (d) Employee benefit expenses | 327.20 | 626.61 | 2,604.55 | 1,738.33 | 8,323.32 | 11,925.19 |
| | (e) Finance cost | 34,783.10 | 33,502.70 | 28,096.08 | 1,03,405.50 | 80,323.35 | 1,09,982.47 |
| | (f) Depreciation and amortization expense | 420.36 | 795.47 | 516.12 | 1,650.44 | 1,598.54 | 2,666.96 |
| | (g)Other expenses | 1,983.22 | (1,242.85) | 2,672.22 | 1,626.63 | 23,161.62 | 58,514.36 |
| | **Total Expenses** | **37,865.87** | **32,846.44** | **36,037.01** | **1,10,533.95** | **1,29,216.47** | **1,97,354.23** |
| 3 | **Profit / (Loss) before exceptional items and tax (1-2)** | **(37,793.13)** | **(32,445.01)** | **(32,847.16)** | **(1,08,863.90)** | **(1,13,343.10)** | **(1,78,508.97)** |
| 4 | Exceptional items | - | - | - | - | - | |
| 5 | **Profit / (Loss) before tax(3-4)** | **(37,793.13)** | **(32,445.01)** | **(32,847.16)** | **(1,08,863.90)** | **(1,13,343.10)** | **(1,78,508.97)** |
| 6 | **Tax expense** | | | | | | |
| | (i) Current Tax | - | - | - | - | - | - |
| | (ii) Deferred Tax | - | - | - | - | - | (5.51) |
| 7 | **Profit/ (Loss) for the period (5-6)** | **(37,793.13)** | **(32,445.01)** | **(32,847.16)** | **(1,08,863.90)** | **(1,13,343.10)** | **(1,78,503.46)** |
| 8 | **Other Comprehensive Income** | | | | | | |
| | A. Items that will not be reclassified to profit or loss | - | - | - | | - | 250.74 |
| | B. Items that will be reclassified to profit or loss | 715.56 | 17.28 | (115.53) | 297.74 | (1,687.59) | 1.61 |
| 9 | **Total Comprehensive Income for the period comprising profit/(loss) and other comprehensive income for the period(7+8)** | **(37,077.57)** | **(32,427.73)** | **(32,962.69)** | **(1,08,566.16)** | **(1,15,030.69)** | **(1,78,251.11)** |
| 10 | Net Profit Attributable to Owners | (37,791.27) | (32,905.28) | (32,844.20) | (1,08,864.98) | (1,13,191.21) | (1,78,437.40) |
| 11 | Net Profit Attributable to Non Controlling Interest (NCI) | (1.86) | 460.27 | (2.96) | 1.08 | (151.89) | (66.06) |
| 12 | Other Comprehensive Income Attributable to Owners | 808.16 | (10.13) | (208.34) | 245.96 | (2,219.36) | 252.35 |
| 13 | Other Comprehensive Income to Non Controlling Interest (NCI) | (92.60) | 27.41 | 92.81 | 51.78 | 531.77 | - |
| 14 | Total Comprehensive Income Attributable to Owners | (36,983.11) | (32,915.41) | (33,052.54) | (1,08,619.02) | (1,15,410.57) | (1,78,185.05) |
| 15 | Total Comprehensive Income Attributable to Non Controlling Interest (NCI) | (94.46) | 487.68 | 89.85 | 52.86 | 379.88 | (66.06) |
| | | | | | | | |
| 16 | Details of equity share capital | | | | | | |
| | Paid-up equity share capital, face value of Rs. 2/- each | 2,190.55 | 2,190.55 | 2,190.55 | 2,190.55 | 2,190.55 | 2,190.55 |
| | Face Value of Equity Share Capital | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 17 | **Earnings per share (of Rs. 2/- each)** | | | | | | |
| | (a) Basic earnings/ (loss) per share | INR-34.5 | INR-30.04 | INR-29.99 | INR-99.4 | INR-103.35 | INR - 162.92 |
| | (b) Diluted earnings/ (loss) per share | INR-34.5 | INR-30.04 | INR-29.99 | INR-99.4 | INR-103.35 | INR - 162.92 |

| Sr. No | Notes |
|---|---|
| 1) | The Statutory Auditors of the Company have carried out a limited review of the consolidated financial results for the quarter and period ended December 31, 2019. These consolidated results have been approved by the board at its meeting held on 14 April 2021. |
| 2) | These consolidated results includes results of five unaudited subsidiaries (including three step down subsidiaries) out of total ten subsidiaries (including step down subsidiaries) and two joint ventures for the quarter and nine months ended December 31, 2019. Further, the alignment of accounting policies of foreign subsidiary with that of the holding company has not been done in the absence of relevant information. In the absence of documentary supporting of the transactions, the subsidiary accounts are incorporated in the above statement based on the transactions available in the books of the subsidiaries maintained in the accounting package of the respective subsidiaries as made available. |
| 3) | Inter-company/Intra-group transactions are under reconciliation and hence, the same has been eliminated to the extent information available. |
| 4) | The Above consolidated statement includes the figures / amounts for the Quarter ended on date in respect of its eleven unaudited branches at Bangladesh, Bhutan I, Bhutan II, Kenya, Tanzania, Tajikistan, Georgia, Rwanda, Tunisia, South Africa and Uganda; unaudited figures for the period till December 31, 2017 in respect of its one branch at Dubai. In view of the details not being available, branches at Egypt & Kuwait have not been considered. Further, there are opening differences in the branch trial balances aggregating to Rs. 69.59 lacs which have been debited to Reserves and Surplus due to the details for the same not being available. |
| 5) | Hon'ble National Company Law Tribunal, Mumbai vide Order No. CP/1137/I&BP/NCLT/MAH/2017 dated July 04, 2017 appointed Insolvency Resolution Professional, ordering commencement of CIRP and Hon'ble National Company Law Tribunal, Mumbai vide Order No.MA 1129/2019 dated March 27, 2019 approved the Resolution Plan submitted by the Successful Resolution Applicant for the Company, effect of which shall be taken in the books upon fulfilment of conditions precedent as per the plan. |
| 6) | The Company adopted Indian Accounting Standards ('Ind AS') from 1st April, 2016 and accordingly this financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34. "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India. |
| 7) | The Consolidated financial results 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 Corporate Insolvency Resolution Process (CIRP), powers of the board of directors have been suspended and these powers are, in terms of the Insolvency and Bankruptcy Code, now vested with Ms. Vandana Garg, as Interim Resolution Professional ("IRP", "RP" or "ERP") to carry out the functions of the Company in her capacity as the IRP from 4 July 2017. Further, as per the terms of the Approved Resolution Plan, the control and management of the company continue to remain in the hands of the RP and the Board will remain suspended till the management and control of the Company is transferred to the resolution applicant/ investors. Accordingly, Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2019 were taken on record and authorized for issue by Erstwhile Resolution Professional (ERP) on 14 April 2021. |
| 8) | Considering long delay in initiation of the implementation of the approved resolution plan, the lenders have advised the Erstwhile Resolution Professional (ERP) in December 2019 to file an application before Hon'ble NCLT to seek guidance. Accordingly, the ERP has filed an application before Hon'ble NCLT in January 2020 to seek guidance for implementation of approved resolution plan, which is yet to be decided by Hon'ble NCLT. |
| 9) | The Company is in the business of execution of projects related to power transmission and as such there are no separate reportable operating segments as defined by Ind AS 108 - "Operating Segments". Details of geographical segment is not available. |
| 10) | Cost of material consumed includes Bought-out materials purchased / return / adjusted for supplies to customers under the contracts. |
| 11) | On account of loans being reclassified as Non-Performing Assets (NPA) by all lenders, interest on all borrowings have been provided for in the books of accounts based on Master Restructuring Agreement (MRA) entered into with the lenders on September 29, 2014, even if bank statements are not available. |
| 12) | In view of uncertain nature of projects, complex situations, performance issues, deterioration in client relationship, delays in contracts, probability of liquidation damages, unsettled or unaccepted claims, BG invocations, arbitration, disputes, non-availability of balance confirmation from clients, penalties etc. It is evident that there is a potential probability of substantial write down of the receivable. |
| 13) | Provisions are done based on best estimates made by ERP and may change significantly based on the outcome of matters stated in 12 above. |
| 14) | The figures of the corresponding previous quarter / period are based on the management provided details of the respective period which have not been subjected to review / audit. Previous year figures have been rearranged / reclassified including for taking effect of the audited figures for the previous year wherever the same have been received. |

By Order of the Board of Directors
**FOR JYOTI STRUCTURES LIMITED**

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

**Place: Mumbai**
**Dated: 14 April 2021**

**Independent Auditor's Limited Review Report on Unaudited Consolidated Financial Results of JYOTI STRUCTURES LIMITED for the Quarter and Nine month ended on December 31, 2019 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To**
**THE BOARD OF DIRECTORS OF**
**JYOTI STRUCTURES LIMITED**

1. We were engaged to review the accompanying Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2019 (herein after referred to as "the Statement" and initialled for the purpose of identification) of **Jyoti Structures Limited** ("the Holding Company") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), read with Circular No. CIR/ CFD/ FAC/ 62/ 2016 dated July 5, 2016.

   The Statement includes the results of the Holding Company, its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"; the subsidiaries and Joint Ventures collectively referred to as "the components" and individually "the Component"). This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared from the related consolidated financial statements which are not prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review of the statements.

   The Hon'ble National Company Law Tribunal (NCLT) pursuant to application filed under Corporate Insolvency Resolution Process (CIRP) had passed order dated March 27, 2019 approving a plan for resolution of the 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 statement does not include any adjustment which may arise from giving effect to the approved plan. Further, the effect of the process of claims reconciliation has not been fully taken in the statement, which have been further disclosed in Note No. 5 of the statement. Due to these conditions at the date of this report, we are unable to ascertain the impact of the same on the accompanying statement.

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

We were not able to carry out the procedures as required in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 since the related records / information were not available as further detailed in the Basis for Disclaimer of Conclusion paragraph.

Because of the matters described below in paragraph 3 below, we were not able to obtain sufficient appropriate audit evidence to provide basis for conclusion on the statement.

**3. Basis for Disclaimer of Conclusion**

i) *In the absence of the financial statements or management accounts, for the quarter and nine months ended December 31, 2019, of three wholly-owned subsidiaries namely Jyoti International Inc, Jyoti Americas LLC and Jyoti Structures Canada Ltd., and its Joint Ventures transactions and balances in respect of these have not been incorporated in the Consolidated Financial Results, which is not in compliance with the requirements of Ind AS – 110 issued by ICAI. Further, the details w.r.t. Joint Ventures as required under Ind AS 110 and SEBI (LODR) Regulations, 2015 have not been disclosed.*

ii) *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 fully verified by us. Further, the transactions / balances within the group as per the books of the holding company have also been eliminated to the extent the relevant details were available. 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 is not available due to which we are unable to comment on the same.*

iii) *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 in the absence of relevant details being available with the management. Impact, whereof, if any, is not presently ascertainable.*

iv) *The company has considered the management accounts of two foreign subsidiary (including step-down subsidiaries) for the purpose of consolidation. These 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.*

v) *The consolidated financial results include the financial and other information in respect of two foreign subsidiaries (including their step-down subsidiaries) based on unaudited financial statements.*
*The consolidated financial results includes Total Revenue & Profit Before Taxes of Rs. 1,578.52 Lacs & Rs. -2,650.61 Lacs respectively for the nine months ended December 31, 2019 (Rs. 6,538.21 Lacs & Rs. -1348.94 Lacs for the nine months ended December 31, 2018) in respect of these unaudited foreign subsidiaries. In the absence of the audited accounts w.r.t. these, we are unable to comment on the amounts of these components considered in the consolidated financial results.*

vi) *The amount appearing under Non-Controlling Interest, Goodwill, Fixed Assets etc. are subject to reconciliation on the availability of the underlying details, of which the impact, if any, is not presently ascertainable.*

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

a) *The Group has reported loss after tax of INR 1,08,863.90 lacs (EBIDT of Rs. (-)3,807.96 Lacs) for the nine-month period ended December 31, 2019;*

b) *The net-worth of the company has been fully eroded and is INR (-) 8,41,074.19 Lacs as at December 31, 2019;*

c) *There are no operations at plants at Nashik and Raipur and revenue activities have also stopped on the same;*

*The persistence of above mentioned conditions cast 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 statement.*

viii) *The rates for conversion of foreign exchange assets, liabilities, income and expenditure are not in line with the requirements of Ind AS 21.*

ix) *Amount of Reserves in respect of component(s) is not in agreement with the amount as per last year's closing. Pending reconciliation of such difference, we are unable to comment on the same.*

x) *There was "disclaimer of opinion" in the audit report for each of the financial year ended March 31, 2019, March 31, 2018 & March 31, 2017, no details / documents have been provided to us with respect to the matters / balances for which disclaimer were issued and hence we are unable to verify the same during current period in so far as it relates to the opening balances for the year.*

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

a) *There are credits and debits aggregating to Rs. 1,40,359.31 lacs and Rs. 16.99 Lacs respectively as at the end of the reporting period in bank statements, no details w.r.t the said entries in bank statement was made available to us and the Company has not taken the effect the same in books of accounts. In the absence of details, we are unable to comment on the effect of the credit entry in the statement.*

b) *The audited financial statements / balance confirmations and other details in respect of various related parties including subsidiaries and joint ventures of the company are not available due to which we are unable to comment on the impact it may have on the carrying amount and the impairment, if any, in respect of investments, loans, advances, receivables, payable, provision for guarantees provided, if any, disclosures for liabilities crystalized or contingent etc..*

d) *The inventory records / stock ledger (being part of books of accounts) are not available due to which we are unable to trace / reconcile the movement, if any, in the same through purchase, sales, consumption etc. and comment on the provision, if any, required based on the condition and usability of the stocks. Further, the third party appointed for physical verification of inventories could verify only the inventories partially. In the absence of which, we are unable to comment on the impact, if any, on the statements.*

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

i) *During the period employee costs have been booked as ascertained by the company based on attendance of employees. In view of the underlying records being made available partly, we are unable to comment on the Employee Costs* *of Rs. 731.69 lacs debited in the statement.*

*ii) In the absence of foreign currency(ies) balances in the books of accounts, we are unable to verify the adequacy of net loss due to foreign exchange fluctuation of Rs.(-) 1,894.35 lacs (including for foreign branches) in the statement.*

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

*f) **Statutory Dues / Compliances***

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

*ii) Balances with statutory authorities and input credits are subject to reconciliation, filing / revision of return(s) and admission by the respective statutory authorities and no provision has been made thus, we are unable to comment whether any provision for impairment in the value of such receivables is required.*

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

*g) **Revenue & Contracts and Trade Receivables***

*i) Because of limited documentary evidence from the parties / customers for the continuation of live contracts being made available, we are unable to comment on the status of the contracts and adjustment, if any, required for the same in the standalone financial results. Further, the details of work in progress with the age, stage of completion, acceptability to customers, estimated future cost to completion, progress billing etc. not made available due to which we are unable to comment on the requirements of provision, if any, for WIP, foreseeable losses and income accrued but not due.*

*ii) No detailed workings are available for the calculation of liquidated damages contractually leviable for delay in completion of contracts and the costs for Defect Liability Period (DLP) which are contractually required to be incurred for specified periods. In the absence of the working, we are unable to comment on provision, if any, required for the same.*

*iii) As against the total amount of Trade Receivables of Rs. 437,064.83 Lacs as at December 31, 2019, Provision for Rs. 226,296.38 Lacs has been made till December 31, 2019 based on the assessment being made by the company In the absence of confirmation from all the parties, pending reconciliation of all parties, disputed dues which are being contested by the company, encashment of guarantees etc., we are unable to comment on the adequacy of the provision made by the company.*

***h) 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 unaudited consolidated financial results:*

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

*ii) The company has not provided for interest payable to Micro and Small Enterprises for the period under review;*

*iii) 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;*

*iv) There have been delay in conduct of general meeting.*

*i) The statement includes the assets, liabilities, income and expenditure in respect of*

*i) 11 branches out of total 14 branches for the period ended December 31, 2019 and in respect of 1 branch, balances are as on December 31, 2017. These statements have been included based on management accounts of these 12 branches.*

*The same are subject to changes on completion of audit. Further, in the absence of underlying details, we are unable to comment on the impact, it may have on the unaudited standalone financial results.*

*Amount w.r.t unaudited branches which are incorporated in financial results are Total assets and liabilities of Rs. 7,563.69 Lacs and Rs. 9,626.98 lacs respectively, Total Income of Rs. 91.45 Lacs and Total Profit (Nett of losses) including Other Comprehensive Income of Rs.2,063.29 Lacs for the period ended December 31, 2019.*

*Further, the foreign currency exchange rates considered for translating the items in statement of profit and loss account is simple average of opening and closing during the year to date of reporting period, however daily moving average should have been considered for conversion of the same.*

*ii) During 2017-18, the company had incorporated financial statements of five branches for the period till December 31, 2017. During 2018-19, unaudited financial statements were available, however details w.r.t intervening period from 01.01.2018 to 31.03.2018 is not available and hence nett opening difference aggregating to Rs. 390.58 lacs have been debited to Reserves and Surplus. This has also resulted in the corresponding period figures not being comparable.*

*iii) 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 statement arising out of such pending confirmations / reconciliation.*

*iv) The company has charged off prepaid expenses of Rs. 832.29 Lacs of which details were not made available to us due to which we are unable to comment on the same.*

***j) Others:***

i) *The company has complied partially with the applicable requirements of Ind AS 1 – Presentation of Financial Statements; Ind AS 2 – Inventories ; Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors; Ind AS 21 - The Effects of Changes in Foreign Exchange Rates; Ind AS 23 – Borrowing Costs; Ind AS 36 – Impairment of Assets ; Ind AS 37 - Provisions, Contingent Liabilities & Contingent Assets; Ind AS 105 Non-Current assets held for sale and discontinued operations; Ind AS 109 Financial Instruments; Ind AS 116 – Leases;*

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

*a) 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;*

b) *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.*

c) *The process of controls w.r.t. booking and maintenance of back up records in respect of expenses needs to be improved*

d) *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.*

iii) *With respect to presentation and disclosure requirements of Schedule – III to the Companies Act, 2013 / the Regulations, 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) *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;*

d) *Classification as current and non-current for various items of assets and liabilities has not been done as per contracted terms as required under IndAS; Similarly, the bifurcation between secured and unsecured could not be verified in the absence of details*

e) *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*

f) *The company has not disclosed the information pursuant to the requirement of Segment Reporting in respect of its geographical segments (viz. within India & outside India), the same is also not in compliance with the requirements of the Regulations and Ind AS 108 – Operating Segment*

iv) *Interest on borrowings have been provided as per the amounts reflected in the corresponding loan statements, wherever the same are available. In case where the statements are not available, interest is provided @ 14% p.a. in respect of the borrowings, including in respect of credit card dues, irrespective of the contracted rates. In respect of external commercial borrowings, grossing up for tax thereon has not been done. Further, effect of exchange fluctuation on foreign currency loan balances have not been considered for the purpose of calculation of interest. In the absence of the same, we are unable to comment on the impact, if any, on the statement.*

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

## 4. Basis for Qualified Opinion

***A.*** *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.*

***B.*** *In respect of its holding company*

***i) In respect of its Fixed Assets***

*Fixed assets register providing inter-alia details of the assets, location, identification number, useful life etc. is not available, in the absence of which we are unable to comment on the maintenance of adequate records w.r.t. fixed assets. Further, the assets have not been physically verified during the nine month under review.*

***ii) In respect of its Investments:***

*a) The original share certificates / holding statement (viz. from DP / other sources) to substantiate the ownership of the company towards equity Investments in subsidiaries / associates / others amounting to aggregate carrying value Rs. 672.04 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 and carrying amount of investments as at December 31, 2019.*

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

*iv) 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 results, if any is not presently ascertainable.*

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

*vi) 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.*

*vii) In connection with the existence of material uncertainties over the realisation 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 results cannot be ascertained.*

**5. Disclaimer of Conclusion**

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

a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and, Disclosure Requirements) Regulations, 2015, as modified; and

b. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and Total comprehensive loss and other financial information of the Company for the quarter and nine-month ended December 31, 2019.

**For MKPS & Associates**
**Chartered Accountants**
**FRN 302014E**

NARENDRA KHANDAL
Digitally signed by NARENDRA KHANDAL
Date: 2021.04.14 19:14:34 +05'30'

**CA Narendra Khandal**
**Partner**
**M No. 065025**
**UDIN: 19065025AAAAER2121**
**Place: Mumbai**
**Date: April 14, 2021**