



# JYOTI STRUCTURES LIMITED

## Registered & Corporate Office:

Valecha Chambers, 6<sup>th</sup> Floor, New Link Road  
Oshiwara, Andheri (West), Mumbai – 400 053  
Corporate Identity No.: L45200MH1974PLC017494  
Tel.: (91-22) 4091 5000 Fax: (91-22) 40915014 / 15  
Email: contact@jsl.co.in Website: www.jyotisttructures.in

Ref No: JSL/RP/GEN/2021-22/43

May 24, 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
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### Sub: 45<sup>th</sup> Annual Report of the Company for the financial year 2019-20

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 45<sup>th</sup> Annual report for the financial year 2019-20 as circulated to the shareholders through electronic mode today.

The said Annual report is placed on the Company's website i.e. [http://jyotisttructures.in/Annual\\_Reports.html](http://jyotisttructures.in/Annual_Reports.html)

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**  

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**2019-20**

# JYOTI STRUCTURES LIMITED

## \*BOARD OF DIRECTORS

Mr. Rajendra P. Singh Independent Director  
Mr. Kannan Ramamirtham, Director  
Mr. Abhinav R Angirish, Director

(Note: Mr. Rajendra P Singh, appointed as the Non-Executive and Independent Director as the incumbent to hold office for a term not exceeding three consecutive years starting from February 2, 2021. Mr. Kannan Ramamirtham & Mr. Abhinav R Angirish, appointed as the additional directors (non-executive & Independent), effective from March 17, 2021, to hereby be resolved to hold office till the conclusion of next AGM which is subject to their regularization as the Independent Directors for a term not exceeding three years from the date of ensuing AGM)

## 45<sup>th</sup> ANNUAL GENERAL MEETING

Day : Tuesday

Date : June 15, 2021

Time : 11.00 PM through video Conferencing

## RESOLUTION PROFESSIONAL

Ms. Vandana Garg  
Erstwhile Resolution Professional  
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

## STATUTORY AUDITORS

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 • Central Bank of India  
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@jstl.co.in  
Website :[www.jyotisttructures.in](http://www.jyotisttructures.in)

## REGISTRARS & SHARE TRANSFER AGENTS

Big Share Services Private Limited  
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

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# ANNUAL REPORT 2019-20

## DIRECTORS' REPORT

Dear Members,

### Jyoti Structures Limited

In exercise of powers of the Board of Directors of Jyoti Structures Limited (**"the Company"/ "JSL"**), the Erstwhile Resolution Professional (**"ERP"**) drawing powers u/s 17 of IBC, 2016 and Section 39 of the Approved Resolution Plan as the Chairperson of the Board of Directors of Jyoti Structures Limited hereby presents the 45<sup>th</sup> Annual Report on business and operations of the Company along with Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2020.

### CORPORATE INSOLVENCY RESOLUTION PROCESS FOR THE COMPANY

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 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 with 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 the Annual Report for the financial year 2019-20, 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 subsequently, to take over management and control of the Company from the RP/ ERP.

However, on account of a lockdown induced by the COVID 19 pandemic, which hitherto, has impacted the day-to-day operations of the Company as well as the takeover process has also been adversely affected, which leads to a slower progress in implementation of the approved resolution plan. The payments against the accepted claims shall be made in accordance with the terms of the Approved Resolution Plan by the Resolution Applicant.

### FINANCIAL RESULTS

Performance of the Company, on standalone basis, for the financial year ended March 31, 2020 is as summarized below:

(In INR Lacs)

Particulars	Financial Year Ended March 31, 2020	Financial Year Ended March 31, 2019
Income from Operations	2,070	9,822
Profit before Interest and Depreciation	(81,342)	(62,648)
Financial Cost	14,7322	11,0049
Depreciation and Amortization (Net)	1,584	2,000
Profit / (Loss) before tax	(2,30,001)	(1,75,154)
Tax Expenses	-	-
Profit/(Loss) after tax	(2,30,001)	(1,75,154)

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Note:

1. The above figures are extracted from the audited Standalone Financial Statements as per Indian Accounting Standards (“**Ind AS**”). For the purpose of transactions to Ind AS, the Company has followed the guidance as prescribed in Ind AS 101 with the First Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.
2. The statement includes the figures/ amounts for the year ended on date in respect of its eleven branches (Tunisia audited and others unaudited) at Bangladesh, Bhutan I, Bhutan II, Kenya, Tanzania, Tajikistan, Georgia, Rwanda, Tunisia, South Africa and Uganda and 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 and Kuwait have not been considered. Further, there are opening differences in the branch trial balances aggregating to INR 69.38 lacs which have been debited to Reserves and Surplus due to non-availability of the details.
3. Persistently, during this period, the undersigned had faced non-cooperation from the Key Managerial Personnel (KMP) of the Company of some departments. They did not provide the required details/documents with respect to access to the full set of information, server layout and access details for various ERP module database into SAP system. The server of SAP system was located with third party Data Centre where without permission and authorization, access was not allowed, and Company data could not be recovered. The Head of Department of Accounts and IT Departments were also extremely non cooperative. All these factors created huge hurdle for periodical preparation of financials and other documents from time to time for regular filing. The undersigned had filed complaint before Hon’ble NCLT, Mumbai against them related to their non-cooperation, which was causing delay in preparation of various reports, periodical financials and documentation of the Company pertaining to various segments. However, the non-cooperation application filed by the undersigned is still to be heard by Hon’ble NCLT.
4. After a sustained efforts for a long time, and with the arrangements of some domain experts, the undersigned could obtain partial data from remote location SAP system, got installed the same in another standalone ERP (Tally) system, hired independent Accounting Agency and secured help of some of the cooperative employees of the Company, all these took more than 1.5 years of dogged efforts as physical condition of servers was very dilapidated, server layout and access codes were not known, forced entry had risk of data corruption and data loss.

## 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 the Ind AS. The 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, the Ind AS is applicable from 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 2019-20 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.

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## FUTURE PROSPECTS

India aspires to become a world leading economy, wherein power, energy and electricity sector could help catalyze the process. Undeniably Indian electricity generation as well as distribution quantifies to be the third largest in Asia which persistently grows by the passing day. This creates a huge demand and its corresponding supply for electricity, which warrants huge infrastructural development in the field. The constraints which lead towards energy loss in transmission and distribution needs to be refurbished and necessitates crucial instantaneous upgradation.

### **Ambitious budget allocation of government of India:**

Finance Minister of India Mrs. Nirmala Sitharaman has allocated Rs.3.05 trillion outlay in a parliamentary session for the upgradation of electricity distribution and transmission. As has been stated by the Finance Minister, consequent to the economic development, India is in a dire need of a mechanism that can contribute to support of the rising demand and meeting its supply requirements, hence this would prove to provide the framework to curb down lacunae in the distribution and transmission system. This would help stimulating the efficiency and effectiveness of the transmission and distribution of electricity supply chain management to curtail the transmission loss of India, which is more than twice the world average, amounting to 20% of the loss of generation thereof.

### **Proposed innovative technologies and vital advancement in the sector:**

#### **1. Revamping the transmission line in Indian electricity ecosystem with following advancements:**

- Reconductoring
- Dynamic Line Rating
- Power Flow Controller
- Live Line Reconductoring
- Protective Tower Coating

#### **2. Voltage upgradation:**

Indian electricity infrastructure supports hitherto 400 KV line transfer, which has its restrictions in megawatt transfer, while the aspired scale of 1200 KV will allow 6000-8000 MW, which combat the challenges put up with the transmission loss and lack of sound transmission system.

#### **3. Substation:**

Electrical and electronic sector in Indian parlance is moving forth gradually with departure from AIS technology of Substation towards GIS technology, which has an ever-rising demand and global impact. Progressive transformation from AIS to GIS can be attributed to various factors in GIS technology such as maintenance, life span, operation, construction, compactness, and installation, which hereby has edge over AIS, when it comes to value addition and performance demarcation.

#### **4. Transitioning from conventional AC transmission system to High-voltage direct current (HVDC) technology:**

HVDC extends several merits weighed against the alternating current transmission systems, which primarily entails the liberty for more efficient bulk power transfer over long distances and a reduced amount of transmission loss.

#### **5. New age of solar and wind energy:**

Despite of the fact that solar and wind energy provides for a sustainable growth and environmental development; it also provides in diminishing the transmission loss by using Direct Current. Paucity of transmission infrastructure has been alarmingly concerning and need of the hour is to formulate policies to have effective operating mechanism as well as framework in India.

A proposal to seek the Cabinet approval for the Electricity (Amendment) Bill 2021 was circulated in January 2021 and the draft law is likely to be introduced in Parliament in upcoming session. Herein, substantial policy changes have been proposed to be promulgated as an Act which would provide imminent amendments in Indian electricity system regulation.

Jyoti Structure Limited has been excelling in Indian market for over and above three decades. JSL has been a pioneer in the rural electrification, diverse turnkey solutions for High Voltage Power Transmission Lines, Substations and

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Distribution Lines and high voltage tower testing. The wide arena of scope advancement in the electricity sector, on account of abovementioned technological innovations would expand the range of opportunities in the industry. JSL is not only proficient but also competent enough to sustain the posed impending growth of scope advancement in industry, with solution as well as client-oriented approach.

## PERFORMANCE HIGHLIGHTS

At standalone level, the gross revenue from operations stood at INR 2,070.50 Lacs during FY 2019-20, as compared to INR 9,822.49 Lacs in the previous year. The operating loss before tax stood at INR 2,30,001.65 Lacs during FY 2019-20, as compared to operating loss before tax of INR 1,75,151.16 Lacs in the previous year. The net loss for the FY 2019-20 stood at INR 2,30,001.65 Lacs, as compared to net loss of INR 1,75,151.16 Lacs in the previous year.

During the year under review, the Company experienced various challenges persistently all pervasive due to the lack of operating mechanism and effective communication due to the lacunae caused by the lockdown pursuant to the guidelines passed by the governments for regulating COVID 19 efficiently. Further, the Company continue to face legacy bottlenecks which entail tight liquidity in execution of the projects and prolonged continuation of the CIR process, which has still not finished. The Company took necessary and rigorous steps to the best of its limited ability and scarcely available means of finance for closing projects which impacted the margins due to cost associated with project closure.

Owing to the aftermath of partly non-functional management, inoperative Company status quo and non-significant accounting transactions, the Company was confronted with humongous congestion in the decisive ability as well as efficient work execution. This has ensuing effect on the paucity of financial resources, manpower, funds allocation and disbursal, supply network and management which recurrently targeted our already limping financial performance.

## 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 appointed Ms. Vandana Garg 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 Order**") approved the Resolution Plan submitted by the resolution applicant.

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Considering long delay in initiation of the implementation of the approved resolution plan, the Erstwhile Resolution Professional (ERP) reckoned with the advice of lenders to file an application in January 2020 with Hon'ble NCLT to seek guidance.

However, before any hearing could commence before Hon'ble NCLT, the Tribunal rendered non-functional for couple of months due to COVID-19 pandemic lockdown from mid-March 2020. When Hon'ble NCLT began limited functioning through e-hearing mode, the ERP had filed another petition of urgent hearing of her January 2020 Application. Allowing ERP's petition, the Tribunal began e-hearings on the original Application of January 2020. Subsequently, the RA has filed an Affidavit on December 16, 2020 before Hon'ble NCLT, Mumbai enlisting some conditions precedents to be fulfilled prior to his beginning of the Approved Resolution Plan.

The pre-conditions for implementation of the approved resolution plan and taking over by the successful resolution applicant are still to be fulfilled by the RA and the other stakeholders and are still going on. However, on account of a lockdown induced by the COVID 19 pandemic, which hitherto, has adversely impacted the day-to-day operations of the Company as well as the takeover process.

Hon'ble NCLT vide its order dated January 6, 2021, has unequivocally instructed the ERP to mandate the Company to be controlled by the Board and managed professionally, which hereby signifies that the Company will not remain any individual or family run business. Hence, Company thereby has filed an application for reclassification of the existing promoter and promoters' group as public with Bombay Stock Exchange (BSE) as well as National Stock exchange (NSE) on January 18, 2021 and January 20, 2021, respectively. However, the decision of the stock exchanges on the reclassification application is still awaited as on the date of the Annual Report.

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 ERP under the guidance of the Secured Financial Creditors and in close co-ordination with the proposed investors. During this interregnum period, the ERP 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.

### **DIVIDEND**

In view of losses incurred during the period under review, the ERP does not recommend any dividend on the equity shares for the financial year ended March 31, 2020.

### **SHARE CAPITAL AND LISTING OF SHARES**

During the year under review, the authorized share capital of the Company as on March 31, 2020 was INR 85,00,00,000/- (Rupees Eighty Five Crores only) divided into 30,00,00,000 (Thirty Crores) numbers of equity shares of INR 2/- (Rupees Two) each and 25,00,000 (Twenty Five Lakhs) numbers of preference shares of INR 100/- (Rupees One Hundred) each. The authorized share capital structure remained unchanged during the financial year under review.

The paid-up Share Capital of the Company as on March 31, 2020 was INR 46,90,55,420/- (Rupees Forty Six Crores Ninety Lakhs 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 BSE Limited and the NSE of India Limited.

The Company faced many internal challenges during the financial year under review, inter alia, significant limitations in present systems, sub-optimal utilization of SAP, manual records and 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 and ongoing attrition of employees of the Company along with external factors like competition, financial position and market sentiments.



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Although, it is pertinent note that the operating framework has suffered an immense set back on account of the impediments due to COVID 19 and deficient mechanism to cope up with the unforeseeable lockdown which made coordination with stakeholders and operation quite difficult.

Ms. Sanjeevlata Samdani, the then 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, therefore, 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.

Essentially, due to the abrupt departure of Ms. Sanjeevlata Samdani, position of the company got highly prejudiced, hence there was no suitable candidate to assume the responsibility as Company Secretary. These circumstances left a void in the fulfilment of the compliance requirements of the company, which warranted during the year, several queries in which the Company has received various letters from **NSE** and **BSE** for the Non filing of Compliances under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**").

Furthermore, it is only after the appointment of Ms. Sonali Gaikwad as the Company secretary of JSL with effect from December 16, 2019, that the Compliance management of the company got back on tracks and facilitated the streamlining of the same for approaching prospective adherence of the provisions.

Pre CIRP the Company was using SAP software for financial transactions recording as well as for year-end finalisation. On account of liquidity crunches, the Company could not pay its license fees, renewal fees, Annual Maintenance Charges (AMC) etc. and therefore, the said SAP software has been stopped working post December 2017. Subsequently, the Resolution Professional (RP) has appointed another consulting firm to obtain data from the SAP database available with the company and migrate the same into another affordable ERP package into Tally (accounting software/ package). Accordingly, RP has obtained all the possible and necessary information which are relevant for preparation of books of accounts and finalisation and data from 1 April 2017 till 31 December 2017 has been migrated to Tally and subsequently all the further accounting and book keeping activities have been done in Tally ERP. At the same time, the Company was also facing challenges in terms of cooperation from employee of the company on account of non-payment of their dues and very few people were available with the Company to support the process. Considering such challenges, the RP has appointed the account tax support firm – Radisson Consulting LLP for migration of SAP data, preparation of books of accounts and finalisation of accounts to work in the professional capacity. Radisson Consulting LLP had deployed the competent manpower necessary to complete the required job. The said firm also was responsible to coordinate the existing accounts team of the company, obtain necessary documents, invoices, details, information etc. and complete the books of accounts for finalisation and audit with whatever maximum details available in alignment with the requirements and get the audit done from the statutory auditors of the Company. Accordingly, JSL was able to get the books of accounts prepared, conduct the statutory audit and other required audits for Financial Year (FY) 2017-18, 2018-19.

However, such hard and successful toils made it possible to close the pending financials for FY 2017-18, FY 2018-19 and FY 2019-20 along with the statutory audit for the years. The 43<sup>rd</sup> and 44<sup>th</sup> Annual General Meetings for FY 2017-18 & FY 2018-19 respectively have also been conducted in February 2021. Now, we are in the process of conducting 45<sup>th</sup> Annual General Meeting for FY 2019-20 during the next month end. As and when the financials and other reporting documents got completed, the same have been reported to the stock exchanges and the authorities.

In addition to all the above-mentioned hardships and bottlenecks, the sudden break of COVID-19 pandemic since March 2020 added problems, created new limitations and very adversely affected the corrective action plans and target timetable of the undersigned. The extended lockdown during FY 2020 and again resurfacing of COVID-19 pandemic spread with new vigor and consequent disruptions in working have certainly quite adverse impact on already stressed operations of the Company.

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.

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Despite given such adverse scenario, the Company has been able to successfully complete all its pending compliances since March, 2018 to March, 2020. (except filing of Annual Accounts for F.Y. 2017-18, F.Y. 2018-19 and F.Y. 2019-20 with Registrar of Companies for the reasons explained above) pertaining to regulations of SEBI LODR.

## 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 ERP makes following disclosure for records of members and other stakeholders.

From Section 18 of the Code and the terms of approved resolution plan, we also understand that the ERP 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) Any other matters incidental thereof, as may be specified;
- (b) Receive and collate all the claims submitted by creditors to ERP, 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 an 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.

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As per the Code, the management of the affairs of the Company has been vested in the IRP/ RP/ ERP, and not the management or operations of the Indian or foreign subsidiaries of the Company. However, the ERP 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 only 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 steps down subsidiaries) and two joint ventures for the year ended March 31, 2020. 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 ERP 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 and the senior accounts and finance team compiling and providing the said financial statements.

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, 2020, 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://jyotisttructures.in/investor.html>.

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Owing the default in repayment of deposits and redemption of debentures including interest thereon, repayment of deposits and interest thereon, the erstwhile Directors before the initiation of CIRP were disqualified with effect from June 27, 2017 as per the provisions of section 164(2)(b) of the Act.

The powers of the Board of Directors were suspended u/s 17 (1) of IBC 2016 by virtue of Hon'ble NCLT Order dated July 4, 2017 and stood vested with the IRP/RP. The appointment of Ms. Vandana Garg was affirmed as the RP of the Company by the Committee of Creditors with effect from August 12, 2017.

The process of taking over of management and control of the Company by the successful resolution applicant is going on. However, on account of the protracted COVID-19 lockdown, which hitherto is again clamped, has adversely impacted the day-to-day operations of the Company as well as the takeover process has also been adversely affected.

Meanwhile, the MCA has issued General Circular No. 08/2020 dated March 6, 2020 regarding filing forms in Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional) or Resolution Professional or Liquidator appointed under IBC code, 2016, while the proceeding and implementation of the resolution plan remains undetermined. The Company has filed Form INC 28 along with required documents on May 5, 2020 for inclusion of the Resolution Professional on the Master Data of the Company designating the RP as the CEO and the Authorized Signatory. The said authentication is still pending with ROC, Mumbai.

The existing directors of the suspended Board, namely Mr. S. D. Kshirsagar, Mr. K. R. Thakur, Mr. R.C. Rawal and Mr. Kalpesh Kikani had expired their tenure and all of them did not get reappointed and the same has been ratified in the 42<sup>nd</sup> Annual General Meeting. The said event has intimated to the stock exchanges as on February 27, 2019. However, the same could not be updated on ROC Master Registers due to the constraint being faced as mentioned hereinabove.

The Company has apprised the stock exchange on the event of sad demise of Mrs. Jyotsna Jamkhadi, Nominee Director as on February 1, 2021.

Ms. Sanjeevlata Samdani resignation as Company Secretary of the Company tendered on May 18, 2018 was accepted

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with effect from October 3, 2019 in Board Meeting (ERP) held on December 16, 2019. The said event has intimated to the stock exchanges as on October 11, 2019.

Mr. Anil Mishra was appointed as Interim Chief Financial Officer by the Committee of Creditors effective from August 12, 2017, which was later ratified by the Company in the Board Meeting (RP) dated August 29, 2017.

Appointment of Ms. Sonali Gaikwad as Company Secretary and Compliance officer was confirmed by the Board in its meeting held on December 16, 2019. The said event has intimated to the stock exchanges as on December 16, 2019.

The ERP has already completed the process of induction of the RP for inducting her name as the CEO of the Corporate Debtor in compliance to the General Circular No. 08/2020 of the MCA dated March 6, 2020. However, the impugned matter is still pending with the ROC.

### **Initiative to comply with stipulated Board Structure:**

The Company was not compliant with the appropriate Board composition pursuant to the provision of SEBI LODR, regulations 2015 for the period of financial year 2019-2020.

The status quo prevailing in the Board forthwith includes Mr. Rajendra Prasad Singh appointed as the Non-Executive and Independent Director as the incumbent to hold office for a term not exceeding three consecutive years starting from February 2, 2021. The term of appointment has been intimated to the stock exchanges as on February 2, 2021.

Furthermore, Mr. Kannan Ramamirtham and Mr. Abhinav Angirish have been expediently appointed as the additional directors (non-executive & Independent), effective from March 17, 2021, to hereby be resolved to hold office till the conclusion of next AGM which is subject to their regularization as the Independent Directors for a term not exceeding three years from the date of ensuing AGM. The abovementioned appointment would cease to hold effect in the contingent circumstances where the approved resolution plan would not be implemented in the designated time which subsequently would lead to liquidation. The term of appointment has intimated to the stock exchanges as on March 17, 2021.

Disqualification under the section 164(2)(b) of the Act manifested the eviction of directors of the company and henceforth their DSC were suspended. On this ground, accordingly under these circumstances, the manual backend process of induction with ROC, Mumbai, for the newly appointed directors had been initiated and Mr. Abhinav Angirish has been successfully appointed as a Director on the Board of the company.

### **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**

Five meetings of the Board of Directors (ERP) were held on April 22, 2019, August 12, 2019, December 16, 2019, February 11, 2020 and March 14, 2020 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**

The erstwhile directors before the initiation of CIRP were disqualified with effect from June 27, 2017 for default in repayment of deposits and redemption of debenture including interest thereon.

Post the initiation of CIRP, the powers of the Board of Directors were suspended and stood vested in Ms. Vandana Garg as IRP/RP with effect from July 4, 2017.

During the financial year under review the Company did not have any constituted Committee of Board.

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## 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. Although sitting fees to the directors has been paid as per the JSL's policy.

## CORPORATE SOCIAL RESPONSIBILITY

With the disqualification of erstwhile directors and suspension of powers of the board w.e.f. July 4, 2017, the powers of Corporate Social Responsibility Committee ("**CSR Committee**") were also suspended.

However, for your kind consideration, please take note that as the Company does not have net profits during any financial years, the Company could not be obligated to constitute a CSR committee, formulate CSR fund, comply with the provisions under Section 135 of the Companies Act, 2013 and explain non-expenditure towards the categories specified in schedule VII thereto.

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.jyotisttructures.in](http://www.jyotisttructures.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 ERP 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 to be operated 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 ERP 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.

## 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, 2019 to March 31, 2020 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.jyotisttructures.in](http://www.jyotisttructures.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 were appointed as Statutory Auditor for a period of 2 (two) years, i.e., FY 2018-19 and FY 2019-20. The appointment and remuneration of Statutory Auditor has been duly approved by the Board and the lenders.

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Appointment of G.P. Sharma & Company, Chartered Accountants, has been initiated for the financial year 2020-2021 to hold office as statutory auditor for a term one year from ensuing 45<sup>th</sup> Annual General Meeting to 46<sup>th</sup> 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 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 include Assets and Liabilities of INR 4,576.55 Lacs and INR 12,854.96 Lacs respectively as of March 31, 2020 (Previous year INR 8211.15 Lacs & INR 11,451.61 Lacs) and Total Revenue & Profit Before Tax of INR 1,436.89 Lacs & INR (-)2918.84 Lacs respectively (Previous year INR 8,429.11 Lacs & INR (-)3426.43 Lacs) for the year ended March 31, 2020 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.

Management's Comment:

In the absence of audited financials of subsidiaries, the management of the company has considered management certified financials of subsidiaries.

- The management has prepared these Consolidated Financial Results on a going concern basis in spite of following facts and circumstances:
  - a) The Group has reported loss after tax of INR 232,928.21 lacs (EBIDT of Rs. (-) 83,970.65 Lacs) during the year;
  - b) The net-worth of the Group has been fully eroded and is INR (-) 968,155.78 Lacs as of March 31, 2020;
  - c) There are no operations at plants during the current financial year and revenue activities have also stopped on the same;

The persistence of abovementioned 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.

Management's Comment:

Hon'ble NCLAT, New Delhi have vide 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.

- In respect of the holding company:

There are credits and debits aggregating to INR 1,40,359.31 lacs and INR 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 of the same in books of accounts. In the absence of details, we are unable to comment on the effect of such entries in the financial results of the Company.

Management's Comment:

ERP has requested respective banks to provide further details of entries posted in the bank statement meanwhile the same is reported as bank reconciliation item. As and when the bank provides details of the same, appropriate entries will be passed in the books of accounts.

## JYOTI STRUCTURES LIMITED

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- Revenue include Revenue pertaining to foreign branches of INR 103.24 lacs, which is as per unaudited trial balance as provided by the management and no further details are made available w.r.t the same.

Management's Comment:

All the foreign branches are managed by the overseas based employees of the Company. The ERP has made all the efforts to arrange for the relevant information/details of branch accounts. The ERP 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 suitability.

- 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 statement.

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.

- In respect of its expenses:

During the year employee costs have been booked as ascertained by the company based on actual attendance, the same was hitherto being accounted for all employees irrespective of attendance. In view of the underlying records being made available partly, we are unable to comment on the Employee Costs of INR 1,087.92 Lacs debited to statement of profit and loss.

In the absence of foreign currency(ies) balances in the books of accounts, we are unable to verify the adequacy of net loss due to foreign exchange fluctuation of INR (-) 4,612.08 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 statement.

Management's Comment:

Due to liquidity constrain, during the year the management of the company had decided to record salary and payroll expenses based on actual attendance of the respective employees. The management has provided respective locations viz plants/factories/HO etc. the attendance registers and salary register to verify the same. Since there is continuously liquidity issues with the Company, no employees were available to collate all the information at respective locations therefore, the management has provided all the necessary information to the maximum extent.

Before the CIRP period, the Company used to maintain all the data and information in SAP Package however, since the company is unable to pay the cost of annual maintained such data is not available and therefore, data with respect to foreign debtors, creditors etc. have been maintained in excel and accordingly exchange gain/loss has been considered for accounting purpose.

- The company has provided for an amount of INR 100.89 Lacs for the year ended March 31, 2020 in respect to the interest payable to Micro and Small Enterprises for which no working/ basis are available. Further, no provision for interest payable in respect of delayed payments to other vendors have been made.

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### Management's Comment:

Based on the information available for MSME creditors, interest has been provided as per applicable rates.

- The statement includes the assets, liabilities, income and expenditure in respect of 11 branches (including one audited branch) out of total 14 branches for the year ended March 31, 2020 and in respect of 1 branch, balances are as on December 31, 2017. These statements have been included based on management accounts of these 11 branches. 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. Amount w.r.t unaudited branches which are incorporated in statement are Total assets and liabilities as on March 31, 2020 of INR 8,711.19 Lacs & INR 10,595.29 Lacs respectively, Total Income of INR 103.24 Lacs and Total Profit (Nett of losses) including Other Comprehensive Income of INR (-) 1,884.11 Lacs for the year then ended. 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.

### Management's Comment:

All the foreign branches are managed by the overseas based employees of the Company. The ERP has made all the efforts to arrange for the relevant information/details of branch accounts. The ERP 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 suitability.

- During 2017-2018, the company had incorporated financial statements of five branches for the period till December 31, 2017. During 2018-2019, unaudited financial statements were available, however details w.r.t intervening period from January 1, 2018 to March 31, 2018 is not available. Further there are opening difference in the branch trial balance aggregating to INR 69.38 lacs which have been debited to Reserves and Surplus for which the underlying details are not available. This has also resulted in the corresponding period figures not being comparable.

### Management's Comment:

All the foreign branches are managed by the overseas based employees of the Company. The ERP has made all the efforts to arrange for the relevant information/details of branch accounts. The ERP 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 suitability.

- The company is carrying INR 832.29 Lacs as prepaid expenses as on March 31, 2020 in respect of which the underlying details are not available and hence, we are unable to comment on the adequacy of the same being charged off or carried forward.

### Management's Comment:

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

- The company had issued preference shares of face value of INR 2,500 Lacs which were repayable along with 69% redemption premium i.e., INR 1,725 lacs on March 14, 2018, the company was not able to redeem the same and liability of INR 4,225 lacs is in books of accounts.

### Management's Comment:

Due to liquidity constraints and considering that the Company is under resolution, preference shares could not be redeemed.



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

- 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 statement and as per bank.

Management's Comment:

ERP is regularly following up with respective vendors, customers, banks etc. for pending confirmations however the same has not been provided as on the balance sheet date. Once the same has been received necessary impact shall be considered and adjustment entries will be passed in books of accounts.

- In connection with the existence of material uncertainties over the realizability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount included in 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 the statement cannot be ascertained.

Management's Comment:

Since the ERP 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 suitability as and when it gets completed/ assessed.

- The internal controls in the company needs to be significantly strengthened considering the following, the impact of which, if any, is not ascertainable:
  - 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 are serious control deficiencies having regard to the fact that sufficient details for the same manually are also not available;
  - b) There has been no system of Risk Control Matrix / Process Controls in place to check the adherence to guidelines, wherever framed by company and to monitor deviations, if any.
  - 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.
- With respect to presentation and 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
  - b) included with principal and part of it being disclosed under Interest Payable;
  - c) the entire amount of trade receivables have been classified as current notwithstanding the contracted terms with the respective customers;
  - d) 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;

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- e) 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;
- f) 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; Similarly, the bifurcation between secured and unsecured could not be verified in the absence of details;
- g) 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 Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Ind AS 108 – Operating Segment.

### 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 ERP has provided all the available information to the auditor and made the best effort to get the information from the previous statutory auditor of the Company. Severe crisis of fund constrained the ERP to make any improvement in control and monitoring mechanism. However, the ERP has been trying her best in keeping control and monitoring on 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.

- 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.

### Management's Comment:

ERP has already approached all the banks/financial institutions for statements/confirmations. All the available statements/confirmations which have been received from the banks/financials institution, 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. Also based on the sanction letters of each lenders the effect of interest, commission, financials charges have been provided in books of accounts.

- 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.
- The original share certificates / holding statement (viz. from DP / other sources) to substantiate the ownership of the company towards equity and other Investments in subsidiaries / associates / others amounting to aggregate carrying value INR 667.04 Lacs are not available due to which are unable to comment on the existence, title and carrying amount of such investments under Non-current assets.

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 March 31, 2020.

### 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 ERP has provided all the available information to the auditor and made the best effort to get the information from the previous statutory auditor of the Company. Severe crisis of fund constrained the ERP to make any improvement in control and monitoring mechanism. However, the ERP has been trying her best in keeping control and monitoring on 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.

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- 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.

Management's Comment:

ERP is regularly following up with respective vendors, customers, banks etc. for pending confirmations however the same has not been provided as on the balance sheet date. Once the same has been received necessary impact shall be considered and adjustment entries will be passed in books of accounts.

- Balances with banks, trade and other receivables, advances, TDS and other deposits and various payables are subject to confirmation and reconciliation and consequential adjustments, if any. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable. Impact whereof on the statement if any is not presently ascertainable.

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, the company has 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 suitability as and when it gets completed/assessed.

- The compliances w.r.t various filings with the Ministry of Corporate Affairs and entries / updation of various registers / forms as required under the Companies Act, 2013 have not been done;
- There has been delay in conduct of general meeting.

Management's Comment:

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

- 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 crystallized or contingent etc.

Management's Comment:

Despite various follow ups for the subsidiary, associates and joint ventures data from respective authorised representatives of these entities, the ERP could not receive 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.

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

Management's Comment:

Due to limited information for each transaction entered in the books of subsidiaries, the management has translated foreign assets and liabilities at an average rate.

- 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.

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### Management's Comment:

In the absence of appropriate details of subsidiaries companies as well as various reconciliations, accurate impact of difference could not be identified and hence the same has been adjusted in opening reserves.

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

### Management's Comment:

There is neither additional subsidiaries detail available nor further development happened during the year with respect to previous disclaimer report and therefore, the same could not be updated.

- In respect of the statement of cash flows for the year ended March 31, 2020:
  - a) The details of the same for branches and unaudited subsidiaries are not available and hence we are unable to verify the derived amounts considered in the statement of cash flows. Further, in respect of the comparative amounts for the year ended March 31, 2019, the details of the opening period are not available and hence the amounts considered under comparative periods could also not be verified.
  - b) There are unreconciled difference, manual adjustments etc. in calculation of operating profit of which the underlying details are not available, the same is not in line with the requirements of Ind AS 7.

### Management's Comment:

Despite various follow-ups, no data with respect to the subsidiaries mentioned has been provided by the subsidiary in charge and therefore, management is not in a position to comment upon.

- 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.
  - 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.

### 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.

- 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 statement. 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 being made available to us due to which we are unable to comment on the requirements of provision, if any, for WIP, foreseeable losses, income accrued but not due etc.

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- 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 INR 440,669.32 Lacs as at March 31, 2020, Provision for INR 304,788.36 Lacs has been made till March 31, 2020 based on the assessment being made by the company. In the absence of confirmation from all the parties, pending reconciliation of all parties, disputed dues which are being contested by the company, encashment of guarantees etc., we are unable to comment on the adequacy of the provision made by the company.

### 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 INR 1,700 Lacs for estimated losses up to March 31, 2020 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.

- 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 statement:

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

### Management's Comment:

Due to insufficient fund and operations of the Company, internal auditors have not been appointed. Further, the domestic revenue of the Company is below the threshold limits for appointment of an internal auditors.

- In the absence of the financial statements or management accounts, for the quarter and year ended March 31, 2020, 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.

### Management's Comment:

Despite various follow-ups, no data with respect to the subsidiaries mentioned has been provided by the subsidiary in charge and therefore, management is not in a position to comment upon.

- 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 are not available due to which we are unable to comment on the same.

### Management's Comment:

Reconciliation of Holding Company balances with subsidiaries books is in process. Further, based on available information from respective subsidiaries, the management has provided information/details for verification to the auditors.

## ANNUAL REPORT 2019-20

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- The requirements of Ind AS – 110 issued by ICAI such as alignment of accounting policies of all components 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.

Management's Comment:

In the absence of audited accounts of subsidiaries and appropriate information/workings with respect to accounting policies of subsidiaries, the management could not identify such variation in accounting policies of holding company vis-à-vis subsidiaries and therefore, the alignment of accounting policies has not been complied.

- The company has considered the management accounts of two foreign subsidiary (including three 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.

Management's Comment:

The financial statements of subsidiaries have been consolidated as per IND AS requirements of line-by-line additions. As far as effect of GAAP /accounting framework of subsidiaries are concerned, due to limited information/details the same could not be considered.

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

Management's Comment:

Due to unavailability of Non-Controlling Interest, Goodwill, Fixed Assets etc. from the subsidiary companies, the same could not be adjusted to the extent information unavailable.

### Cost Auditors

Since the Company is not falling under the threshold limit Cost Audit, hence appointment of Cost Auditor is not applicable for the financial year 2019-20.

### 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.Sandeep Dubey & Associates as the Secretarial Auditor of the Company for the year ended March 31, 2020. 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 the Act. The ERP 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 to appoint Branch Auditors in consultation with the Statutory Auditors for the branch offices of the Company and also to fix their remuneration.

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

# JYOTI STRUCTURES LIMITED

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## **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 ERP under the CIR process calling upon the stakeholders for submission of their claims along with proof, fixed deposit holders filed a consolidated claim with the ERP and the same has been admitted by the ERP 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 INR 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.jyotisttructures.in](http://www.jyotisttructures.in), as also on the website of IEPF Authority ([www.iepf.gov.in](http://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.

# ANNUAL REPORT 2019-20

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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 has 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 accounts leading to further in-efficiencies.
- Non-standardization, non-uniform approach/policy while bidding 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 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.

## 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.

The Company has stringently followed the stipulated guidelines for the prevention of further spread of highly contagious COVID 19 and ensured safe working atmosphere for employees and other stakeholders.

## 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.



# JYOTI STRUCTURES LIMITED

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## DIRECTORS' RESPONSIBILITY STATEMENT

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

- i applicable Accounting Standards have been followed in the preparation of annual accounts for the year ended March 31, 2020 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, 2020 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 ERP took over there were no internal financial controls followed by the Company.
- vi When the ERP took over there were no proper systems to ensure compliance with the provisions of all applicable laws.

## ACKNOWLEDGEMENTS

The ERP 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 ERP. The ERP 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 ERP looks forward to their continued support in future. The ERP has signed the Annual Report without any liability for administrative purpose only.

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

For, Jyoti Structures Limited

**Sd/-**  
**On behalf of the Board of the Company**  
**Ms. Vandana Garg**  
**Erstwhile Resolution Professional and**  
**Member of Monitoring Committee overseeing the implementation of Approved Resolution Plan**  
Reg. No. IBBI/IPA-001/IP-P0025/2016-17/10058

**Date: April 14, 2021**

**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 Insolvency and Bankruptcy 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 ERP. 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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period, the ERP 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.

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## 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 programs	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 web link for the same is <a href="http://www.jyotisttructures.in">www.jyotisttructures.in</a> . 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.  However, the Company has been incurring losses for more than three years and hence unable to undertake any CSR activities.
2	The Composition of the CSR Committee	Current persistent status quo of the company does not necessitate the company to be compliant with the relevant provision in Companies Act, 2013.
3	Average net profit of the Company any financial year	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 [ERP disclaimer] and this report shall be construed accordingly.

For, **Jyoti Structures Limited**

**Sd/-**  
**On behalf of the Board of the Company**  
**Ms. Vandana Garg**  
**Erstwhile Resolution Professional and**  
**Member of Monitoring Committee overseeing the Implementation of**  
**Approved Resolution Plan**  
Reg. No. IBBI/IPA-001/IP-P0025/2016-17/10058

**Date: April 14, 2021**

**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 Insolvency and Bankruptcy 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 ERP. 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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period, the ERP 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.

# JYOTI STRUCTURES LIMITED

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## Annexure II to the Directors' Report

### SECRETARIAL AUDIT REPORT FORM NO. MR – 3

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020.

[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, 6<sup>th</sup> Floor,  
New Link Road, Andheri (West),  
Mumbai-400053.

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

#### **Brief of the Company:**

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 with 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 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 2019-2020, 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 ERP.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, form and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of: -

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

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- (3) The Depository Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) 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;
- (5) The following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act'): -
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)
  - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period)
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
  - vi. 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;
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period)
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to Board ("SS-1") and General Meetings ("SS-2")
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay Stock Exchange Limited (BSE).

## **Our Observations are as follow.**

### **1. Non-Compliance under Companies Act, 2013**

#### **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 27<sup>th</sup> June 2016 for a continuous period of more than 2 year.

#### **Section 96-Annual General Meeting**

The Company has defaulted in holding its 44<sup>th</sup> Annual General Meeting for adoption of financial statement for the financial year March 31, 2019 in accordance with Section 96(1) of the Companies Act, 2013 and rules made thereunder.

#### **Section 134-Financial Statement and Board's Report**

As the 45<sup>th</sup> 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, 2020 before the members accordingly.

## **Section 138-Appointment of Internal Auditor**

During the period under review the Company is required to appoint internal auditor as per the provisions of the Companies Act, 2013 but the Company has not appointed the same.

## **Section 149- Composition of Board of Directors**

Pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 4<sup>th</sup> July 2017 had ordered the commencement of the Corporate Insolvency Resolution Process under the provisions of Insolvency and Bankruptcy Code, 2016. Thereafter, power of Board of Directors stood suspended and Ms. Vandana Garg, Insolvency Professional Registration No. IBB/IPA-001/IP-P00025/2016-17/10058 appointed as Interim Resolution Professional (RP) of the Company.

The Composition of the Board of Directors is not in accordance with Section 149 of the Companies Act, 2013 and rules made thereunder. Beside this the Board of Directors of the Company is required to appoint Woman Director on the Board of the Company. But the company has not appointed the same.

## **Section 164: Disqualification of Appointment of the directors**

During the period under review of the Company none of the Directors of the Company were disqualified except one director, the DIN status of the Mr. Jyotsna Madhu Jamkhandi is deactivated due to non-filling of DIR-3 KYC.

## **Section 177-Audit Committee**

Audit Committee is not constituted, and composition is also not made by the Company as per the provisions of the Companies Act, 2013;

## **Section 178-Nomination and Remuneration Committee**

Nomination and Remuneration Committee is not constituted, and composition is not as per the provisions of Companies Act, 2013.

## **Section 203: Non-appointment of Key Managerial Personnel**

Mr. Kanayo Ratanlal Thakur (DIN: 00001270) is the Managing Director or Chief Executive officer or Manager or Whole-Time Director of the Company.

Company Secretary – Ms. Sanjeevlata Samdani  
(From 9<sup>th</sup> February 2017 to 3<sup>rd</sup> October 2019)

Company Secretary – Ms. Sonali K Gaikwad  
(From 16<sup>th</sup> December 2019 till Present)

Chief Financial Officer-During the period under review the Company did not have Chief Financial Officer in accordance with Section 203 of the Companies Act, 2013. However, Mr. Anil Mishra was appointed as Interim Chief Financial Officer by the Committee of Creditors effective from August 12, 2017, which was later ratified by the Company in the Board Meeting (RP) dated August 29, 2017.

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Sr. No	E-form No	Purpose	Due-Date	Remarks
1	AOC-4 XBRL	Form for filing of financial statements together with all documents attached to the financial statements (for the financial year 2016-17, 2017-18, 2018-19 and 2019-20)	Due date of filing e-form AOC-4 XBRL is 30 days from the date of Annual General Meeting.	The Company did not file the e-forms from the financial year 2016-17 i.e., financial statements has not adopted in the 42 <sup>nd</sup> Annual General Meeting.
2	MGT-7	Form for filing annual return by a company	Due date of filing e-form MGT-7 is 60 days from the date of Annual General Meeting.	The Company did not hold the 45 <sup>th</sup> Annual General Meeting on due date and not filed E-form MGT-7.
3	MGT-15	Report of Annual General Meeting	Yearly	The Company did not hold the 45 <sup>th</sup> Annual. General Meeting on due date and not filed E-form MGT-15.
4	IEPF Forms	Forms pertaining to transfer of funds to Investor Education and Protection Fund	Yearly	NA
5	DIR-12	For appointment of Ms. Sonali K. Gaikwad as a whole-time Company Secretary and Compliance Officer and also Resignation of Mr.Sanjeevlata Samdani	October 11, 2019 and October 03, 2019.	The Company has not filed Form DIR-12 within 30 days of their Appointment and resignation.
6	MGT-14	Appointment of M/s MKPS & Associates., Chartered Accountants as Statutory Auditor for FY 2017-18, 2018-19 and 2019-20	27 <sup>th</sup> Feb2019	The Company has not filed Form MGT-14 within 30 days of their Appointment.
7	INC-28	Intimation of NCLT order	27 <sup>th</sup> May2019	The Company has not filed Form INC-28 within 30 days of NCLT Order

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

Beside the DIN of three Directors were de-activated due to non-filing of Form DIR-3 KYC.

List of e-forms required to be filed for financial year under consideration:

### 1. **Non-Compliances/delay in compliances under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and other Corporate Laws**

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 each half of the financial year).

Period	Submission with BSE	Submission with NSE	Delay/Non-compliances
April-Sep. 2019	01/11/2019	01/11/2019	Yes
Oct-March 2020	30/04/2020	30/04/2020	No

## JYOTI STRUCTURES LIMITED

- 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/Non-Compliances
Apr-Jun 2019	01/11/2019	01/11/2019	Yes
Jul-Sep 2019	01/11/2019	01/11/2019	Yes
Oct-Dec 2019	06/01/2020	06/01/2020	No
Jan-Mar 2020	20/04/2020	20/04/2020	No

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

Quarter	Submission with BSE	Submission with NSE	Delay/Non-compliances
Apr-Jun 2019	10/01/2020	04/12/2019	Yes
Jul-Sep 2019	10/01/2020	04/12/2019	Yes
Oct-Dec 2019	10/01/2020	09/01/2020	No
Jan-Mar 2020	19/05/2020	15/05/2020	No

- iv. Regulation 31 – Shareholding Pattern (to be submitted within 21 days from quarter end).

Quarter	Submission with BSE	Submission with NSE	Delay/Non-compliances
Apr-Jun 2019	06/11/2019	06/11/2019	Yes
Jul-Sep 2019	06/11/2019	06/11/2019	Yes
Oct-Dec 2019	07/01/2020	07/01/2020	No
Jan-Mar 2020	04/05/2020	04/05/2020	Yes

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

Quarter	Adopted in Board Meeting dated	Delay/Non-compliances
Apr-Jun 2019	Yes	Yes
Jul-Sep 2019	Yes	Yes
Oct-Dec 2019	Yes	Yes
Jan-Mar 2020 (Annual Accounts)	Yes	Yes

- vi. **Regulation 46 – Website**

The Company's web site is updated with the help of services of an external agency. All the material information together with financials are being uploaded on Company's website on regular basis.

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

The company has followed appropriate procedure and have intimated the stock exchanges related to the Board meetings convened. Hence has been compliant under this regulation.

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- viii. **Regulation 40(9)** – Certificate from Practicing Company Secretary/Chartered Accountants in respect of delivery of Share Certificates within prescribed period from the date of lodgement of for 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).

Half year ended	Submission with BSE	Submission with NSE	Delay/Non-compliances
April-Sep. 19	07/11/2019	07/11/2019	Yes
Oct-Mar 20	06/05/2019	06/05/2019	No

### 2. Non-compliances/delay in Compliances 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/Non-compliances
Apr-Jun 2019	07/11/2019	07/11/2019	Yes
Jul-Sep 2019	07/11/2019	07/11/2019	Yes'
Oct-Dec 2019	24/01/2020	24/01/2020	No
Jan-Mar 2020	22/04/2020	22/04/2020	No

### 3. Non-compliances/delay in Compliances under Foreign Exchange Management Act, 1999

- a) The Company has delay in submitted to the Reserve Bank of India on Annual Performance Report (APR), in part III of form ODI in respect of each Wholly Owned Subsidiaries (WOS) outside India on due dates.
- b) The Company has delay in filling 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 records and non-availability of records/data/information of below referred Acts, Rules, Regulations, Guidelines, Standards, etc., we cannot comment of their compliances.

- a) Industrial Laws;
- b) Labour laws and other incidental laws related 10 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 Trans boundary Movement) Rules, 2016;
- h) Local Laws as applicable to various offices and plants;

I further report that, based on the information provided by the Company, its officers, and authorized representatives during the conduct of the audit, in my opinion, systems, processes and control mechanism that exist in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines are not adequate.



## **JYOTI STRUCTURES LIMITED**

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I further report that adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

As per minutes of the meetings duly recorded and signed by the Chairman, the decisions were unanimous, and no dissenting views have been recorded.

I further report that during the audit period there were no specific events/actions in pursuance of the above laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

**For Sandeep Dubey & Associates  
(Practicing Company Secretary)**

**Sd/-**

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**Sandeep Dubey**  
**Partner**  
**Membership No.:47940**  
**COP No.: 17902**  
**UDIN : A047940C000316483**

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

# ANNUAL REPORT 2019-20

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## 'Annexure A'

To,  
The Members,  
Jyoti Structures Limited  
Valecha Chambers, 6<sup>th</sup> Floor,  
New Link Road, Andheri (West),  
Mumbai-400053

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The 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 Sandeep Dubey & Associates**  
**(Practicing Company Secretary)**

Sd/-

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**Sandeep Dubey**  
**Partner**  
**Membership No.:47940**  
**COP No.: 17902**

# JYOTI STRUCTURES LIMITED

## Annexure III to the Directors' Report FORM MGT 9

Extract of Annual Return as on the financial year ended 31<sup>st</sup> March, 2020  
[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.jyotisttructures.in
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar & Transfer Agents (RTA), if any:-	Big Share Services Private Limited 1 <sup>st</sup> 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 <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>

### 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	Electricity, transmission, distribution and substation	351	100%

# ANNUAL REPORT 2019-20

## 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, 6 <sup>th</sup> Floor, New Link Road, Andheri (West) Mumbai 400053	U65923MH1993PLC075210	Subsidiary	100%	2(87)
2	Jyoti Energy Limited Valecha Chambers, 6 <sup>th</sup> Floor, New Link Road, Andheri (West) Mumbai 400 053	U40108MH2001PLC132635	Subsidiary	100%	2(87)
3	Jyoti Structures FZE Office No. TPOFCB0612, Jebel Ali, Dubai, United Arab Emirates	Foreign Company	Subsidiary	100%	2(87)
4	Jyoti Structures Namibia (Pty.) Ltd. 108 Andimba ToivoyaToivo Str., Windhoek, Namibia, Postal Address: P.O. Box 40412, Windhoek, Namibia	Foreign Company	Subsidiary	70%	2(87)
5	Jyoti Structures Nigeria Ltd. 15, Adol House, Cipm Avenue, Alausa Ikeja, Lagos, Nigeria	Foreign Company	Subsidiary	100%	2(87)
6	Jyoti Structures Kenya Ltd. Hevea Court, 1 5 Eldama Ravine Road, Off Peponi Road, P.O. Box 10161-00100, Westlands, Nairobi, Kenya	Foreign Company	Subsidiary	100%	2(87)
7	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)

## 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 31 <sup>st</sup> March 2019]				No. of Shares held at the end of the year. [As on 31 <sup>st</sup> March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
a) Individual/ HUF	1,39,71,877		1,39,71,877	12.76	1,39,14,577		1,39,14,577	12.7	-0.05
b) Central Govt									-
c) State Govt(s)									-
d) Bodies Corp.	59,19,685	-	59,19,685	5.4	59,19,685		59,19,685	5.4	0
e) Banks / FI	-	-	-	-					-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>1,98,91,562</b>	<b>-</b>	<b>1,98,91,562</b>	<b>18.16</b>	<b>1,98,34,262</b>		<b>1,98,34,262</b>	<b>18.11</b>	<b>-0.05</b>
<b>B. Public Shareholding</b>									

## JYOTI STRUCTURES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year. [As on 31 <sup>st</sup> March 2019]				No. of Shares held at the end of the year. [As on 31 <sup>st</sup> March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1. Institutions			-	-					
a) Mutual Funds	12,38,173		12,38,173	1.13	12,38,173		12,38,173	1.13	0
b) Banks / FI	22,88,739	0	22,88,739	2.09	22,88,739		22,88,739	2.09	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	386		386	0.2	250		250		0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)					136		136	-	0
<b>Sub-total (B) (1): -</b>	<b>35,27,298</b>		<b>35,27,298</b>	<b>3.2205</b>	<b>35,27,298</b>		<b>35,27,298</b>	<b>3.2205</b>	<b>0</b>
2. Non-Institutions									
a) Bodies Corp.	65,52,656	11,005	65,63,661	5.99	36,49,448	11005	36,60,453	3.34	-2.65
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	5,63,22,767		5,63,22,767	51.4233	5,63,22,767		4,99,12,852	51.4233	0.11
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,78,86,300		1,78,86,300	3.51	2,01,25,094		2,01,25,094	18.37	2.04
c) Others (specify)	-	-	-	-					
Non-Resident Indians	1,15,37,029	-	1,15,37,029	10.53	1,18,34,369		1,18,34,369	10.08	0.5
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	6,29,902	0	6,29,902	0.5751	6,29,902	0	6,29,902	0.5751	0
Trusts	1,830		1,830		1,830		1,830		0
Foreign Bodies - D R	-	-	-	-					
Qualified Foreign Investor									
Other									
<b>Sub-total (B) (2): -</b>	<b>8,56,12,175</b>	<b>4,96,517</b>	<b>8,61,08,692</b>	<b>78.62</b>	<b>8,56,80,538</b>	<b>485612</b>	<b>8,61,66,150</b>	<b>78.67</b>	<b>0.05</b>
Total Public Shareholding (B)=(B) (1) + (B)(2)	8,91,39,381	4,96,767	8,96,36,148	81.84	8,92,07,586	485862	8,96,93,448	81.89	0.05
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-					
<b>Grand Total (A+B+C)</b>	<b>10,90,30,943</b>	<b>4,96,767</b>	<b>10,95,27,710</b>	<b>100</b>	<b>10,90,41,848</b>	<b>485862</b>	<b>10,95,27,710</b>	<b>100</b>	<b>0</b>

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

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## ii) Shareholding of Promoters

SN.	Shareholder's Name	Shareholding at the beginning of the year [As on 31 <sup>st</sup> March 2019]			Shareholding at the end of the year [As on 31 <sup>st</sup> March 2020]			% change in shareholding 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	4,48,500	0.41	0.00	4,48,500	0.41	0.00	-
5	Neeta Mirchandani	4,86,876	0.44	0.00	4,86,876	0.44	0.00	-
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	2,78,975	0.25	0.00	2,78,975	0.25	0.00	-
11	G. L. Valecha	1,60,000	0.15	0.00	1,60,000	0.15	0.00	-
12	Mohini Valecha	70,935	0.06	0.00	70,935	0.06	0.00	-
13	Rajesh Valecha	57,300	0.05	0.00	57,300	0.05	0.00	-
14	Varsha Valecha	36,170	0.03	0.00	36,170	0.03	0.00	-
15	Val-mir Constructions Pvt. Ltd.	59,365	0.05	0.00	59,365	0.05	0.00	-
16	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 31 <sup>st</sup> March 2019]		Cumulative shareholding during the year [As on 31 <sup>st</sup> March 2020]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>RAJESH GOPALDAS VALECHA</b>	<b>57,300</b>	<b>0.05</b>	<b>57,300</b>	<b>0.05</b>
	Sold during the year	-	-	<b>57,300</b>	<b>0.05</b>
	At the end of the year	<b>57,300</b>	<b>0.05</b>	0	0

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

S.N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31 <sup>st</sup> March 2019]		shareholding at the end of the year [As on 31 <sup>st</sup> March 2020]	
		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 Raghunath Chetwani	12,84,850	1.17	12,84,850	1.17
3	Bina Mohan Asnani	16,03,615	1.46	16,03,615	1.46
4	LIC of India Market Plus – Balanced Fund	21,26,514	1.94	21,26,514	1.94
5	VIMLA BABULAL KHANDELWAL	-	-	630179	0.58

## JYOTI STRUCTURES LIMITED

S.N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31 <sup>st</sup> March 2019]		shareholding at the end of the year [As on 31 <sup>st</sup> March 2020]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	HDFC Trustee Company Ltd a/c – HDFC Children's Gift Fund- Investment Plan	12,38,173	1.13	12,38,173	1.13
7	Kunal A Savani	9,00,000	0.82	9,00,000	0.82
8	Sanjay Kapoor	7,38,200	0.67	7,38,200	0.67
9	Chirag M Shah	10,16,790	0.93	10,16,790	0.93
10	Narayanan Srinivasan	5,55,000	0.51	5,55,000	0.51
11	Mahalaxmi Dhatu Udyog Pvt. Ltd.	5,16,521	0.47	5,16,521	0.47

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:**

S.N.	Name of the Director / KMP	Shareholding at the beginning of the year [As on 31 <sup>st</sup> March 2019]		shareholding at the end of the year [As on 31 <sup>st</sup> March 2020]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Not Applicable for financial year under consideration					

\*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 ERP. General Circular No. 08/2020 of the MCA dated March 6, 2020, the RP was inducted on the Board of the company as CEO of the corporate debtor which is anticipated to be resolved soon by Registrar of Companies, Mumbai.

**V. INDEBTEDNESS: -**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(In INR Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,99,048	266	858	5,00,172
ii) Interest due but not paid	3,41,646	232	829	3,42,707
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8,40,695</b>	<b>498</b>	<b>1686</b>	<b>8,42,879</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,56,152	74	262	1,56,488
* Reduction	11	-	-	11
<b>Net Change</b>	<b>1,56,141</b>	<b>74</b>	<b>262</b>	<b>1,56,477</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,55,365	266	858	5,56,489
ii) Interest due but not paid	4,41,470	306	1,090	4,42,867
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9,96,836</b>	<b>572</b>	<b>1,948</b>	<b>9,99,355</b>

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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:

(In INR Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
	<b>Name of Managerial Personnel</b>	
	Gross salary	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	<b>NA*</b>
	(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	
5	Others	
	<b>Total</b>	

\* \*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 ERP.

### B. Remuneration to other directors

(In INR Lacs)

Name of Director	Sitting fees	Commission	Total compensation
<b>Non Executive Directors</b>	<b>NA</b>		
<b>Total (I)</b>			
<b>Independent Directors</b>			
S. D. Kshirsagar**			
R. C. Rawal **			
Jyotsna Jamkhandi##			
Rajendra Prasad Singh	10	-	10
<b>Total (II)</b>	<b>10</b>	<b>-</b>	<b>10</b>
<b>Grand Total (I+II)</b>	<b>10</b>	<b>-</b>	<b>10</b>

\*\*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 ERP.

## Company has apprised the stock exchange on the event of sad demise of Mrs. Jyotsna Jamkhandi, Nominee Director on February 1, 2021.



# JYOTI STRUCTURES LIMITED

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

\*\*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 ERP.

## 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)
<b>COMPANY</b>					
Penalty					
Punishment			*		
Compounding					
<b>DIRECTORS</b>					
Penalty					
Punishment			*		
Compounding					
<b>OTHER OFFICER IN DEFAULT</b>					
Penalty					
Punishment			*		
Compounding					

\* The Company has defaulted with the provisions of the Act as specified in Corporate Governance Report. The Company however vide an application date April 18, 2019, requesting the stock exchanges to waive the penalties and absolving the Company of the obligation by merit of 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 [ERP disclaimer] and this Annexure shall be construed accordingly.

For, **Jyoti Structures Limited**

Sd/-  
On behalf of the Board of the Company  
**Ms. Vandana Garg**  
Erstwhile Resolution Professional and  
Member of Monitoring Committee overseeing the Implementation of  
Approved Resolution Plan

Date: April 14, 2021

Place: Mumbai

Reg. No. IBBI/IPA-001/IP-P0025/2016-17/10058

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 Insolvency and Bankruptcy 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 ERP. 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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the ERP 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.

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## Annexure IV to the Directors' Report

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Directors and Company Secretary during the financial year 2019-20.

**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 ERP.**

During the FY 2019-20, the Company did not pay any amounts to either the directors of the suspended Board or the Chief Executive Officer.

However, Mr. Rajendra Prasad Singh the Non-executive director was paid sitting fees for his services.

The Company do not have Chief Financial Officer ever since the inception of CIR Process dated July 4, 2017. However, the Committee of the Creditors have aptly appointed Mr. Anil Mishra as Interim Chief Financial Officer, effective from August 12, 2017 and which was later ratified by the Company in the Board meeting (RP), dated August 29, 2017.

The Company appointed the new Ms. Sonali Gaikwad as Company Secretary cum Compliance Officer in the month of October 11, 2019 which is ratified in the Board meeting (RP), dated December 16, 2019.

Average percentiles decrease already made in the salaries of employees other than the managerial personnel in the last financial year, i.e., 2018-19 was -0.3% whereas the decrease in the managerial remuneration for the same financial year was 94%.

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 [ERP disclaimer] and this Annexure shall be construed accordingly.

For, **Jyoti Structures Limited**

**Sd/-**  
**On behalf of the Board of the Company**  
**Ms. Vandana Garg**  
**Erstwhile Resolution Professional and**  
**Member of Monitoring Committee overseeing the Implementation of**  
**Approved Resolution Plan**  
Reg. No. IBBI/IPA-001/IP-P0025/2016-17/10058

**Date: April 14, 2021**

**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 Insolvency and Bankruptcy 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 ERP. 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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the ERP 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.

# JYOTI STRUCTURES LIMITED

## 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 endeavored 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 worked with internal and external teams to meet the Energy Performance. However, the operations of the Company have been almost standstill due to the ongoing corporate insolvency resolution process and lock down imposed during most part of FY 2019-20 on account of the directions from the government/ local authorities.

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

The Company undertook various measures to conserve energy by using energy efficient lighting systems, electric transmissions etc. However, the operations of the Company have been almost standstill due to the ongoing corporate insolvency resolution process and lock down imposed during most part of FY 2019-20 on account of the directions from the government/ local authorities.

**iii. Capital investment on energy conservation equipment's:**

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 was reduction of heating time and saving of costly fuel, i.e., fossil oil. It has also eliminated smoke emission.

**iii. Future plans of action:**

The Company is exploring possibilities to have additional Induction Heating Furnaces. In future if the Company will survive and experience growth in business.

**iv. Expenditure on R&D:**

Capital Expenditure on R&D is not quantifiable.

#### C. Foreign Exchange Earnings and Outgo

(In Rs. Lacs)

Sr. No.	Particulars	2019-20*	2018-19
i)	<b>Earnings in Foreign Currency</b>	-	-
	Export of goods /services (including deemed exports and sales through export house)		
	At FOB Price	-	-
	At Invoice Value(Designing &testing charges)	-	-
	Rent of Equipment	-	-
	Interest from Subsidiaries	-	-
ii)	<b>Expenditure in Foreign Currency</b>	-	-
	Expenses of overseas projects (including foreign taxes)		
	Interest	-	-
	Professional Fees	-	-
	Others	-	-

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\* The relevant back-up papers / details are either not available / fully available and / or are under reconciliation. Therefore, the value for F.Y 2019-20 was not derived.

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

For, **Jyoti Structures Limited**

**Sd/-**  
**On behalf of the Board of the Company**  
**Ms. Vandana Garg**  
**Erstwhile Resolution Professional and**  
**Member of Monitoring Committee overseeing the Implementation of**  
**Approved Resolution Plan**  
Reg. No. IBBI/IPA-001/IP-P0025/2016-17/10058

**Date: April 14, 2021**

**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 Insolvency and Bankruptcy 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 ERP. 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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the ERP 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 Hon'ble NCLT, Mumbai bench Order dated July 4, 2017. 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 with the ERP/ RP as per the Insolvency and Bankruptcy Code, 2016. The Resolution Plan for the Company was approved by Hon'ble NCLT, Mumbai Bench on March 27, 2019. However, in terms of the Approved Resolution Plan, for the interregnum period from the date of approval of the 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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the ERP 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. Since the pre-conditions for implementation of the Approved Resolution Plan is yet to be fulfilled, the ERP continues to exercise the powers of the Board of Director of the Company during FY 2019-20.

The ERP has already completed the process of induction of the RP for the reflecting her name as the CEO of the Corporate Debtor in compliance vide general circular no. 08/2020, of the MCA dated March 6, 2020. However, the impugned matter is still pending with the ROC/MCA.

### 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.

The process of taking over by the successful resolution applicant is going on. However, on account of a lockdown induced by the pandemic COVID 19, which hitherto, has impacted the day-to-day operations of the company as well as the takeover process has been adversely affected, which leads to a slower progress in the process and administration of the takeover. The payments against the accepted claims shall be made in accordance with the terms of the Approved Plan by the Resolution Applicant when they began implementation of the plan after takeover. Hence, request to bear with us all the successful resolution applicant takes over control and management of JSL and begins implementation of the plan.

### COMPOSITION OF BOARD

All the existing Directors of the Company prior to initiation of CIRP were disqualified under section 164(2)(b) of the Act with effect from June 26, 2017 for non-repayment of deposits including interest thereon and non-redemption of debentures.

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The powers of the Board of Directors were suspended by virtue of Hon'ble NCLT's Order dated July 4, 2017 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.

Accordingly, the office of the existing Board of Directors at the beginning of financial year under consideration became vacant from 4<sup>th</sup> July 2017 onwards. As such there was no Director on the Board except the ERP for the financial year under consideration.

During the financial year under review the powers of the Board of Directors were exercised by RP as per section 17 (1) (a) of the Code.

Considering long delay in initiation of the implementation of the approved resolution plan, the lenders advised the Erstwhile Resolution Professional (ERP) in December 2019 to file an application before Hon'ble NCLT, Mumbai Bench to seek guidance. Accordingly, the ERP 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.

The status quo prevailing in the Board forthwith includes Mr. Rajendra Prasad Singh appointed as the Non-Executive and Independent Director as the incumbent to hold office for a term not exceeding three consecutive years starting from February 2, 2021.

Further, Mr. Kannan Ramamirtham and Mr. Abhinav Angirish have been expediently appointed as an additional director (non-executive & Independent), effective from March 17, 2021, to hereby be resolved to hold office till the conclusion of next AGM which is subject to their regularization as an Independent director for a term not exceeding three years from the date of ensuing AGM.

The abovementioned appointment of all the three directors would cease to hold effect in the contingent circumstances where the Approved Resolution Plan would not be implemented which subsequently would lead to liquidation.

Five meetings of the Board of Directors were held during the year under consideration on April 22, 2019, August 12, 2019, December 16, 2019, February 11, 2020 and March 14, 2020. 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, 2020 are tabulated below:**

Notes: During the financial year under review the powers of the Board of Directors were exercised by the ERP as per section 17 (1) (a) of Code.

Sr. No.	Name of Director	Category	No. of Board Meetings		Attend- ance at last AGM	No. of other directorships	Membership / Chairmanship of Committees of other Companies
			Held during their tenure	Attended			
1	Vandana Garg	Resolution Professional	5	5	Yes	NA	NA
2	**Rajendra P Singh	Additional Director (Independent)	5	3	Yes	6	6

\* During the year under review the Company has conducted the 43<sup>rd</sup> & 44<sup>th</sup> Annual General Meetings on February 2, 2021 and February 5, 2021 respectively.

\*\* Mr. Rajendra P. Singh, regularized as an Independent Director of the Company, not to retire by rotation, to hold office for a term up to three consecutive years from the date of ensuing Annual General Meeting.

## COMMITTEES OF THE BOARD

As cited above in the Report, no Committee of Board of Directors was constituted during the financial year under review. As such there was no requirement of convening meeting of any committee.

Hon'ble National Company Law Tribunal, Mumbai vide Order No. CP/1137/I&BP/NCLT/MAH/2017 dated July 4, 2017 appointed Insolvency Resolution Professional, ordering commencement of CIRP and Hon'ble National Company Law Tribunal, Mumbai vide Order No. MA 1129/2019 dated March 27, 2019 approved the Resolution Plan submitted by the Successful Resolution Applicant for the Company, effect of which shall be taken in the books upon fulfillment of conditions precedent as per the Approved Plan.

The Situation has not made any progress forthwith, on account of lockdown induced by the global pandemic. Hence the process of takeover got delayed and thereby power of Board still vests with the Erstwhile Resolution Professional.

However, as the RP took over the power of Board of Directors of the Company as per section 17 (1) (a) of the Code, following details of the Committees adopted by the erstwhile Directors of the Company prior to the CIRP process are listed below:

### i. **Audit Committee**

Scope of activities of the Audit Committee is 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.

However, albeit the company falls under the eligibility pursuant to section 177 of Companies Act, but due to deficiency in Board composition, the Company has not constituted an Audit Committee for the period of Financial Year 2019-2020.

### ii. **Stakeholders Relationship Committee**

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, 2020, 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.

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During the year under review, the Company had received 0 (zero) investor complaints and the same have been redressed to their satisfaction.

However, albeit the company falls under the eligibility pursuant to Regulation 20 of SEBI LODR Regulations 2015, but due to deficiency in Board composition, the company has not constituted an Audit Committee for the period of Financial Year 2019-2020.

### iii. **Nomination & Remuneration Committee**

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.



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- 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.

However, albeit the company falls under the eligibility pursuant to section 178 of Companies Act, but due to deficiency in Board composition, the company has not constituted a Nomination & Remuneration Committee for the period of Financial Year 2019-2020.

**iv. Corporate Social Responsibility Committee**

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.

However, for your kind consideration, please take note that as the Company does not have net profits during any financial years, the Company could not be obligated to constitute a CSR committee, formulate CSR fund, comply with the provisions under Section 135 of the Companies Act, 2013 and explain non-expenditure towards the categories specified in schedule VII thereof.

**v. Risk Management Committee**

The Committee's 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.

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.

However, albeit the company falls under the eligibility pursuant to Regulation 21 of SEBI LODR Regulation 2015, but due to deficiency in Board composition, the company has not constituted a Risk Management Committee for the period of Financial Year 2019-2020.

**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.

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## Independent Directors Meeting

### I. Role and Functions:

The independent directors shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### II. Duties:

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

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- 10) ascertain and ensure that the company has an adequate and functional vigilmechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

However, albeit the company falls under the eligibility pursuant to Regulation 21 of SEBI LODR Regulation 2015, but due to deficiency in Board composition, the company has not constituted a Risk Management Committee for the period of Financial Year 2019-2020.

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

None of the non-executive directors hold shares in the company.

## Disclosure of relationships between directors inter-se

Not Applicable during financial year under consideration.

## INFORMATION PLACED BEFORE THE BOARD

Not Applicable during financial year under consideration.

## SUBSIDIARY COMPANIES

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

The ERP 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 [ERP 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 ERP, no information related to subsidiary companies have been placed before the Board during its meetings held by the ERP, due to the factors detailed in Annexure [ERP disclaimer].

## 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
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.	During the Annual General Meeting, no Special resolution was passed.	During the Annual General Meeting, no Special resolution was passed.
February 2, 2021 Through Video Conferencing/OAVM mode at Registered office	11:00 A. M.	During the Annual General Meeting, no Special resolution was passed.	During the Annual General Meeting, no Special resolution was passed.
February 5, 2021 Through Video Conferencing/OAVM mode at Registered office	11:00 A. M.	During the Annual General Meeting, no Special resolution was passed.	During the Annual General Meeting, no Special resolution was passed.

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## Resolutions passed through Postal Ballot Last Year Nil

### DISCLOSURES

#### 1. Materially Significant Related Party Transactions

Related Party Transactions are provided in financial statements of the company.

The ERP 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 ERP 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 Company has formulated a policy on dealing with Related Party Transactions. The policy is available on the website of the Company [www.jyotisttructures.in](http://www.jyotisttructures.in).

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

For the FY 2019-20, there were delay in compliance with respect to filing of financial results, shareholding pattern, reconciliation of share capital and statement of investor complaints in terms of SEBI LODR, caused due to delay in caused due to non-cooperation of the former Company Secretary of the Company, non-availability of human resources to complete the compliances, delay in realizing timely payments to intermediaries like depositories and transfer agents. Consequently, there were penalties imposed on the Company by the Stock Exchanges.

During the F.Y. 2019-20, Company has appointed Ms. Sonali Gaikwad as Company Secretary & Compliance Officer w.e.f December 16, 2019. The Company has complied with all the Regulations of SEBI LODR till March, 2020.

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**

Explanations for delayed compliances have been mentioned in the previous section.

Sr. No.	Regulations of SEBI LODR, 2015	Quarter	Due date	Filing date
1	PCS Certificate under Regulation 40 (9)	September, 2019	October, 2019	November 7, 2019 On BSE & November 7, 2019 on NSE
		March, 2020	April, 2020	May 6, 2020 On BSE & May 6, 2020 on NSE
2	Compliance Certificate under Regulation 7(3)	September, 2019	October, 2019	November 1, 2019 on BSE & NSE
3	Investor Grievance Report under Regulation 13 (3)	June, 2019	July, 2019	November 1, 2019 on NSE
		September, 2019	October, 2019	November 1, 2019 on BSE & NSE
4	Shareholding Pattern as per Regulation 31	June, 2019	July 12, 2019	November 6, 2019 on BSE & NSE
		September, 2019	October 21, 2019	November 6, 2019 on BSE & NSE
		March, 2020	April 21, 2020	May 4, 2020 on BSE & NSE
5	Corporate Governance Report under Regulation 27(2)	June, 2019	July 15, 2019	January 10, 2020 On BSE & December 4, 2019 on NSE
		September, 2019	October 15, 2019	January 10, 2020 On BSE & December 4, 2019 on NSE
		December, 2019	January 15, 2020	January 10, 2020 On BSE & January 9, 2020 on NSE
		March, 2020	April 15, 2020	May 19, 2020 On NSE & May 15, 2020 on BSE
6	Financial Results under Regulation 33	June, 2019	August 15, 2019	April 15, 2021 on BSE & NSE
		September, 2019	November 15, 2019	April 15, 2021 on BSE & NSE
		December, 2019	February 15, 2020	April 15, 2021 on BSE & NSE
		March, 2020	May 30, 2020	April 15, 2021 on BSE & NSE

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### SEBI (Depository Participant) Regulations, 2018

Sr. No.	Regulations of SEBI LODR, 2015	Quarter	Due date	Filing date
1	Reconciliation of Share Capital Audit Report as per regulation 76 SEBI (DP) Regulation, 2018	June, 2019	July, 2019	November 1, 2019 On BSE & November 4, 2019 on NSE
		September, 2019	October, 2019	November 1, 2019 On BSE & November 4, 2019 on NSE
		March, 2020	April 30, 2020	May 6, 2020 On BSE & May 6, 2020 on NSE

### 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.jyotisttructures.in](http://www.jyotisttructures.in).

During the financial year under review there were no instances of Whistle Blower as per vigil mechanism of the Company.

### 4. Policy for determining 'material' subsidiaries:

The ERP 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:

Although, this is a normal course of action, but is not required in the case of Mr. R.P. Singh, who has been inducted on the Board of Jyoti Structures Ltd. For the FY 2019-2020, due to his incumbency in the PGCIL as CMD and his presence on Boards of various companies .

### 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 ERP 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. Website:

As the website of the Company is not functional due to non-cooperation of IT Head of the Department of the Company has not complied with the requirements specified in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) of SEBI LODR.

The Company's web site is updated with the help of services of an external agency. All the material information together with financials are being uploaded on Company's website on regular basis.

### RECONCILIATION 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 are in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

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## MEANS OF COMMUNICATION

The Company has furnished financial results on quarterly / half yearly basis 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.jyotisttructures.in](http://www.jyotisttructures.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.jyotisttructures.in](http://www.jyotisttructures.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 is 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.

The Ministry of Corporate Affairs 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 ERP 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 [ERP 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, June 15, 2021

Venue : Through Video Conferencing/ OAVM

### B. Financial Calendar

: April to March (financial year)

First Quarter Results - Declared on March 17, 2021

Second Quarter Results – Declared on March 17, 2021

Third Quarter Results - Declared on March 17, 2021

Standalone Annual Audited Results – Declared on March 17, 2021

Consolidated Annual Audited Results-Declared on April 14, 2021

**Book Closure** : Tuesday, June 8, 2021

## JYOTI STRUCTURES LIMITED

### C. 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 2019-20.

### D. Market Price Data:

MONTH	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April – 19	4.43	2.39	3.45	1.95
May – 19	10.34	7.65	3.15	2.85
June – 19	3.45	3.45	2.75	2.75
July – 19	8.43	6.61	2.75	2.65
Aug – 19	7.25	5.08	2.55	2.55
Sept – 19	6.05	016	2.45	2.45
Oct – 19	3.45	3.45	2.35	2.35
Nov – 19	3.45	3.28	-	-
Dec – 19	5.77	3.12	2.25	2.15
Jan – 20	3.12	4.03	2.05	1.85
Feb – 20	4.09	2.44	1.8	1.65
Mar – 20	2.97	2.50	1.75	1.3

### E. 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, Big Share Services Private Limited and approved by the Stakeholder Relationship Committee of the Board of the Company / RP as the case may be.

## ANNUAL REPORT 2019-20

### F. Distribution of shareholding and shareholding pattern as of 31<sup>st</sup> March 2020

As per the information received from the RTA for the quarter and the year ended March 31, 2020, the Distribution of Shareholding.

Range			No. of shareholders	% of shareholdings	Amount (in Rs.)	% of total capital
1	-	5,000	31,551	66.9347	56,35,454	5.1452
5,001	-	10,000	6,353	13.4777	54,61,935	4.9868
10,001	-	20,000	3,943	8.365	63,50,113	5.7977
20,001	-	30,000	1,485	3.1504	38,91,962	3.5534
30,001	-	40,000	733	1.555	26,75,356	2.4426
40,001	-	50,000	807	1.712	39,00,360	3.5611
50,001	-	1,00,000	1,127	2.3909	88,22,964	8.0555
1,00,001 and above			214	0.4544	1,138	2.4142
<b>Total</b>			<b>47,137</b>	<b>31,551</b>	<b>66.9347</b>	<b>56,35,454</b>

### Shareholding Pattern as on 31<sup>st</sup> March 2020

Category of shareholders	No. of Shares	% of shares
Promoters - Individuals	1,39,14,577	12.70
- Bodies Corporate	59,19,685	5.40
Other Bodies Corporate	36,60,453	3.34
NRIs / FIIs	80,89,428	7.39
Financial Institutions/Banks/Mutual Fund	35,27,298	3.22
Indian Public	7,44,16,229	67.95
<b>Total</b>	<b>10,95,27,710</b>	<b>100.00</b>

### G. Dematerialization of Shares

As per the information received from the RTA for the quarter and the year ended March 31, 2020, 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.

### H. 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-422007(Maharashtra) Tel: +91 2536603225/227 Fax: +912536603226		Plot No. 1037/1046, Sarora Ring Road, Near Wool Worth, UrliIndustrial Area, Raipur-493221(Chhattisgarh) Tel: +91771 4213100/101; Fax: +91771
L.	<b>Tower Testing Station:</b> Ghoti, Igatpuri, Dist.-Nasik-422002 Maharashtra. Tel: +91 2553282211 Fax: +91 2553282212	M.	<b>Training Centre:</b> "Gurukul", PlotNo.H-37, Shivaji Nagar, M.I.D.C., Satpur, Nasik-422007 Maharashtra. Tel.: +912532350099	N.	<b>Address for Correspondence:</b> Jyoti Structures Limited Valecha Chambers, 6 <sup>th</sup> Floor, NewLink Road, Andheri (West), Mumbai 400053 Tel No: +912240915000



# JYOTI STRUCTURES LIMITED

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## DECLARATION – CODE OF CONDUCT

The ERP 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 April 1, 2019 to March 31, 2020 that are fraudulent, illegal or violate 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 [ERP disclaimer] (which shall form an integral part of this declaration) and this declaration shall be construed accordingly.

For, **Jyoti Structures Limited**

**Sd/-**  
**On behalf of the Board of the Company**  
**Ms. Vandana Garg**  
**Erstwhile Resolution Professional and**  
**Member of Monitoring Committee overseeing the Implementation of**  
**Approved Resolution Plan**  
Reg. No. IBBI/IPA-001/IP-P0025/2016-17/10058

**Date : April 14, 2021**

**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 Insolvency and Bankruptcy 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 ERP. 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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the ERP 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.

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## 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 galvanizing transmission towers and structures up to 110,000 metric tons 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.

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, Mumbai 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, during the interregnum period from the date of approval of the 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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period, the ERP 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.

The process of taking over by the successful resolution applicant is going on. However, on account of a lockdown induced by the pandemic COVID 19, which hitherto, has impacted the day-to-day operations of the company as well as the takeover process has been adversely affected, which leads to a slower progress in the process and administration

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## JYOTI STRUCTURES LIMITED

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of the takeover. The payments against the admitted claims shall be made in accordance with the terms of the Approved Plan by the Resolution Applicant when they began implementation of the plan after takeover.

### Industry Overview

The RBI has revised its forecast of economic growth for the current fiscal year (2020-21) to (-) 7.5 per cent compared to its earlier forecast of (-)9.5%.

The economy declined by a massive 23.9 per cent in the first quarter on account of the COVID-19 pandemic.

During year 2020-21 (up to November 11, 2020) country's installed capacity of power generation was 374199.04 MW with Thermal 231320.72 MW, Nuclear 6780.00 MW, Hydro 45699.22 MW and Renewable Energy Source 90399.11 MW.

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:

- As per the Central Electricity Authority (CEA) estimates, by 2029-30 the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%.
- Solar tariffs in India have reduced from ~Rs.7.36/kWh (US 10 cents/kWh) in FY2015 to Rs.2.63/kWh (US 3.57 cents/kWh) in FY2020.
- On November 17, 2020, Energy Efficiency Services Limited (EESL), a joint venture of PSUs under the Ministry of Power and Department of New & Renewable Energy (DNRE), Goa, signed a memorandum of understanding to discuss roll-out of India's first Convergence Project in the state.
- In October 2020, the government announced a plan to set up an inter-ministerial committee under NITI Aayog to forefront research and study on energy modelling. This, along with a steering committee, will serve the India Energy Modelling Forum (IEMF) jointly launched by NITI Aayog and the United States Agency for International Development (USAID).
- The Government of India has allocated Rs.111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY 2019-25. The energy sector is likely to account for 24% capital expenditure over FY 2019-25.
- The Union Budget 2020-21 has allocated Rs.15,875 crore (US\$ 2.27 billion) to the Ministry of Power and Rs.5,500 crore (US\$ 786.95 million) to Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY).
- Government plans to establish renewable energy capacity of 500 GW by 2030.
- Pradhan Mantri Sahaj Bijli Har Ghar Yojana-Saubhagya was launched by Government of India with an aim to achieve universal household electrification by March 2019.
- In September 2018, a draft amendment to Electricity Act, 2003 was introduced. It discussed separation of content and carriage, direct benefit transfer of subsidy, 24\*7 power supply as an obligation, penalization on violation of PPA, setting up smart meter and prepaid meters along with regulations related to the same.
- Ujjwal Discoms Assurance Yojana (UDAY) was launched by the Government 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% by FY2019.

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.

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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 11% of total energy generation in the country during 2020-21.

The electricity generation target of conventional sources for the year 2020-21 has been fixed as 1330 Billion Unit (BU). i.e., growth of around 6.33% over actual conventional generation of 1250.784 BU for the previous year (2019-20). The conventional generation during 2019-20 was 1250.784 BU as compared to 1249.337 BU generated during 2018-19, representing a growth of about 0.12%.

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. All these shall require transmission of electricity generation from different points of generation to the points of consumptions and then electricity distribution and sub-station requirements will also come up.

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://cea.nic.in/old/reports/monthly/installedcapacity/2020/installed\\_capacity-11.pdf](https://cea.nic.in/old/reports/monthly/installedcapacity/2020/installed_capacity-11.pdf)

### Challenges and Strategy

The process of taking over by the successful resolution applicant is going on. However, on account of a lockdown induced by the pandemic COVID 19, which hitherto, has impacted the day-to-day operations of the company as well as the takeover process has been adversely affected, which leads to a slower progress in the process and administration of the takeover. The payments against the accepted claims shall be made in accordance with the terms of the Approved Plan by the Resolution Applicant when they began implementation of the plan after takeover. Hence, request to bear with us all the successful resolution applicant takes over control and management of JSL and begins implementation of the plan.

For two successive years (FY 2021 & FY 2022), the company has been facing a downturn on account of Global pandemic induced impediments and adverse circumstances caused by the same, hence JSL's revival process faced immense challenges. Subsistence of successive losses for over a period exceeding three years as well as elevated net worth erosion might have arrested Company's ability in participating in fresh bids.

Extraordinary elongation of the CIRP, Resolution Plan implementation interim period and Global economies being ambushed by widespread pandemic has impacted the probable prospective opportunities for the Company unfavorably and consequent depletion in key manpower resources have made already jeopardized situation of JSL even more prejudiced.

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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the ERP 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.

Considering long delay in initiation of the implementation of the approved resolution plan, the Erstwhile Resolution Professional (ERP) reckoned with the advice of lenders to file an application with Hon'ble NCLT to seek guidance vide application dated January 24, 2020.

## Risk Management and Internal Control

The ERP could not find an Enterprise Risk Management framework across the organization. The ERP 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; the ERP 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 Companies Act, 2013 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 investigations are leading to further in-efficiencies.
- Non-standardization, non-uniform approach/policy while bidding 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.

However, all the directors of the Company were 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 ERP 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.

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## 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 [ERP 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**

**Sd/-**  
**On behalf of the Board of the Company**  
**Ms. Vandana Garg**  
**Erstwhile Resolution Professional and**  
**Member of Monitoring Committee overseeing the Implementation of**  
**Approved Resolution Plan**  
Reg. No. IBBI/IPA-001/IP-P0025/2016-17/10058

**Date: April 14, 2021**

**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 Insolvency and Bankruptcy 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 ERP. 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 ERP under the guidance of the Secured Financial Creditors, in close co-ordination with the proposed investors. During this period the ERP shall perform the same duties (as it is required to discharge and as may be further stipulated by the monitoring committee i.e., ERP) 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.

# JYOTI STRUCTURES LIMITED

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## ANNEXURE A

### Erstwhile Resolution Professional' s Disclaimer and Disclosure

It is pertinent to note that the ERP 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 ERP 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 ERP 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 2019-2020, 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 ERP 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 ERP which the ERP 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 ERP takes no onus with respect to the validity and authenticity of such information. The ERP 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 ERP 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 ERP does not make any representations regarding accuracy, veracity and sufficiency of the 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 ERP for record and/ or her approval/

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consent. The ERP 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 2019-2020 got delayed because of considerable time taken in resolving the above-mentioned issues partially so as to enable the process of financial closure to begin. The ERP 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 2019-2020 for administrative purpose only under the above stated limitations and without any onus or liability. In case any material information is disclosed to the ERP 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**

**Sd/-**  
**On behalf of the Board of the Company**  
**Ms. Vandana Garg**  
**Erstwhile Resolution Professional and**  
**Member of Monitoring Committee overseeing the Implementation of**  
**Approved Resolution Plan**  
Reg. No. IBBI/IPA-001/IP-P0025/2016-17/10058

**Date: April 14, 2021**

**Place: Mumbai**



# JYOTI STRUCTURES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Jyoti Structures Limited Report on the audit of the Standalone Financial Statements

#### Disclaimer of Opinion

1. We were engaged to audit the accompanying Standalone Financial Statements of Jyoti Structures Limited (the "Company"), for the year ended March 31, 2020 which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss (including Other Comprehensive Income) 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 audited trial balance of one branch; unaudited management reported figures / amounts in respect of its eleven branches (out of which the figures till 31<sup>st</sup> December 2017 have been considered in respect of one branch). These financial statements do not include the amounts in respect of two of the branches of the company. The statement of cash flows does not form part of these standalone financial statements which as further detailed at Note No. 32 (49) of the standalone financial statements is under compilation.

We do not express an opinion on the accompanying standalone financial statements of the company. Because of the significance of the matter described in the Basis for Disclaimer of opinion section of our report read along with our comments in Annexure – A, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

#### 2. Basis for Disclaimer of Opinion

- i) *The Hon'ble National Company Law Tribunal (NCLT) pursuant to application filed under Corporate Insolvency Resolution Process (CIRP) had passed order dated March 27, 2019 approving a plan for resolution of the company, which shall, amongst others, require giving effect to changes in the reported amount of assets and liabilities, the effect of which shall be taken in the books upon fulfilment of conditions precedent as per the plan. Accordingly, the standalone financial statement does not include any adjustment which may arise from giving effect to the approved plan. Further, the effect of the process of claims reconciliation has not been fully taken in the standalone financial statements, which have been further disclosed in Note no. 32 (10 & 32) of the standalone financial statements. Due to these conditions at the date of this report, we are unable to ascertain the impact of the same on the accompanying standalone financial statements. The management has prepared these standalone financial statements on a going concern basis despite of following facts and circumstances:*

- a) *The company has reported loss after tax of INR 230,001.63 lacs (EBIDT of Rs. -81,905.77 Lacs) during the year;*
- b) *The net-worth of the company has been fully eroded and is INR (-) 959,666.33 Lacs as at 31 Mar 2020;*
- c) *There are no operations at plants during the current financial year and revenue activities have also stopped on the same;*

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

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- ii) *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 and no details / documents have been provided to us with respect to the matters / balances for which disclaimer were issued and hence we are unable to verify the same during current year in so far as it relates to the opening balances for the year.*
- iii) *We refer to Note No. 32(34) of the standalone financial statements wherein management has stated that in the absence of details, effect of debits and credits aggregating to Rs. 16.99 lacs and Rs. 140,359.31 lacs respectively in bank statement(s) has not been taken in books of accounts.*
- iv) *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..*
- v) *Revenue of Rs. 246.23 lacs includes Revenue pertaining to foreign branches of Rs. 103.24 lacs, which is as per unaudited trial balance as provided by the management and no further details are made available w.r.t the same.*
- vi) *The inventory records / stock ledger (being part of books of accounts) are not available due to which we are unable to trace / reconcile the movement, if any, in the same through purchase, sales, consumption etc. and comment on the provision, if any, required based on the condition and usability of the stocks. As further referred in Note No. 32(36), 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 standalone financial statements.*
- vii) ***In respect of its expenses:***
- a) *Reference is made to Note No. 32(37) of the standalone financial statements where it has been stated that during the year employee costs have been booked as ascertained by the company. In view of the underlying records being made available partly, we are unable to comment on the Employee Costs of Rs. 1,087.92 Lacs debited to statement of profit and loss.*
- b) *In the absence of foreign currency(ies) balances in the books of accounts, we are unable to verify the adequacy of foreign exchange gain (nett of loss) of Rs. 4,612.08 lacs (including for foreign branches) in the standalone financial statements.*

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

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

- a) *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 statements. Further, the details of work in progress with the age, stage of completion, acceptability to customers, estimated future cost to completion, progress billing etc. not made available due to which we are unable to comment on the requirements of provision, if any, for WIP, foreseeable losses and income accrued but not due.*
- b) *No 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.*
- c) *As against the total amount of Trade Receivables of Rs. 440,669.32 Lacs as at March 31, 2020, Provision for Rs. 304,788.36 Lacs has been made till March 31, 2020 based on the assessment being made by the company in the absence of Confirmation from all the parties, pending reconciliation of all parties, disputed dues which are being contested by the company, encashment of guarantees etc. we are unable to comment on the adequacy of the provision made by the company.*

**x) Identified non compliances of Companies Act**

*We are unable to comment on the impact, if any, of these identified non-compliances of the provisions of Companies Act, 2013 on the accompanying standalone financial statements:*

- a) *The Company has not appointed Internal Auditors which is not in compliance with Section 138 of the Companies Act 2013;*
  - b) *Consolidated financial statements, as required to be prepared under section 129 of the Companies Act, 2013, have not been prepared by the company;*
  - c) *The company has provided for an amount of Rs. 100.89 Lacs for the year ended March 31, 2020 in respect to the interest payable to Micro and Small Enterprises for which no working/ basis are available. Further, no provision for interest payable in respect of delayed payments to other vendors have been made;*
  - d) *As further detailed at Note No. 32(39) of the standalone financial statements, due to the directors being disqualified by MCA Annual Return in DPT – 3 has not been filed in respect of Public Deposits accepted by the company as required under the Companies Act, 2013;*
  - e) *As further detailed at Note No. 32(39) of the standalone financial statements, due to the directors being disqualified by MCA, the compliances w.r.t various filings with the Ministry of Corporate Affairs and entries / up-dation of various registers / forms as required under the Companies Act, 2013 have not been done;*
  - f) *There have been delay in conduct of general meeting.*
- xi) a)** *As referred to in paragraph 1 of our report, the financial statements include the assets, liabilities, income, and expenditure in respect of 11 branches based on the unaudited management reported figures / amounts. 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. Further, there are transactions and balances for inter branch and Head office, which has not been eliminated. Amount w.r.t unaudited branches which are incorporated in the financial statements are Total assets and liabilities as on March 31, 2020 of Rs. 8711.19 Lacs & Rs. 10,595.29 Lacs respectively, Total Income of Rs. 103.24 Lacs and Total Profit (Nett of losses) including Other Comprehensive Income of Rs. (-)1,884.11 Lacs for the year then ended. Further, the foreign exchange rates considered for translating the items in statement of profit and loss is also not being correctly taken.*

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- b) *During 2017-18, the company had incorporated financial statements of five branches for the period till December 31, 2017. During 2018-19, unaudited financial statements were available, however details w.r.t intervening period from 01.01.2018 to 31.03.2018 is not available. Further there are opening difference in the branch trial balance aggregating to Rs. 69.38 lacs which have been debited to Reserves and Surplus for which the underlying details are not available. This has also resulted in the corresponding period figures not being comparable.*
- c) *In view of pending confirmations/reconciliation from certain banks and financial institutions / others for different types of accounts and borrowings including non-fund-based limits, we are unable to comment on the impact, if any, on the standalone financial statements arising out of such pending confirmations / reconciliation.*
- d) *The company is carrying Rs. 832.29 Lacs as prepaid expenses as on March 31, 2020 in respect of which the underlying details are not available and hence, we are unable to comment on the adequacy of the same being charged off or carried forward.*

### **xii) Others:**

- a) *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; and*
- b) *The internal controls in the company needs to be significantly strengthened considering the following, the impact of which, if any, cannot be ascertained:*
  - i) *The accounting software used is Tally ERP which is an independent standalone accounting system which should be integrated with other operational areas such as Inventory, HR, Production, Sales etc. to have better control having regard to the fact that sufficient details for the same manually are also not available.*
  - ii) *There has been no system of Risk Control Matrix / Process Controls in place to check the adherence to guidelines, wherever framed by company and to monitor deviations, if any;*
  - iii) *The process of controls w.r.t. booking and maintenance of back up records in respect of expenses needs to be improved.*
  - 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 made available, which is an important control documents for revenue from such activities.*
- c) *With respect to disclosure requirements of Schedule – III to the Companies Act, 2013, identified non-compliances or non-availability of details are as under:*
  - i) *Bifurcation of interest payable on loan is not being done properly, in view of some part of it being included with principal and part of it being disclosed under Interest Payable.*
  - ii) *the entire amount of trade receivables have been classified as current notwithstanding the contracted terms with the respective customers;*
  - iii) *Amount and period of default in repayment of borrowing and interest have not been provided in order to comply with the presentation and disclosure requirement as per the schedule III of the Companies Act, 2013*
  - iv) *The additional disclosures as required under schedule – III are as compiled by the management and have been provided to the extent details are available with the management. In the absence of underlying details, we are unable to verify and comment in respect of the same;*

## JYOTI STRUCTURES LIMITED

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- v) *Classification as current and non-current for various items of assets and liabilities has not been done as per contracted terms as required under IndAS; Similarly, the bifurcation between secured and unsecured could not be verified in the absence of details*
- vi) *The company has not disclosed the information pursuant to the requirement of Segment Reporting in respect of its geographical segments (viz. within India & outside India), the same is also not in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Ind AS 108- Operating Segment.*
- vii) *The company has not included the Statement of Cash Flows for the year ended March 31, 2020 in these standalone financial statements, the same is also not in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Ind AS 7- Statement of Cash Flows.*
  
- d) *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 standalone financial statements.*
- e) *Pending the finalisation of claims reconciliation process the ad-hoc accounting of operational and financial creditors as done in the earlier years continue. Further, no interest has been accrued in respect of part of the amount. In the absence of details, we are unable to verify the same.*

### 3. Basis for Qualified Opinion

#### **i) In respect of its Investments:**

- a) *The original share certificates / holding statement (viz. from DP/ other sources) to substantiate the ownership of the company towards equity and other Investments in subsidiaries / associates / others amounting to aggregate carrying value Rs. 667.04 Lacs are not made available due to which are unable to comment on the existence, title and carrying amount of such investments under Non-current assets.*
- b) *There are no documents / working available for assessment of carrying value of all the Non-Current investments, in the absence of which we are unable to comment on the adequacy of impairment loss of Rs. 7,648.42 Lacs as at the yearend and carrying amount of investments as at 31-Mar-2020.*
- ii) *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.*

#### **iii) Contingent Liabilities**

- a) *The company has Rs. 52,095.18 lacs under contingent liabilities for Bank Guarantees. However, as per details compiled by the management, Bank Guarantees of Rs. 27,462.25 lacs are live, bank guarantees of Rs. 14,058.08 lacs has been expired and Rs.10,574.85 lacs have been cancelled. Out of these the status in respect of Rs. 23,689.76 lacs have not been confirmed by banks. However, the Company is continuing to show the expired and cancelled Bank Guarantees aggregating to Rs. 24,632.93 lacs as Contingent Liability. Further, provision for BG commission has been made to the extent details in respect of the same is made available by the lenders.*
- b) *The details in respect of corporate guarantees of Rs. 75,003.98 lacs for its subsidiary / associate company for loans and other matters. The financial statements and other operating details in*

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*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.*

- iv) Balances with banks (including for loans & term deposits), trade and other receivables, advances, TDS and other deposits and various payables are subject to confirmation, reconciliation and consequential adjustments, if any. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable. Impact whereof on the financial statements 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 some cases. In the absence of which, it is not possible to confirm the balances as reported in the financials and as per bank.*
- vii) In connection with the existence of material uncertainties over the realizability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount included in standalone financial statements and other assets which are past due/ subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets. Pending such determination, the impact on the financial statements cannot be ascertained.*

#### **4. Material Uncertainty Related to Going Concern**

We refer to Note 32 of the standalone financial statements, the Company has incurred loss of Rs. 230,001.63 Lacs (EBITA of Rs. (-) 81,095.77 Lacs) during the year and has a negative net-worth of Rs. 959,666.33 Lacs as at March 31, 2020. Further, the company had been at recurring defaults w.r.t. debts covenants, legal, statutory and employee dues and compliances; operations at its plants have been significantly reduced. The company has been admitted under Corporate Insolvency Resolution Process (CIRP) under which the resolution plan submitted by the company has been approved by the Hon'ble NCLT. This plan *interalia* includes certain conditions precedent which are yet to be complied with. The matters described in the Basis for Disclaimer of Opinion section above and Report on Other Legal and Regulatory Requirements section below may also have an impact on the Company's ability to continue as a going concern. All these developments raise a significant doubt on the ability of the Company to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent upon the successful implementation of the plan and the resuming of operational activities which are not fully within the control of the company.

The Management has prepared these standalone financial statements using going concern basis of accounting based on its assessment of the successful outcome of above referred actions.

#### **5. Responsibilities of Management and Those Charged with Governance for the 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

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## JYOTI STRUCTURES LIMITED

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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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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 and these powers are exercisable till the date of handover of the management.

### **6. Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the entity's financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

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

- I. As required by the Companies (Auditor's Report) Order, 2016 (lithe Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013 (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, which is subject to the possible effect of the matters described in the Basis for Disclaimer of Opinion section above and our separate Report on the Internal Controls over Financial Reporting.
- II. As required under section 143 (1) of the Act, we report that in respect of various loans and advances made by the company, in the absence of details of the terms w.r.t. the same we are unable to comment whether the same are duly secured or not and whether or not the same are made at terms which are prejudicial to the interest of the company or its members.
- III. 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 inventory and fixed assets register were not available or did not have the required details, access to branch details are limited etc. 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.

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- c) The financial returns / statements of the branches considered in the financial statements in respect of 12 branches for the year ended March 31, 2020 or till December 31, 2017 as the case may be based on details available and for 2 branches details were unavailable and hence not considered. Eleven branches have been incorporated based on unaudited / management accounts / details and hence no audit 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.
- 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) and the statement of statement of changes in equity dealt with by this report are in agreement with the books of account. The statement of cash flows does not form part of these standalone financial statement.
- 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), as well as our comments under Material Uncertainty related to going concern status in our opinion, may have adverse effect on the functioning of the Company.
- g) In the term of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the powers of the board of directors have been suspended and be exercised by the interim resolution professional. Further, in view of the company being in default w.r.t. payment of interest and principal of its deposits and such defaults continuing for a period of more than one year, the directors of the company are disqualified from being re-appointed u/s 164 (2) of the Act. Hence, written representation from directors have not been taken on record by the Board of Directors except for its independent director.
- 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 the requirements of section 197(16) of the Act, as amended, no remuneration is paid by the Company to its directors during the year.
- k) 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:



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- i. In view of the related matters described in the basis for disclaimer of opinion paragraph, we are unable to state whether Note 32 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. Unclaimed dividend amounting to Rs. 13.11 Lacs required to be transferred to Investor Education and Protection Fund by the company during the year has not been transferred as at the date of this report.

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

**Sd/-**  
**CA Narendra Khandal**  
**Partner**  
**M. No. 065025**  
**UDIN: 21065025AAAADT5250**  
**Place: Mumbai**  
**Date: March 17, 2021**

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## Annexure – A to the Independent Auditors Report

Referred to in para 6 of our report of even date, to the members of Jyoti Structures Limited for the year ended March 31, 2020.

- 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. 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 during the year under audit. However, the RP in the course of the CIRP had carried out exercise of valuation of these assets.
  - (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 agency during the previous year, the necessary impact of the differences has 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 2020 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.

## JYOTI STRUCTURES LIMITED

- 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, 2020 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	2813.45
2	Professional Tax	47.47
3	Direct Taxes (Income Tax, Wealth Tax & Property tax)	23,154.16
4	Income Tax- Tax Deducted at Source	2914.57
5	VAT ,WCT & Octroi	1719.57
6	GST	52.04

*Excludes taxation in respect of branches; Amounts stated are gross amounts before adjusting advance tax / TDS / ITC.*

- (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 2020 are as under:

S. 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	2010-11; 2011-12, 2012-13 and 2013-14	Deputy Commissioner of Sales Tax, appeal in a case to be filed.
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
15	Income Tax	Tax & Interest	2267.52	2012-13	Income Tax Appellate Tribunal order against which appeal to be filed.

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

## ANNUAL REPORT 2019-20

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- 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 not paid / provided any managerial remuneration during the year.
- 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 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: 21065025AAAADT5250**  
**Mumbai, March 17, 2021**

## **Annexure – B to the Independent Auditors Report**

**Referred to in para 6 of our report of even date, to the members of Jyoti Structures Limited for the year ended March 31, 2020.**

### **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, 2020 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 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 financial statements.

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## **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, 2020.

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: 21065025AAAADT5250**  
**Mumbai, March 17, 2021**

# JYOTI STRUCTURES LIMITED

## STANDALONE BALANCE SHEET AS AT 31ST MARCH 2020

	Note	As at 31 <sup>st</sup> Mar 2020 INR in Lacs	As at 31 <sup>st</sup> Mar 2019 INR in Lacs
<b>ASSETS</b>			
<b>1) NON CURRENT ASSETS</b>			
a) Property, Plant and Equipment	1	4,212.16	5,835.85
b) Capital Work-in Progress			
c) Goodwill	1.1		
d) Other Intangible Assets	1.1	0.47	-
e) Investment in Subsidiaries and Joint Venture	2	667.04	67.04
		4,879.67	6,502.89
<b>f) Financial Assets</b>			
(i) Investments	3	39.65	47.97
(ii) Other Financial Assets	4	523.18	528.17
		562.83	576.14
<b>TOTAL NON CURRENT ASSETS</b>		<b>5,442.50</b>	<b>7,079.03</b>
<b>(2) CURRENT ASSETS</b>			
a) Inventories	5	3,940.86	4,163.14
<b>b) Financial Assets</b>			
i) Trade Receivables	6	1,35,880.96	2,10,554.24
ii) Cash & Cash Equivalents	7	1,514.13	1,613.16
iii) Bank Balances other than (ii) above	8	890.19	887.94
iv) Other Current Financial Assets	9	5,851.35	5,634.82
v) Current Tax Assets (Net)	10	451.28	449.70
		1,44,587.91	2,19,139.86
<b>c) Other Current Assets</b>	11	11,396.96	11,233.26
<b>TOTAL CURRENT ASSETS</b>		<b>1,59,898.73</b>	<b>2,34,536.26</b>
<b>TOTAL</b>		<b>1,65,341.23</b>	<b>2,41,615.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1) EQUITY</b>			
a) Equity Share Capital	12	2,190.55	2,190.55
b) Other Equity	13	-9,61,856.88	-7,31,487.47
<b>TOTAL EQUITY</b>		<b>-9,59,666.33</b>	<b>-7,29,296.92</b>
<b>2) LIABILITIES</b>			
<b>(A) NON CURRENT LIABILITIES</b>			
a) Long term Borrowings	14	-	-
b) Long term Provision	15	1,586.20	2,102.99
c) Deferred Tax Liabilities (Net)	16	33.37	33.37
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,619.57</b>	<b>2,136.36</b>
<b>(B) CURRENT LIABILITIES</b>			
<b>a) Financial Liabilities</b>			
i) Short Term Borrowings	17	4,49,175.36	3,93,512.05
ii) Trade Payables	18	52,336.83	50,963.15
iii) Other Current Financial Liabilities	19	6,11,024.36	5,14,371.20
		11,12,536.55	9,58,846.40
b) Other Current Liabilities	20	8,380.36	8,172.69
c) Short term Provisions	21	2,471.08	1,756.78
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,23,387.99</b>	<b>9,68,775.87</b>
<b>TOTAL</b>		<b>1,65,341.23</b>	<b>2,41,615.31</b>

Significant Accounting Policies 31  
Other Notes to Financial Statements 32

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; 17th March, 2021

Sd/-  
**SONALI GAIKWAD**  
Company Secretary

For and on behalf of the Board  
Sd/-  
**ANIL MISHRA**  
Interim Chief Financial Officer  
(Appointed by CoC in the Meeting held on 10.08.2017)

Sd/-  
**VANDANA GARG**  
Erstwhile Resolution Professional and Member of Monitoring  
Committee for implementation of Resolution Plan  
IBBI/IPA-001/IP-P00025/2016-2017/10058

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## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note	As at 31 <sup>st</sup> Mar 2020 INR in Lacs	As at 31 <sup>st</sup> Mar 2019 INR in Lacs
<b>CONTINUING OPERATIONS</b>			
<b>I INCOME</b>			
Revenue from Operations (Gross)	22	207.05	9,822.49
Other Income	23	39.18	593.66
<b>Total Revenue</b>		<b>246.23</b>	<b>10,416.15</b>
<b>II EXPENSES</b>			
Cost of Materials Consumed	24	659.86	4,123.47
Erection and Sub-contracting Expense	25	1,135.19	5,058.76
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	102.55	145.27
Employee Benefits Expense	27	1,087.92	8,616.65
Finance Costs	28	1,47,321.74	1,09,978.58
Depreciation and Amortization Expense (Net)	29	1,584.12	2,000.62
Other Expenses	30	78,356.48	55,575.96
<b>TOTAL EXPENSES</b>		<b>2,30,247.86</b>	<b>1,85,499.31</b>
<b>III Profit/(Loss) Before Tax (I-II)</b>		<b>-2,30,001.63</b>	<b>-1,75,083.16</b>
<b>IV Tax Expense:</b>			
Current Tax		-	-
Deferred Tax (Net)		-	-
(Excess)/Short Provision of Taxes for earlier years		-	-
		-	-
<b>V Profit/(Loss) for the year (III-IV)</b>		<b>-2,30,001.63</b>	<b>-1,75,083.16</b>
<b>VI Other Comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		-17.29	-250.74
<b>B. Items that will be reclassified to profit or loss</b>			
Remeasurement of MF Investment at fair value		-8.31	1.61
		8.98	252.35
<b>VII Total Comprehensive Income</b>		<b>-2,29,992.65</b>	<b>-1,74,830.81</b>
<b>VI Earnings Per Equity Share (In INR)</b>			
[Nominal value of share INR 2]			
1) Basic		INR -209.99	INR -159.85
2) Diluted		INR -209.99	INR -159.85
Significant Accounting Policies	31		
Other Notes to Financial Statements	32		

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; 17th March, 2021

Sd/-  
**SONALI GAIKWAD**  
Company Secretary

For and on behalf of the Board  
Sd/-  
**ANIL MISHRA**  
Interim Chief Financial Officer  
(Appointed by CoC in the Meeting held on 10.08.2017)

Sd/-  
**VANDANA GARG**  
Erstwhile Resolution Professional and Member of Monitoring  
Committee for implementation of Resolution Plan  
IBBI/IPA-001/IP-P00025/2016-2017/10058



# JYOTI STRUCTURES LIMITED

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

		Year Ended 31st Mar 2020 INR in Lacs	Year Ended 31st Mar 2019 INR in Lacs
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) Before Taxes	[A]	-2,30,001.64	-1,75,083.17
ADJUSTMENTS FOR			
i) Depreciation and Amortisation		1,584.12	2,000.62
ii) Interest Expense		1,45,235.74	1,09,978.58
iii) (Gain)/Loss on Sale of Property, Plant and Equipment (Net)		-	-6.97
iv) Interest Received		-28.68	-10.12
v) Interest to MSME		100.89	71.24
vi) Net (gain)/loss on foreign currency transactions and translation		-4,612.08	-4,099.29
vii) Provision written back		-10.50	-583.54
viii) Remeasurements of the defined benefit plans		17.29	250.74
ix) Provision for doubtful debts		78,491.30	36,015.23
x) BG Encashed		2,086.00	21,302.12
xi) Exchange (Loss)/Gain in translating the financial statements on account of Property, Plant and Equipment		39.63	-
xii) Exchange (Loss)/Gain in translating the financial statements of foreign operations		-448.37	961.79
	[B]	2,22,455.34	1,65,880.40
Operating Profit before Working Capital changes	[A+B] = [C]	-7,546.30	-9,202.77
ADJUSTMENTS FOR			
i) Inventories		-	840.52
ii) Trade Receivable & Other Receivable, financial assets, Other Current Assets		3,662.82	-883.82
iii) Current Liabilities and Provisions		3,755.25	8,266.77
	[D]	7,418.07	8,223.47
Cash Generated from Operations	[C+D] = [E]	-128.23	-979.30
i) Direct Taxes Paid (Net)		-	-
	[F]	-	-
<b>Net Cash (used in) / from Operating Activities</b>	<b>[I] [E+F] = [G]</b>	<b>-128.23</b>	<b>-979.30</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>			
i) Proceeds from Sale of Property, Plant and Equipment		-	72.98
ii) Purchase of Property, Plant and Equipment [After adjustment of (Increase)/Decrease in Capital Work-in-Progress]		0.52	-39.82
iii) Interest Received		28.68	10.12
iv) Net Advances to Companies other than Subsidiary Companies		-	-
<b>Net Cash (used in) / from Investing Activities</b>	<b>[II]</b>	<b>29.20</b>	<b>43.28</b>

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## III CASH FLOW FROM FINANCING ACTIVITIES

Net Cash (used in) / from Financing Activities	[III]	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	[I + II + III]	-99.05	-935.99
Cash and Cash Equivalents at the beginning of the year		1,613.17	2,549.17
Cash and Cash Equivalents at the end of the year *		1,514.12	1,613.18

\* Cash and Cash Equivalents comprise of :

		Year Ended 31st Mar 2020 INR in Lacs	Year Ended 31st Mar 2019 INR in Lacs
a) Balances with Banks		1,250.53	1,343.27
b) Fixed Deposit with original maturity for less than 3 months		259.01	259.10
c) Cash on Hand		4.58	10.81
	Total	1,514.12	1,613.18

For and on behalf of the Board

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

Sd/-  
**Narendra Khandal**  
Partner  
Membership Number. 065025  
Mumbai; 17 March, 2021

Sd/-  
**SONALI GAIKWAD**  
Company Secretary

Sd/-  
**ANIL MISHRA**  
Interim Chief Financial Officer  
(Appointed by CoC in the Meeting held on 10.08.2017)

Sd/-  
**VANDANA GARG**  
Erstwhile Resolution Professional and Member of Monitoring  
Committee for implementation of Resolution Plan  
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.
4. The details of the transaction of the branches are not available and hence the amount of cash flow as derived from the branch financial information has been considered in the Statement of Cash Flows.

## JYOTI STRUCTURES LIMITED

1. Tangible Assets:	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Tools and Tackles	Furniture & Fixtures	Computer and Office Equipments	Vehicles	31 Mar 2020 (INR in Lacs)
<b>Gross Carrying Value</b>									
<b>As at 1 April 2018</b>	112.02	223.70	2,893.75	19,826.66	8,685.93	661.81	1,775.56	5,762.90	<b>39,942.32</b>
Additions	-	-	-	-	22.38	-	17.44	-	<b>39.82</b>
Disposals	-	-	-	26.07	-	2.54	-	87.78	<b>116.39</b>
Other adjustments	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>112.02</b>	<b>223.70</b>	<b>2,893.75</b>	<b>19,800.59</b>	<b>8,708.31</b>	<b>659.28</b>	<b>1,793.00</b>	<b>5,675.11</b>	<b>39,865.75</b>
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-68.50	-	-	-	<b>-68.50</b>
<b>As at 31 March 2020</b>	<b>112.02</b>	<b>223.70</b>	<b>2,893.75</b>	<b>19,800.59</b>	<b>8,776.81</b>	<b>659.28</b>	<b>1,793.00</b>	<b>5,675.11</b>	<b>39,934.25</b>
<b>Accumulated Depreciation</b>									
<b>As at 1 April 2018</b>	-	35.82	1,117.62	15,773.58	8,107.75	574.93	1,587.99	4,339.08	31,536.76
Charge for the year	-	3.79	75.72	1,384.09	542.89	26.65	73.10	437.27	2,543.52
Disposals	-	-	-	23.07	-	0.85	-	26.46	50.38
<b>As at 31 March 2019</b>	-	<b>39.61</b>	<b>1,193.34</b>	<b>17,134.60</b>	<b>8,650.65</b>	<b>600.73</b>	<b>1,661.09</b>	<b>4,749.89</b>	<b>34,029.90</b>
Charge for the year	-	3.80	75.93	1,004.03	-	17.80	62.08	420.43	1,584.07
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-108.13	-	-	-	-108.13
<b>As at 31 March 2020</b>	-	<b>43.41</b>	<b>1,269.27</b>	<b>18,138.63</b>	<b>8,758.78</b>	<b>618.53</b>	<b>1,723.17</b>	<b>5,170.32</b>	<b>35,722.09</b>
<b>Net Block</b>									
<b>As at 31 March 2019</b>	<b>112.02</b>	<b>184.09</b>	<b>1,700.41</b>	<b>2,665.99</b>	<b>57.66</b>	<b>58.55</b>	<b>131.91</b>	<b>925.22</b>	<b>5,835.85</b>
<b>As at 31 March 2020</b>	<b>112.02</b>	<b>180.29</b>	<b>1,624.49</b>	<b>1,661.96</b>	<b>18.03</b>	<b>40.75</b>	<b>69.83</b>	<b>504.80</b>	<b>4,212.16</b>

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1.1 Intangible assets	Software	Goodwill on amalgamation	31 Mar 2020 (INR in Lacs)
<b>Gross Carrying Value</b>			
<b>As at 1 April 2018</b>	2,227.00	301.13	2,528.12
Additions	-	-	-
Disposals	-	-	-
Transfer to assets held for sale	-	-	-
Other adjustments	-	-	-
<b>As at 31 March 2019</b>	<b>2,227.00</b>	<b>301.13</b>	<b>2,528.12</b>
Additions	0.52	-	0.52
Disposals	-	-	-
Transfer to assets held for sale	-	-	-
Other adjustments	-	-	-
<b>As at 31 March 2020</b>	<b>2,227.52</b>	<b>301.13</b>	<b>2,528.64</b>
<b>Accumulated Depreciation</b>			
<b>As at 1 April 2018</b>	2,227.00	301.13	2,528.12
Charge for the year	-	-	-
Disposals	-	-	-
Impairment	-	-	-
<b>As at 31 March 2019</b>	<b>2,227.00</b>	<b>301.13</b>	<b>2,528.12</b>
Charge for the year	0.05	-	0.05
Disposals	-	-	-
<b>As at 31 March 2020</b>			
<b>Net Block</b>			
<b>As at 31 March 2019</b>	-	-	-
<b>As at 31 March 2020</b>	<b>0.47</b>	<b>-</b>	<b>0.47</b>

## Notes:-

- For assets given as security refer Standalone Balance Sheet Note No 14.
- Intangible Assets amounting to carrying value of Rs. 508.95 lacs have been fully impaired during the previous year (FY 17-18) since the corresponding assets were no longer available for use by the Company and hence, had nil realisable value/value in use.

The tangible assets in respect of branches have been incorporated based on details as provided by the branch(es) for which full details are not available and hence the same may not be comparable.

2 INVESTMENT IN SUBSIDIARIES AND JOINT VENTURE	Subsidiary / Associate / Joint Venture	Face Value	No. of Shares/Units		Amount	
			31 Mar 2020 Nos	31 Mar 2019 Nos	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
<b>Investment in Equity Instruments Unquoted, Fully paid-up - At Cost</b>						
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	50,00,000	50,00,000	5.00	5.00
Less: Diminution of Investment ** #					-5.00	-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: 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: Diminution of Investment ** #	Joint Venture				-1,642.77	-1,642.77
					<b>667.04</b>	<b>667.04</b>

\* 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 previous years is Rs. 7,648.42 Lacs

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

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

\*\* Gulf Jyoti International LLC is under liquidation and the status of liquidation is not known as on the date of the balance sheet

## JYOTI STRUCTURES LIMITED

3 NON-CURRENT FINANCIAL ASSET - INVESTMENT	Others / Mutual Funds	Face Value	No. of Shares/Units		Amount	
			31 Mar 2020 Nos	31 Mar 2019 Nos	31 Mar 2020 INR in Lacs	31 Mar 2019 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
Investment in mutual fund Quoted, Fully paid-up - At fair value through other comprehensive income					5.00	5.00
SBI Blue Chip Fund	Mutual Fund	INR 10 Each	20,000	20,000	5.95	7.72
SBI Infrastructure Fund	Mutual Fund	INR 10 Each	50,000	50,000	5.55	7.53
SBI Magnum Equity Fund	Mutual Fund	INR 10 Each	12,136	12,136	9.87	12.70
UTI Bond Fund	Mutual Fund	INR 10 Each	28,352	28,352	13.28	15.02
					34.65	42.97
<b>TOTAL</b>					<b>39.65</b>	<b>47.97</b>

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

<b>4 OTHER NON CURRENT FINANCIAL ASSETS</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
	<b>INR in Lacs</b>	<b>INR in Lacs</b>
<b>Unsecured and considered good</b>		
Security and Other Deposits	<b>523.18</b>	528.17
<b>TOTAL</b>	<b>523.18</b>	528.17
<b>5 INVENTORIES</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
(VALUED AT LOWER OF COST OR NET REALISABLE VALUE)	<b>INR in Lacs</b>	<b>INR in Lacs</b>
a) Raw Materials In Stock	<b>460.25</b>	565.93
b) Construction Materials at Site	<b>103.32</b>	140.97
c) Semi-Finished Goods	<b>119.66</b>	119.66
d) Work-in-Progress	<b>2,641.23</b>	2,710.52
e) Finished Goods	<b>433.96</b>	443.63
f) Stores and Consumables	<b>107.34</b>	107.34
g) Scrap	<b>75.10</b>	75.10
<b>TOTAL</b>	<b>3,940.86</b>	4,163.15
<b>6 TRADE RECEIVABLES</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
	<b>INR in Lacs</b>	<b>INR in Lacs</b>
<b>Unsecured</b>		
a) Considered good	<b>1,35,880.96</b>	2,10,554.24
b) Trade Receivables which have significant increase in Credit Risk	<b>3,04,788.36</b>	2,26,294.01
b) Provision for doubtful trade receivables	<b>-3,04,788.36</b>	-2,26,294.01
<b>TOTAL</b>	<b>1,35,880.96</b>	2,10,554.24

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

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.

Refer Note 32(8) for amount receivables from related parties and Note 32(21 B) for reconciliation of provision for trade receivables.

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7	<b>CASH AND BANK BALANCES</b>	<b>31 Mar 2020 INR in Lacs</b>	<b>31 Mar 2019 INR in Lacs</b>
	<b>Cash and Cash Equivalents</b>		
a)	Balances with Banks	1,250.54	1,343.26
b)	Fixed Deposit with original maturity for less than 3 months	259.01	259.10
c)	Cash in Hand	4.58	10.81
	<b>TOTAL</b>	<b>1,514.13</b>	<b>1,613.17</b>
		<b>31 Mar 2020 INR in Lacs</b>	<b>31 Mar 2019 INR in Lacs</b>
8	<b>BANK BALANCES OTHER THAN ABOVE</b>		
a	Margin money with bank	872.00	869.75
b	Unpaid Dividend Bank Balance *	18.19	18.19
	<b>TOTAL</b>	<b>890.19</b>	<b>887.94</b>
		<b>31 Mar 2020 INR in Lacs</b>	<b>31 Mar 2019 INR in Lacs</b>
9	<b>OTHER CURRENT FINANCIAL ASSETS</b>		
	<b>Unsecured and considered good</b>		
a)	Loan and Advances to Related Parties (net) [Note No. 32 (8&16)]	34,776.04	34,535.70
	Less: Provision for Loans and Advances to related parties	-30,235.30	-30,235.30
b)	Other Loans and Advances		
i)	Loans to Employees	26.09	26.09
ii)	Sundry Deposits	264.58	264.58
iii)	Expenses Receivable and Other Advances	1,019.94	1,043.75
	<b>TOTAL</b>	<b>5,851.35</b>	<b>5,634.82</b>
		<b>31 Mar 2020 INR in Lacs</b>	<b>31 Mar 2019 INR in Lacs</b>
10	<b>CURRENT TAX ASSETS (NET)</b>		
	Current Tax Asset (Net)	451.28	834.33
	<b>TOTAL</b>	<b>451.28</b>	<b>834.33</b>
		<b>31 Mar 2020 INR in Lacs</b>	<b>31 Mar 2019 INR in Lacs</b>
11	<b>OTHER CURRENT ASSETS</b>		
	<b>Unsecured and considered good</b>		
i)	Prepaid Expenses	832.29	834.33
ii)	Advances to Supplier	2,280.02	2,365.72
iii)	Interest accrued but not due on Fixed Deposits	566.56	541.57
iv)	Balance with statutory authorities	2,845.65	3,095.90
v)	Revenue accrued but not due	4,845.44	4,845.44
	<b>TOTAL</b>	<b>11,369.96</b>	<b>11,682.96</b>

\* There is INR 13.11 lacs due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March 2020. These amount has not been paid to the fund yet.

## JYOTI STRUCTURES LIMITED

12 SHARE CAPITAL	31 Mar 2020		31 Mar 2019	
	Number	INR in Lacs	Number	INR in Lacs
<b>Authorised:</b>				
Equity Shares of INR 2/- each	30,00,00,000	6,000.00	30,00,00,000	6,000.00
Redeemable Preference Shares of INR 100/- each	25,00,000	2,500.00	25,00,000	2,500.00
	<u>30,25,00,000</u>	<u>8,500.00</u>	<u>30,25,00,000</u>	<u>8,500.00</u>
<b>Issued:</b>				
Equity Shares of INR 2/- each	10,95,42,970	2,190.86	10,95,42,970	2,190.86
	<u>10,95,42,970</u>	<u>2,190.86</u>	<u>10,95,42,970</u>	<u>2,190.86</u>
<b>Subscribed and Paid-up:</b>				
Equity Shares of INR 2/- each fully paid up	10,95,27,710	2,190.55	10,95,27,710	2,190.55
<b>TOTAL</b>	<u>10,95,27,710</u>	<u>2,190.55</u>	<u>10,95,27,710</u>	<u>2,190.55</u>

### a) Movements in equity share capital

Equity Shares	31 Mar 2020		31 Mar 2019	
	Number	INR in Lacs	Number	INR in Lacs
At the beginning of the period	10,95,27,710	2,190.55	10,95,27,710	2,190.55
Issued during the period – ESOS	-	-	-	-
Issued during the period – QIP	-	-	-	-
Outstanding at the end of the period	<u>10,95,27,710</u>	<u>2,190.55</u>	<u>10,95,27,710</u>	<u>2,190.55</u>

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

	Number	%	Number	%
1) Surya India Fingrowth Pvt. Ltd.	58,60,320	5.35%	58,60,320	5.35%

For Details of preference shareholders including holding more than 5% Refer Note No. 13

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.

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13. OTHER EQUITY		Standalone Statement of Changes in Equity for the year Ended 31st March, 2020										(INR in Lakhs)	
		Reserves & Surplus								Exchange difference on translating the financial statement	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, 2018		6.06	27,653.82	300.00	1,243.50	16,819.72	-	128.66	-6,03,379.64	-	-5,57,227.88	-	-5,57,227.88
Profit for the year		-	-	-	-	-	-	-	-1,75,083.17	961.79	-1,74,121.38	-	-1,74,121.38
Other Comprehensive Income for the year		-	-	-	-	-	-	-	252.36	-	252.36	-	252.36
Total Comprehensive Income for the year		-	-	-	-	-	-	-	-1,74,830.81	961.79	-1,73,869.02	-	-1,73,869.02
Other adjustment in opening Reserves & Surplus		-	-	-	-	-	-	-	-390.57	-	-390.57	-	-390.57
Balance as at 31st March, 2019		6.06	27,653.82	300.00	1,243.50	16,819.72	-	128.66	-7,78,601.02	961.79	-7,31,487.47	-	-7,31,487.47
(Excess)/Short Provision of Taxes for earlier year		-	-	-	-	-	-	-	-2,30,001.64	-	-2,30,001.64	-	-2,30,001.64
Profit for the year		-	-	-	-	-	-	-	8.98	-446.13	-437.15	-	-437.15
Other Comprehensive Income for the year		-	-	-	-	-	-	-	-2,29,992.66	-446.13	-2,30,438.79	-	-2,30,438.79
Total Comprehensive Income for the year		-	-	-	-	-	-	-	69.38	-	69.38	-	69.38
Other adjustment in opening Reserves & Surplus		-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020		6.06	27,653.82	300.00	1,243.50	16,819.72	-	128.66	-10,08,524.30	515.66	-9,61,856.88	-	-9,61,856.88

**Capital Reserve :** Capital reserve is utilized 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 utilized 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 of 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 of general reserve of the which is available for the purpose of redemption of fixed deposit.

**Note:** The Statement of Changes in Equity include the corresponding figures in respect of the branches of the company for which necessary details / information is not available / fully available and hence the figures are compiled based on details to the extent provided, hence is subject to reconciliation and consequential adjustments.



# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Non- Current		Current	
14. FINANCIAL LIABILITIES	31 March 2020	31 March 2019	31 March 2020	31 March 2019
-LONG TERM BORROWINGS	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
<b>Secured Loans</b>				
<b>Non-Convertible Debenture</b>	-	-	5,068.63	5,068.63
<b>Term Loan</b>				
From Bank	-	-	2,32,704.20	2,22,746.12
From Other	-	-	8,033.81	8,033.81
<b>TOTAL – A</b>	-	-	2,45,806.64	2,35,848.56
<b>Unsecured Loans</b>				
Redeemable Preference Shares	-	-	4,225.00	4,225.00
From Bank			225.92	225.92
<b>From Other</b>			-	-
Others	-	-	265.62	265.62
Deposits	-	-	857.76	857.76
<b>TOTAL – B</b>	-	-	5,574.30	5,574.30
Amount disclosed under the head “Other Current Financial Liabilities” (Note No. 22) (Refer a)			-2,51,380.95	-2,41,422.87
<b>TOTAL - A + B</b>	-	-	-	-

**Notes:**

The Company defaulted in repayment of loans, borrowings, debentures and preference shares to the banks and others 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, 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 up to 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 32(10))

**Nature of Securities for Secured Loan**

**Non-Convertible Debenture**

- a) INR 5,068.63 Lacs P.Y. INR 5,068.63 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 5,409.60 Lacs (P.Y. INR 4,993.26 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 1,92,041.97 Lacs (P.Y. INR 1,82,492.99 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) INR 1315.09 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.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- 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 10,967.00 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.
- g) INR 614.72 Lacs (P.Y. INR 614.72 Lacs) Secured by hypothecation on specific Plant & Machinery.
- h) INR 1,345 Lacs (P.Y. INR 1,345.00 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 company had issued preference shares of face value of Rs.2500 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.4225 lacs is in books of accounts
- m) **Names of preference shareholders holding more than 5 % shares**
- |   | Amount   | Percentage |
|---|----------|------------|
| 1) Amtek India Limited                        | 4,00,000 | 16.00%     |
| 2) Amtek Auto Limited                         | 4,50,000 | 18.00%     |
| 3) Aarken Advisors Private Limited            | 4,50,000 | 18.00%     |
| 4) Aryahi Buildwell Private Limited           | 4,75,000 | 19.00%     |
| 5) Vishwas Marketing Services Private Limited | 3,50,000 | 14.00%     |
| 6) Mukund Motorparts Private Limited          | 3,75,000 | 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 LONG TERM PROVISIONS	31 March 2020 INR in Lacs	31 March 2019 INR in Lacs
Provision for Gratuity	1,025.90	1,092.68
Provision for Compensated Absences	560.30	1,010.30
<b>TOTAL</b>	<b>1,586.20</b>	<b>2,102.98</b>
16 DEFERRED TAX LIABILITIES (NET)	31 March 2020 INR in Lacs	31 March 2019 INR in Lacs
<b>Deferred Tax Liabilities</b>		
On Account of Branches	33.37	33.37
<b>TOTAL</b>	<b>33.37</b>	<b>33.37</b>

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

17	<b>FINANCIAL LIABILITIES - SHORT TERM BORROWINGS</b>	<b>31 March 2020</b> INR in Lacs	31 March 2019 INR in Lacs
	<b>Secured Loan</b>		
	Loans repayable on Demand		
	From Bank	4,26,395.05	3,70,731.74
	<b>Unsecured Loan</b>		
	Loans repayable on Demand		
	From Bank and others (Financial Creditors claim) (Refer Note 34(31))	22,780.31	22,780.31
	<b>TOTAL</b>	4,49,175.36	3,93,512.05
18	<b>TRADE PAYABLES</b>	<b>31<sup>st</sup>March 2020</b> INR in Lacs	31 <sup>st</sup> March 2019 INR in Lacs
	Trade Payables (Including Acceptances) *		
	a) Total outstanding dues of Micro and Small Enterprises	113.62	114.62
	b) Total outstanding dues of Creditors Other than above	52,223.21	50,848.53
	<b>TOTAL</b>	52,336.83	50,963.15
* (Refer Note No. 32 (25) for details of due to Micro, Small and Medium Enterprises)			
* (Refer Note No. 32 (9 & 16) for dues to Related parties)			
19	<b>OTHER CURRENT FINANCIAL LIABILITIES</b>	<b>31 March 2020</b> INR in Lacs	31 March 2019 INR in Lacs
	a) Current Maturities of Long-Term Borrowings (Note No. 15)	2,51,380.95	241,422.87
	b) CIRP other current financial liabilities	22,491.43	22,491.43
	c) Deferred Payment Liabilities	221.18	221.18
	d) Unclaimed Dividend*	17.70	17.70
	e) Payable to Employees	12,344.25	12,100.40
	f) Audit fee Payable	90.45	90.41
	g) Expenses and other Payables	5,951.65	4,219.17
	h) Interest Accrued*	3,18,526.75	2,33,808.03
	<b>TOTAL</b>	6,11,024.36	514,371.20
* There is INR 13.11 lacs due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2020. These amount has not been paid to the fund yet.			
* Includes interest on FITL/WCTL/Devolved LC's/Delayed/Non-Payment of Statutory dues at applicable rates for the year 2019-20.			
20	<b>OTHER CURRENT LIABILITIES</b>	<b>31 March 2020</b> INR in Lacs	31 March 2019 INR in Lacs
	a) Advances from Customers	261.80	261.80
	b) Statutory Liabilities	8,118.56	7,910.89
	<b>TOTAL</b>	8,380.36	8,172.69
21	<b>SHORT TERM PROVISIONS</b>	<b>31 March 2020</b> INR in Lacs	31 March 2019 INR in Lacs
	a) Provision for Onerous Contract	1,700.00	1,700.00
	b) Provision for Gratuity	245.96	24.67
	c) Provision for Leave Encashment	525.12	32.11
	<b>TOTAL</b>	2,471.08	1,756.78

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

<b>22</b>	<b>REVENUE FROM OPERATIONS</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
a)	Sale of Products	<b>83.70</b>	9,621.89
b)	Sale of Services	-	0.07
c)	Other Operating Revenues*	<b>123.35</b>	200.53
	<b>TOTAL</b>	<b>207.05</b>	9,822.49
* Other operating revenue includes amount received as lumpsum claim towards execution of certain field activities done at one of the client "TRANSCO CLSG" site.			
<b>23</b>	<b>OTHER INCOME</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
i)	Interest on Fixed Deposits	<b>25.93</b>	1.99
ii)	Interest on Others	<b>2.74</b>	8.13
iii)	Provision / Liability Written Back	<b>10.51</b>	583.54
	<b>TOTAL</b>	<b>39.18</b>	593.66
* [Ref Note 34(16) for related party transaction]			
<b>24</b>	<b>COST OF MATERIAL CONSUMED</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
	Cost of Material Consumed*	<b>659.86</b>	4,123.47
	<b>TOTAL</b>	<b>659.86</b>	4,123.47
* Refer Note No. 32 (5)			
<b>25</b>	<b>ERECTION AND SUB-CONTRACTING EXPENSE</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
a)	Construction Materials and Stores Consumed	<b>37.66</b>	165.62
b)	Sub-contracting Expenses	<b>646.87</b>	2,414.32
c)	Repairs to Construction Equipments/Machinery	<b>1.72</b>	48.51
d)	Construction Transportation Charges	<b>448.94</b>	2,430.31
	<b>TOTAL</b>	<b>1,135.19</b>	5,058.76
<b>26</b>	<b>CHANGES IN INVENTORIES</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
a)	(Increase)/ Decrease Finished Goods Stock	<b>19.33</b>	-
b)	(Increase)/ Decrease WIP/Semi Finished Goods Stock	<b>83.22</b>	145.27
	<b>TOTAL</b>	<b>102.55</b>	145.27
<b>27</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
a)	Salaries, Wages and Bonus, etc.	<b>753.01</b>	7,741.18
b)	Leave Encashment	<b>43.02</b>	164.31
c)	Gratuity Expenses	<b>171.80</b>	288.53
d)	Contribution to Provident and Other Fund	<b>56.98</b>	353.95
e)	Welfare Expenses	<b>63.11</b>	68.68
	<b>TOTAL</b>	<b>1,087.92</b>	8,616.65

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

28	FINANCE COSTS	31 March 2020 INR in Lacs	31 March 2019 INR in Lacs
	a) Interest Expense *	1,47,321.74	1,09,809.41
	b) other Borrowing costs	-	169.17
	<b>TOTAL</b>	<b>1,47,321.74</b>	<b>1,09,978.58</b>
*Includes the amount of interest on LC/BG invoked.			
29	DEPRECIATION AND AMORTIZATION EXPENSE	31 March 2020 INR in Lacs	31 March 2019 INR in Lacs
	a) Depreciation of Tangible Assets (Note No. 1)	1,584.07	2,000.62
	b) Amortisation of Intangible Assets (Note No. 1)	0.05	-
	<b>TOTAL</b>	<b>1,584.12</b>	<b>2,000.62</b>
30	OTHER EXPENSES	31 March 2020 INR in Lacs	31 March 2019 INR in Lacs
	a) Stores and Consumables	-	-8.17
	b) Power and Fuel	95.10	71.59
	c) Service Charges	217.57	109.96
	d) Repairs to Plant and Machinery	0.07	0.40
	e) Repairs to Others	96.14	26.66
	g) Rent	8.78	15.19
	h) Rates and Taxes	19.93	45.55
	i) Insurance	7.22	34.60
	j) Travelling and Conveyance	23.71	55.46
	k) Postage, Telephone and Fax	7.39	23.96
	l) Printing and Stationery	2.39	7.17
	m) Professional and Legal Fees	1,065.19	1,146.01
	n) Directors' Sitting Fees	1.00	-
	o) Payment to auditors	12.99	33.73
	p) Net (gain)/loss on foreign currency transactions and translation	-4,612.08	-4,099.29
	q) License and Tender Fees	0.54	5.90
	r) Freight Outward	-	1.96
	s) Brokerage and Commission	-	2.57
	t) Bank Charges	626.68	579.61
	u) (Gain)/Loss on Sale of Property, Plant and Equipment (Net)	-	-6.97
	v) BG Encashed	2,086.00	21,302.12
	w) Provision for Trade Receivables	78,491.30	36,015.23
	x) Interest on delayed payment to SSI Creditors	100.89	71.24
	y) Immigration Expenses	6.55	11.92
	z) Listing & Other Fees	16.97	-
	aa) Office Exp.& Soc. Charges	53.79	-
	ab) General Expenses	28.36	129.54
	<b>TOTAL</b>	<b>78,356.48</b>	<b>55,575.94</b>

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### NOTE - 31 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.

The corporate insolvency resolution process (CIRP) of Jyoti Structures Limited was initiated on basis of the order dated July 4, 2017 by Hon'ble National Company Law Tribunal, Mumbai Bench on the company application made by SBI under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC). 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 held on August 10, 2017 under the provisions of IBC. The resolution plan submitted by the successful resolution application was accepted by the committee of creditors in March-April 2018 and has finally been approved by Hon'ble NCLT, Mumbai Bench through the order dated March 27, 2019.

After approval of the resolution plan by the adjudicating authority on March 27, 2019, there happened many meetings the first meeting was conducted on 2<sup>nd</sup> April 2019 with selected lenders and a joint meeting amongst the members of the Monitoring Committee (MC) and the lenders and the resolution applicant to discuss implementation of the approved resolution plan. However, having long delay in initiation of the implementation of the approved resolution plan, the lenders have advised the 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. However, before any hearing could take place on the application, the Bench became non-functional from mid of March 2020 for several months due to COVID-19 pandemic spread. After resumption of its functioning, Hon'ble NCLT, Mumbai Bench have begun hearing on the application filed by the ERP. The resolution applicant has filed an affidavit before Hon'ble NCLT, Mumbai Bench on December 16, 2020 for ensuring implementation of the approved resolution plan, subject to fulfilment of certain conditions precedent as outlined in the Affidavit. Subsequently, Hon'ble NCLT, Mumbai Bench have directed, through an order dated January 6, 2021, all the concerned parties to fulfil the conditions precedent. The Bench has, during subsequent hearings, been monitoring progress in the fulfilment of the conditions precedent and thereby implementation of the approved resolution plan. As on the date of approval of the standalone financials for FY 2019-20 by the Board, the next date of hearing of Hon'ble NCLT, Mumbai Bench is scheduled on March 26, 2021.

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.

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 is 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<sup>st</sup> March 2020 were taken on record by the Erstwhile Resolution Professional and the same has been issued on 17<sup>th</sup> March 2021.

### 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.

The financial statements have been prepared on accrual and going concern basis, subject to specific cases were 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 1<sup>st</sup> April, 2015 being the 'date of transition to Ind AS'.

#### (ii) Standards issued but not yet effective.

Ministry of Corporate Affairs ("MCA") has no

tified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing following standards.

IND AS – 109: Financial Instruments

IND AS – 12: Income Tax

IND AS – 19: Employee Benefits

The Company has evaluated the effect of the above standards on the financial statements and the impact is not material.

#### (iii) 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.

#### (iv) 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. 32, the classification has not

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 5 of Note 32
- b) Measurement and likelihood of occurrence of provisions and contingencies – Clause 2 of Note 32 and Note 16 and 22
- c) Carrying value of exposure in subsidiaries and others, receivables, loans and advances, and their respective impairment - refer Note No. 32
- d) Measurement of Provision required for Defect Liability Period and Liquidated Damages Payable as per Contracts
- e) Charging/ recognizing as receivables of Bank Guarantees invoked by banks
- f) Estimation of current tax expenses and Payable – Clause 18 of Note 32
- g) Estimates of useful lives and residual value of property, plant and equipment and intangible assets
- h) Financial instruments
- i) Amount of liabilities recognized in the financial statements in respect of unrecognized claims preferred by financial and operational creditors (refer Note 32)

### 3. Revenue Recognition:

The Company derives revenue principally from following streams:

- Sale of products (towers and cables)
- Sale of services
- Construction contracts
- Other Operating Revenue

#### Sale of products:

Revenue from sale of products is recognised upon satisfaction of performance obligations, i.e., at a point of time, which occurs when the control is transferred to the customer.

Customers obtain control as per the incoterms. In determining the transaction price for sale of product, the Company considers the effects of variable consideration, if any. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### **Sale of services:**

Services rendered include tower testing and designing, operating and maintenance and other services. Revenue from providing services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

### **Construction contracts:**

The Company recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involve complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Company recognises revenue using input method (i.e., percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Company estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgement.

Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available. Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period. The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position.

Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component because it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The percentage of

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

completion is based primarily on contract cost incurred to date compared to total estimated contract cost for each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset

### 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 of 1<sup>st</sup> 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.

### 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.

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 7. Depreciation / Amortization:

- (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) Rawmaterials, Constructionmaterials 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) Finishedgoods, 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.

### 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.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 19 of Note 32). 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 19 of Note 32). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are

# JYOTI STRUCTURES LIMITED

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 19 of Note 32). 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.

### De-recognition:

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**

#### Initial recognition and measurement:

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.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method or at FVTPL (Refer clause 19 of Note 32 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 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.

#### **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., 1<sup>st</sup> 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 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.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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.

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 1<sup>st</sup> 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. Leased Assets:

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019. Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is accounted at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e., right-of-use asset at cost less accumulated depreciation/impairment losses. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is lower. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made. Lease payments associated with following leases are recognised as expense on straight-line basis: (i) Low value leases; and (ii) Leases which are short-term. Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease. The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" and accordingly accounted for leases as below:

### As a lessee:

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Company Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payments if any
- Amounts expected to be payable by the Company under residual value guarantees if any.
- Exercise price of the purchase option, if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease if the term reflects the Group exercising that option.

The lease payments are discounted using incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on any key variable/ condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### **As a lessor**

Lease income from operating leases where the Company is lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases

### **16. Cash Flow Statement:**

Cash flows are reported using the indirect method, where by 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.

### **17. 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.

#### **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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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.

### 18. 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.

#### (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.

### 19. 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.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 20. 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.

### 21. 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.

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### NOTE - 32 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 Lakhs)

Sr. No.	Particulars	2019-20	2018-19
i)	Outstanding Bank Guarantee (BG)	52,095.18*	54,181.18*
ii)	Disputed liabilities in respect of Income Tax, Sales Tax, Central Excise and Service Tax	53,408.46	53,408.46
iii)	Corporate Guarantees (CG) #	75,003.98	72,003.41
iv)	WRIT Petitions	228.11	228.11
v)	Civil Matters	1,564.08	1,564.08
vi)	Company Petitions and NCLT Cases	8,674.00	8,674.00
vii)	Labour Matters	8.96	8.96
viii)	Negotiable Instrument Act Matters	600.51	600.51
ix)	Arbitration Matters	2,878.11	2,878.11

\*In the absence of detailed break-up of opening outstanding bank guarantee (prior to RP period), 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. Bank confirmations available to the extent of Rs. 23,555.02 and remaining Bank guarantee is considered as per opening balances in the absence of non-receipt of bank confirmations despite various follow-ups.

# Out of these the CG amounting to INR 34,661.00 Lacs in respect of which the corresponding party has submitted their claim which have not been admitted by the RP. Further, during the year there is no new movement in Corporate Guarantee outstanding amount except to the extent of foreign exchange revaluation.

\*\*Interest/penalty amount on the above has not been determined and considered since the claim itself is not admitted by the RP.

**3. Statutory Auditors Remuneration:**

(Rs. In Lakhs)

Sr. No.	Particulars	2019-20	2018-19
i)	For Audit	12.50	21.50*
ii)	Other Services	-	-
iii)	For Branch Audit and Taxation Matters fees	-	-
	<b>Total</b>	<b>12.50</b>	<b>21.50</b>

\*Excludes an excess provision for of INR 10.50 lacs reversed in current FY 2019-20. Figures are exclusive of Goods and Services Tax (GST).

**4. In the absence of relevant information with respect to import of materials CIF Value of imports, Value of Imported and Indigenous Raw Materials and Stores & Components Consumed, Earnings and Expenditure in Foreign Currency etc., the same has not been disclosed.**

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 5. 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 Lakhs)

Sr. No.	Particulars	2019-20	2018-19
i)	Contribution to Provident Fund (including charge)	55.58	330.64
ii)	Contribution to Other Fund	-	23.31

#### Defined Benefit Plans:

##### **Gratuity and Leave Encashment**

##### **Gratuity**

The company policy allows employees retirement benefits to employees who have completed more than 5 years of service with the company. The details of the same are based on the actuarial valuation being done by an external agency based on employee details provided by the company.

##### **Leave Encashment**

The details of employee benefits in the nature of leave entitlements of employees are based on the policies of the company. The assessment of the liability and costs is done at each reporting date. On an annual basis the same is being done by an external actuary based on employee details as provided by the company.

##### **A. Balance Sheet**

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

(Rs. In Lakhs)

Particulars	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Present value of obligation	(2,206.53)	(1,990.47)	(1,085.43)	(1,042.41)
Fair value of plan assets	934.67	873.12	-	-
Asset/(Liability) recognised in the Balance Sheet	(1,271.85)	(1,117.35)	(1,085.43)	(1,042.41)

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### B. Movements in Present Value of Obligation and Fair Value of Plan Assets

(Rs. In Lakhs)

Defined Benefit Obligation	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Opening Defined Benefit Obligation	1990.47	1909.64	1042.41	863.93
Service cost for the year	93.02	206.60	93.96	99.94
Interest cost for the year	140.33	81.92	73.49	64.36
Actuarial losses (gains)	(17.29)	(268.05)	(124.43)	14.17
Benefits paid	-	-	-	-
Closing defined benefit obligation	2206.53	1990.47	1085.43	1042.41

(Rs. In Lakhs)

Fair Value of Plan Assets	Gratuity	
	2019-20	2018-19
Opening fair value of plan assets	873.12	809.98
Expected return including interest and other income	61.56	63.14
Actuarial gains and (losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing balance of fund	934.68	873.12

### C. Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

(Rs. In Lakhs)

Gratuity	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Current service cost	93.02	206.6	93.96	99.94
Net interest on net Defined Liability	78.77	81.93	73.49	64.37
Charged to Profit and Loss on Settlement*	-	-	(123.43)	-
<b>Total</b>	<b>171.79</b>	<b>288.53</b>	<b>43.02</b>	<b>164.31</b>

\*During the previous 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 in without considering these final settlement dues. Accordingly, no claim in respect of these claims on the value have been considered.

For actuarial valuation gratuity liability has been considered as per the provisions of the Payment of Gratuity Act, 1972 despite there being higher amount of gratuity liability as per the Company's HR policy.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The Gratuity and Leave benefits continue to be provided for all employees notwithstanding that the salary and other costs are booked based on attendance. [(Refer note.32(37))]

### Amounts recognized in Other Comprehensive Income:

(Rs. In Lakhs)

Gratuity	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Actuarial (Gains) / Losses on Liability	(17.29)	(268.05)	(124.43)	14.18
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	-	2.80	-	-
Total	(17.29)	(270.84)	(124.43)	14.18

### 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	2019-20	2018-19
Discount rate	7.05%	7.05%
Expected return on plan assets	7.05%	7.05%
Annual increase in Salary costs	6.50%	6.50%
Attrition Rate	15.00%	15.00%
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 Lakhs)

Particulars	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
<u>Discount Rate:</u>				
One percentage increase	(55.54)	(49.56)	(23.77)	(22.52)
One percentage decrease	60.43	53.75	25.90	24.46
<u>Salary Escalation Rate:</u>				
One percentage increase	58.05	47.19	25.46	24.36
One percentage decrease	(54.70)	(44.86)	(23.83)	(22.84)
<u>Withdrawal Rate:</u>				
One percentage increase	(2.17)	1.43	(1.94)	(0.39)
One percentage decrease	2.32	(1.61)	2.11	0.42

The above information is as per certificates of the Actuary.



# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### **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.

6. The Company had invested an amount of Rs. 419/- in the equity share capital of Jyoti Structures Africa (Pty) Limited (JS Africa), a subsidiary company. As on 31<sup>st</sup> March, 2020, the Company has also advanced loan of Rs. 3,258.85 Lakhs (P.Y. Rs. 3,258.85 Lakhs) to JS Africa and the outstanding receivable from that company is Rs. 3,310.95 Lakhs (P. Y. Rs. 3,310.95 Lakhs) 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 implementation of the approved resolution plan for the Company to begin with which turnaround of the subsidiaries is also imminent, 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.
7. The Company had invested an amount of Rs. 317.04 lacs in the equity share capital of Jyoti Structures FZE, a subsidiary company. As on 31<sup>st</sup> March, 2020, the Company has also advanced loan of Rs. 38.01 Lakhs (P.Y. Rs. 38.01 Lakhs) to Jyoti Structure FZE. Though the net worth of the subsidiary has been eroded, the Company has not provided for diminution in value of investment of Rs. 317.04 lacs and no provision is made against outstanding loans and dues of the said company. Considering the implementation of the approved resolution plan for the Company to begin with which turnaround of the subsidiaries is also imminent, 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.
8. 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 2020:**

(Rs. In Lakhs)

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)	7,446.00	10,488.74	(16,659.00)	-
Jyoti Structures Kenya Ltd.	Step -Subsidiary	-	-	-	-	-	(629.73)
JS FZE Nigeria	Step -Subsidiary	-	-	-	30.54	-	-
JSL Corporate Services Ltd.	Subsidiary	350.00	-	-	1.18	-	(466.41)
JSL FZE Namibia	Step -Subsidiary	-	-	-	420.73	-	-

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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
Jyoti Americas LLC	Subsidiary	-	-	791.45	5,267.33	(6059.00)	-
Jyoti Energy Ltd.	Subsidiary	5.00	(5.00)	-	41.68	-	-
Jyoti Holding Inc	Subsidiary	6,000.65	(6,000.65)	6470.60	1159.88	(7,517.00)	-
Jyoti Structures Africa Pty. Ltd.#	Subsidiary	-	-	3,258.85	2537.67	-	-
Jyoti Structures FZE	Subsidiary	317.04	-	38.01	-	-	(4,635.37)

### Position As on 31<sup>st</sup> March 2019:

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	10,488.74	(16,659.00)	-
Jyoti Structures Kenya Ltd.	Step -Subsidiary	-	-	-	-	-	(593.38)
JS FZE Nigeria	Step -Subsidiary	-	-	-	30.54	-	-
JSL Corporate Services Ltd.	Subsidiary	350.00	-	-	1.18	-	(466.41)
JSL FZE Namibia	Step -Subsidiary	-	-	-	420.73	-	-
Jyoti Americas LLC	Subsidiary	-	-	791.45	5267.33	(6,059.00)	-
Jyoti Energy Ltd.	Subsidiary	5.00	(5.00)	-	41.68	-	-
Jyoti Holding Inc	Subsidiary	6,000.65	(6,000.65)	6470.60	1159.83	(7,517.00)	-
Jyoti Structures Africa Pty. Ltd.#	Subsidiary	-	-	3258.85	3310.95	-	-
Jyoti Structures FZE	Subsidiary	317.04	-	38.01	-	-	(2178.96)
Lauren Jyoti Pvt Ltd.	JV	500.00	(500.00)	-	-	-	-

9. The Company has provided for diminution in value of loans and advances given to its Subsidiaries/Joint Venture in total amounting to 30,235 lacs up to FY 17-18. However, excess/shortfall in the provision is not ascertainable in the absence of appropriate documentations including the financial statements of the subsidiaries.
10. Pursuant to the defaults in repayment of debt by the Company, National Company Law Tribunal (NCLT) has admitted the petition filed by lenders on 4<sup>th</sup> 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. 1,47,321.74 Lacs (P.Y. Rs. 1,09,978.58 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 and the earlier plan 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. Further, in few cases adjustment for interest has been done in current year based on the availability of information.
11. Based on its internal evaluation of the trade receivables, the company has made a provision (excluding in respect of branches, which are incorporated based on details received) of Rs. 1,90,219.39 Lacs till 31 December 2017 and subsequently the same is increased by Rs. 36,074.62 lacs and Rs. 78,491.30 lacs during the year ended 31

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

March 2019 and 31 March 2020, respectively. 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).

12. In terms of appointment, the company has not provided any remuneration to Mr. K. R. Thakur, Whole-time Director for the year (P.Y. Rs Nil).

13. **Disclosures as required by Indian Accounting Standard (IND AS) 116 ‘Leases’:**

Due to non-availability of agreements/details/documents, recognition/ presentation / disclosure requirements as per the IND AS 116 Leases could not be made.

14. **Disclosures as required by Indian Accounting Standard (IND AS) 24 – ‘Related 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%)

(d) Key Management Personnel:

- i. Mr. K. R. Thakur (Whole-time Director)

(e) Relatives of Director:

- i. Jyoti Motiani (Daughter of Director)

B. Transactions during the year and balances at the end of the year:

There were no transactions with the related parties during the year. Following are the balances at the end of the year:

Sr. No.	Particulars	Type of Relationship	Related Party	2019-20 (In Rs. Lakhs)	2018-19 (In Rs. Lakhs)
1	Remuneration payable	(d)	(i)	194.71	194.71
2	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)	(vii)	317.04	317.04
3	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)	6,025.94	6,569.8
		(a)	(iv)	7,630.43	7,630.43

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

		(a)	(v)	6,058.78	6,058.78
		(a)	(vii)	(1,363.96)	(2,140.95)
		(b)	(i)	420.73	420.73
		(b)	(ii)	30.54	30.54
		(b)	(iii)	(629.73)	(593.38)
		(c)	(i)	17,934.75	17,934.75
4	Outstanding Corporate Guarantee #	(a)	(v)	19,093.99	17,677.11
		(c)	(i)	21,248.99	19,665.30

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

# Refer note no 32(2)

The above amounts are net off provisions, if any. Refer Note 32(8)

No Compensation has been booked in respect of Key Management Personnel of the Company.

The related party transaction and balances are based on the details as available with the company, which does not include transactions at branch level, if any. The change in balances is due to effect of branches and impact of foreign exchange fluctuations.

### 15. Remittance in Foreign Currencies for Dividend:

There is no remittance in Foreign Currencies on account of Dividend.

### 16. 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 Lakhs)

Loans given to Subsidiaries	As at Year ended 31-Mar-2020	Maximum balance during the year	As at Year ended 31-Mar-2019	Maximum balance during previous year
Jyoti Structures FZE	38.01	38.01	38.01	38.01
Jyoti International Inc	6,470.60	6,470.60	6,470.60	6,470.60
Jyoti Americas LLC	791.45	791.45	791.45	791.45
Jyoti Structures Africa Pty. Ltd.	3258.85	3258.85	3,258.85	3,258.85
<b>Total</b>	<b>10,558.91</b>	<b>10,558.91</b>	<b>10,558.91</b>	<b>10,558.91</b>

Loans given to Joint Venture	As at Year ended 31-Mar-2020	Maximum balance during the year	As at Year ended 31-Mar-2019	Maximum balance during previous year
Gulf Jyoti International LLC	7,446.01	7,446.01	7,446.01	7,446.01
Lauren Jyoti Pvt Ltd.	Nil	Nil	Nil	Nil
<b>Total</b>	<b>7,446.01</b>	<b>7,446.01</b>	<b>7,446.01</b>	<b>7,446.01</b>

All above loans have been given for business purposes. (excludes foreign exchange fluctuations).

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

b) Investments are shown under respective head. (Refer Note 2)

c) Corporate Guarantees given (Rs. in Lakhs)

Sr. No.	Name of Company	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
i)	Jyoti International Inc.*	Nil	Nil
ii)	Jyoti Americas LLC	19,093.99	17,677.11
iii)	Gulf Jyoti International LLC	21,248.99	19,665.30

\*Also refer note 32(2)

### 17. Earnings Per Share (EPS) :

Sr. No.	Particulars	2019-20	2018-19
i)	Profit/(Loss) after Tax (Net of preference share dividend) (in Rs. Lakhs)	(2,30,001.63)	(1,75,083.16)
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. (209.99)	Rs. (159.85)
vi)	Diluted Earnings Per Ordinary Share	Rs. (209.99)	Rs. (159.85)

As referred to Sub-Note 25, in the absence of any claim received from the leaders for issuance of shares of the Company, the same has not been considered for diluted EPS.

### 18. Income Taxes Expense -Themovement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020:

(Rs. In Lakhs)

Particulars	As at 31 <sup>st</sup> March 2019 - Deferred Tax Asset/ (Liabilities)	(Credit)/ Charge in the Statement of Profit and Loss	As at 31 <sup>st</sup> March 2020- Deferred Tax Asset/ (Liabilities)
On Account of Overseas Branches	(33.37)	-	(33.37)
<b>Total</b>	<b>(33.37)</b>		<b>(33.37)</b>

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 19. Financial Instruments:

#### (a) Category-wise classification of Financial Instruments

(Rs. In Lakhs)

Particulars	Note	Non- Current		Current	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
-Investments in quoted Mutual Funds	3	34.65	42.97	-	-
<b>Financial assets measured at amortised cost</b>					
-Investment in unquoted Equity Instruments	3	5.00	5.00	-	-
-Trade Receivables	6	-	-	1,35,880.96	2,10,554.24
-Security and other deposits	4	523.18	528.17	-	-
-Loans to Employees	4 & 9	-	-	26.09	26.09
-Cash and Cash Equivalents	7	-	-	1,514.13	1,613.16
-Other Balances with Banks	8	-	-	890.19	887.94
-Loan to Related Parties (Net)	9	-	-	4,540.74	4,300.40
-Sundry Deposits	9	-	-	264.58	264.58
-Expenses Receivable	9	-	-	1,019.94	1,043.75
<b>Financial liabilities measured at fair value through other comprehensive income</b>					
-Sales Tax Deferrals	19	-	-	221.18	221.18
<b>Financial liabilities measured at amortised cost</b>					
-Non-Convertible Debentures	14	-	-	5,068.63	5,068.63
-Term Loan	14	-	-	2,32,704.20	2,22,746.12
-Redeemable Preference Shares	14	-	-	4,225.00	4,225.00
-Unsecured Loans	14	-	-	491.54	491.54
-Deposits	14	-	-	857.76	857.76
-Loans Repayable on Demand	17	-	-	4,49,175.36	3,93,512.05
-Trade Payables (including acceptances)	18	-	-	52,336.83	50,963.15
-Unclaimed Dividend	19	-	-	17.70	17.70
-Payable to employees	19	-	-	12,344.25	12,100.40
-Payable towards Other Expenses	19	-	-	6,042.10	4309.58
CIRP FC Claim	19	-	-	22,491.43	22,491.43

#### (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.

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 31<sup>st</sup> March, 2020:

(Rs. In Lakhs)

Financial Assets/Financial Liabilities	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
-Investments in quoted Mutual Funds	34.65	34.65		
<b>Financial liabilities measured at fair value through other comprehensive income</b>				
-Sales Tax Deferrals	221.18	-	-	221.18

As at 31<sup>st</sup> March, 2019 (Rs. In Lakhs)

Financial Assets/Financial Liabilities	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
-Investments in quoted Mutual Funds	42.97	42.97	-	-
<b>Financial liabilities measured at fair value through other comprehensive income</b>				
-Sales Tax Deferrals	221.18	-	-	221.18

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 analyze 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.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Total Borrowings	6,86,948.19	6,21,326.81
% of Borrowings out of above bearing variable rate of interest	53.03%	58.03%

- Interest Rate Sensitivity:

A change of 50 bps in interest rates would have the following impact on loss before tax.

(Rs. In Lakhs)

	2019-20	2018-19
50 bps increase would increase the loss before tax by	1821.44	1802.78
50 bps decrease would decrease the loss before tax by	1821.44	1802.78

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 31<sup>st</sup> March, 2020 could not be identified (P.Y. Nil)

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 Lakhs)

Particulars*	2019-20		2018-19	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	-	-	-	-
EUR	-	-	-	-
AED	-	-	-	-
(Increase)/Decrease in loss	-	-	-	-



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

\*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 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 2020, the investment in mutual funds amounts to Rs. 34.65 Lakhs (Rs. 42.97 Lakhs as on 31<sup>st</sup> March, 2019)

A 5% increase in market prices would have led to approximately an additional gain of Rs. 1.73 Lakhs 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 receivables is not material hence no additional provision considered.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Ageing of Account Receivables\*:

(Rs. In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Not due	-	-
0-3 months	-	-
3-6 months	-	-
6-12 months	-	-
Beyond 12 months and less than 2 years	-	-
<b>Total</b>	-	-

\*In the absence of appropriate information for ageing of account receivables, the same could not be identified.

Movement in provisions of doubtful debts:

(Rs. In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Opening provision	2,26,294.01	1,90,219.39
Add: Additional Provision made	78,491.30	36,074.62
Less: Provision reversed/written off	-	-
Closing provisions	3,04,785.31	2,26,294.01

\*excludes provision made at branch level

### 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 Lakhs)

Particulars	Less than 1 year	1 to 5 years	Total
<b>As at 31<sup>st</sup> March, 2020</b>			
Borrowings (Refer Note 17&19)	7,00,556.31	-	7,00,556.31
Trade Payables (Refer Note 18)	52,336.83	-	52,336.83
Other Financial Liabilities (Refer Note 19)	221.18	-	221.18
<b>As at 31<sup>st</sup> March, 2019</b>			
Borrowings (Refer Note 17& 19)	6,34,934.93	-	6,34,934.93
Trade Payables (Refer Note 18)	50,963.15	-	50,963.15
Other Financial Liabilities (Refer Note 19)	221.18	-	221.18

20. 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

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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. Hence, the same has not been provided for.

21. Previously 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.
22. 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 Lakhs (P.Y Rs. 1700 Lacs) till the reporting date 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 in communicating with its customers to expedite execution and/or minimize penal consequences.
23. 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. Lakhs)

Sr. No	Particulars	2019-20	2018-19
1)	The Principle amount and the interest due thereon remaining unpaid to any suppliers at the end of each accounting year	470.03	369.14
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	172.13	71.24
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 available and could not be duly reconciled with the books.

24. 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:

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- 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 28<sup>th</sup> 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 31<sup>st</sup> March, 2017.

Consequential liability arising on account of the same could not be determined in the absence of details being available for the matter.

- 25. The number of shares of Jyoti Structures Ltd. to be issued on settlement of the preference stock on the Maturity on 28<sup>th</sup> August, 2016, cannot be ascertained since the lenders have not invoked their rights on the due date and till 31<sup>st</sup> March 2020, and therefore, the dilutive effect of those shares on the Diluted EPS of the Company has not been considered.
- 26. Confirmation of balances could not be obtained as at March 2020 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.
- 27. The company has various input credits and balances with various statutory authorities pertaining to service tax, VAT, sales tax etc. aggregating to Rs. 2,845.65 lacs (P.Y. Rs. 3,095.90 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.
- 28. Pursuant to the process of evaluation and admission of claims by the RP, the RP had 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 during the previous year based on the details provided and verified but the same could not be accounted for fully 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.

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

These are still under reconciliation and hence the impact for the same has not been taken in the financial statements as at the reporting date.

29. During FY 2017-18, 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. Out of above, Interest has been provided during current year on Rs.10,284.71 lacs for the period from Jul'17 to Mar'20. Reconciliation of the same still being under process, the same is not yet accounted for in the books.
30. Corporate Social Responsibility (CSR) - In view of losses incurred, expenditure on CSR is not applicable for the year ended as at 31<sup>st</sup> March, 2020.
31. Cost of material consumed includes Bought-out materials purchased for short supplies to customers under the contracts.
32. 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 2020. 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 2020 as well as for the restatement of the amounts of liabilities and borrowings as per the approved plan.
33. 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.
34. During the year, there were credits of Rs. 1,40,359 lacs (P.Y. 1,663.31 lacs) and debits of Nil (P.Y. Rs. 16.99 lacs) in few bank accounts (loan accounts) effect of which has not been taken in financial statements in the absence of relevant information, which the Company had sought multiple times from the bank. However, the same could not be received till the time of finalization of books of accounts and therefore, the same has been kept as reconciliation items.
35. During the year, the Company has incurred a net loss of Rs. 2,29,992.65 resulting in to accumulated losses of Rs. 9,61,856.88 lacs as at 31<sup>st</sup> March 2020 and erosion of its Net worth. As the Company had received an order from National Company Law Appellate Tribunal (NCLAT) approving submitted resolution plan which is under process of implementation at the time of reporting date of the financial statements, in the opinion of the management, the company will continue its operations and the above results have been prepared on the basis that the Company is Going Concern.
36. During the year there is no significant movement in the inventory of the Company except to the extent of valuation done for the closing inventory at net realizable value as per IND AS 2 Valuation of inventory. During the previous period, the company had appointed an independent agency for verification of physical inventory at various location, valuation of such inventory derived was Rs 816.76 lacs. Total inventory with the company is Rs. 3,940.86 lacs as on 31<sup>st</sup> March 2020, out of which significant materials are at site / third party locations for which physical verification exercise could not be performed due to various limitations of the Company.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

37. Since the company faces liquidity constraints, during the year, employee cost has been recognized in the statement of profit and loss based on the total no of attendance marked during the year. The same was hitherto being accounted for in respect of all employees. Further, the attendance are considered based on manual attendance registers maintained at Nashik Plant I, Plant II and Head Office. Attendance for other offices, sites, factories etc. are considered based on the signed attendance recorded provided by respective office/site in charge. However, the company has considered all the employees for calculation of gratuity and leave encashment liabilities as the same are still due for payment for all the employees on records, also refer Note 32 (5).

38. During the financial year 2017-18, 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 admissibility 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 INR 6,162 Lac were accounted for as trade payables with consequential debit to Other Expenses in previous year FY 2017-18. 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). (Refer Note 32(28)).

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 4 July 2017. Accordingly, Financial Statements of the Company for the year ended 31 March 2020 were taken on record and authorized for issue by Resolution Professional (RP or ERP) on 17 March 2021. 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, Financial Statements of the Company for the year ended 31 March 2020 were taken on record and authorized for issue by Erstwhile Resolution Professional (ERP) on 17 March 2021.

Further, in view of the Board being superseded and the existing directors being even otherwise disqualified from being appointed due to continuous default w.r.t. repayment of public deposits, the directors, other than the independent director, are not qualified for being reappointed and the same has also lead to various secretarial non-compliances including non-filing / delayed filing of various forms, updation of registers etc.

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 include the balances of branches which have been considered but in respect of which the relevant back up papers / details are not fully available.

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. During the year, the Company has not transferred unclaimed dividend amounts to Investor Education and Protection Fund as per the requirement of the Companies Act, 2013 as all the directors of the Company are disqualified under the provisions of section 164(2)(b) of the Companies Act, 2013.

# JYOTI STRUCTURES LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The Company had filed the Form INC 28 as per the Ministry of Company Affairs (MCA) General Circular No. 08/2020 dt. 06.03.2020 along with required documents was filed on 05.05.2020 for inclusion of the Resolution

Professional in the Master Data of the Company designating the RP as the CEO and the Authorised Person to sign the pending ROC forms. The said process is still pending with ROC.

43. The statement includes the figures / amounts for the year ended on date in respect of its eleven branches (Tunisia audited and others unaudited) 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. During 2017-18, the company had incorporated financial statements of five branches for the period till December 31, 2017. During the current year, unaudited financial statements for 2018-19 are available. Further, there are opening differences in the branch trial balances aggregating to Rs. 69.38 lacs which have been debited to Reserves and Surplus due to the details for the same not being available.
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 standalone financial statements are authorized to be issued at the Board Meeting of the company held at 17 March 2021.
46. 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.
47. There are no shared allotted under ESOP / ESOS as at the reporting date.
48. The company based on its assessment in earlier year(s) has balances in the nature of accrued revenue. The billing in respect of these has 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. In view of the full details for preparation of the statement of cash flows being not available, the company has not prepared the same. The same is proposed to be prepared and approved at the board meeting for approving the consolidated financial statements.
50. Previous year's figures have been re-arranged, re-grouped and re-classified, wherever necessary.

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

**For and on behalf of the Board**  
**Sd/-**  
**Anil Mishra**  
*Interim Chief Financial Officer*  
*(Appointed by CoC in the Meeting held on 10.08.2017)*

**Sd/-**  
**Narendra Khandal**  
*Partner*  
Membership No. 065025  
**Date:** 17 March 2021  
**Place:** Mumbai

**Sd/-**  
**Sonali Gaikwad**  
*Company Secretary*

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

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 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. Lakhs)

Sl. No.	Name of the subsidiary	JSL Corporate services limited	Jyoti Energy Limited	Jyoti Structures Africa (Pty) Ltd	Jyoti Structures FZE
	<b>Percentage of Shareholding</b>	100%	100%	70%	100%
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
1.	Capital	350.00	5.00	0.005	377.39
2.	Reserves	137.64	(28.90)	(1516.30)	(1,099.60)
3.	Total Assets	488.94	29.67	5,253.90	3,198.27
4.	Total Liabilities (excluding Capital and Reserves)	1.30	53.57	6,770.02	3,436.13
5.	Details of Investment (except in case of Investment in the Subsidiaries)	-	-	-	-
6.	Turnover	-	-	-	0.00
7.	Profit before Taxation	(0.19)	(0.59)	(181.60)	(3288.36)
8.	Provision for Taxation	-	-	-	0.00
9.	Profit after Taxation	(0.12)	(0.59)	(181.60)	(3288.36)
10.	Proposed Dividend	-	-	-	-

#### Notes:

1. Please refer to consolidated financial statement and notes appearing thereon.
2. The Exchange Rate of <sup>1</sup> 4.7782 is considered for conversion of South Africa Rand (ZAR) to Indian rupee & <sup>1</sup> 18.8699 is considered for conversion of Arab Emirates Dirham (AED) to Indian rupee (INR)
3. Jyoti Americas LLC and Jyoti Structures Canada Ltd are subsidiaries of Jyoti International Inc. Result of Jyoti International Inc are not available.
4. Jyoti Structures Namibia (Pty) Ltd is subsidiary of Jyoti Structures FZE.
5. Jyoti Structures FZE are including their subsidiaries.
6. Jyoti Structures Africa (Pty.) Ltd. copy of financial are not available.

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Note: During the Financial Year 2018-19 the Gulf Jyoti International. LLC & Lauren Jyoti Pvt. Ltd. were written off by the Company.



## Independent Auditors' Report

### To the Members of Jyoti Structures Limited

#### 1. Report on the Consolidated Financial Statements

##### Disclaimer of Opinion

We were engaged to audit the accompanying consolidated 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"), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2020, 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.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements

#### 2. Basis for Disclaimer of Opinion

A) *In the absence of the financial statements or management accounts, for the quarter and year ended March 31, 2020, 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 have not been fully disclosed.*

B) *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 statements 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.*

C) *The requirements of Ind AS – 110 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.*

D) *The holding company has considered the unaudited management accounts of two foreign subsidiary (including three 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.*

E) *The consolidated financial statements include the financial and other information in respect of two foreign subsidiaries (including their step-down subsidiaries) based on unaudited financial statements.*

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*The consolidated financial statements includes Assets and Liabilities of Rs. 4,576.55 Lacs and Rs. 12,854.96 Lacs respectively as at March 31, 2020 (Previous year Rs. 8211.15 Lacs & Rs. 11,451.61 Lacs) and Total Revenue & Profit Before Tax of Rs. 1,436.89Lacs & Rs. (-) 2918.84 Lacs respectively (Previous year Rs. 8,429.11 Lacs & Rs. (-) 3426.43 Lacs) for the year ended March 31, 2020 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 statements.*

- F) *The amount appearing under Non-Controlling Interest, Goodwill, Fixed Assets are subject to reconciliation on the availability of the underlying details, of which the impact, if any, is not presently ascertainable.*
- G) *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 consolidated financial statement does not include any adjustment which may arise from giving effect to the approved plan. Further, the effect of the process of claims reconciliation has not been fully taken in the consolidated financial statements, which have been further disclosed in Note no. 32 of the consolidated financial statements. Due to these conditions at the date of this report, we are unable to ascertain the impact of the same on the consolidated financial statements.*

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

- a) *The Group has reported loss after tax of INR 232,928.21 Lacs (EBIDT of Rs. (-) 83,970.65 Lacs) during the year;*
- b) *The net-worth of the Group has been fully eroded and is (-) INR 968,155.78 Lacs as at 31 Mar 2020;*
- c) *There are no operations at plants during the current financial year 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.*

- H) *The rates for conversion of foreign exchange assets, liabilities, income and expenditure are not in line with the requirements of Ind AS 21.*
- I) *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.*
- J) *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 and no details / documents have been provided to us with respect to the matters / balances for which disclaimer were issued and hence we are unable to verify the same during current year in so far as it relates to the opening balances for the year.*
- K) *In respect of the consolidated statement of cash flows for the year ended March 31, 2020:*
- a) *the details of the same for branches and unaudited subsidiaries are not available and hence we are unable to verify the derived amounts considered in the statement of cash flows. Further, in*

## JYOTI STRUCTURES LIMITED

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*respect of the comparative amounts for the year ended March 31, 2019, the details of the opening period are not available and hence the amounts considered under comparative periods could also not be verified.*

- b) *there are unreconciled difference, manual adjustments etc. in calculation of operating profit of which the underlying details are not available, the same is not in line with the requirements of Ind AS 7.*
- 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 w.r.t. Components 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) *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 of the same in books of accounts. In the absence of details, we are unable to comment on the effect of such entries in the financial statements of the Company.*
- ii) *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.*
- iii) *Revenue include Revenue pertaining to foreign branches of Rs. 103.24 lacs, which is as per unaudited trial balance as provided by the management and no further details are made available w.r.t the same.*
- iv) *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 financial statements (Ref Note No. 42).*
- v) ***In respect of its expenses:***
- a) *During the year employee costs have been booked as ascertained by the company based on actual attendance, the same was hitherto being accounted for all employees irrespective of attendance. In view of the underlying records being made available partly, we are unable to comment on the Employee Costs of Rs. 1,087.92 Lacs debited to statement of profit and loss.*
- b) *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. (-) 4,612.08 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 statement.*

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### vi) **Statutory Dues / Compliances**

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

### vii) **Revenue & Contracts and Trade Receivables**

- a) *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 financial statements. Further, the details of work in progress with its age, stage of completion, acceptability to customers, estimated future cost to completion, progress billing etc. not being made available to us due to which we are unable to comment on the requirements of provision, if any, for WIP, foreseeable losses, income accrued but not due etc.*
- b) *No detailed workings are available for the calculation of liquidated damages contractually leviable for delay in completion of contracts and the costs for Defect Liability Period (DLP) which are contractually required to be incurred for specified periods. In the absence of the working, we are unable to comment on provision, if any, required for the same.*
- c) *As against the total amount of Trade Receivables of Rs. 440,669.32 Lacs as at March 31, 2020, Provision for Rs. 304,788.36 Lacs has been made till March 31, 2020 based on the assessment being made by the company. In the absence of confirmation from all the parties, pending reconciliation of all parties, disputed dues which are being contested by the company, encashment of guarantees etc., we are unable to comment on the adequacy of the provision made by the company.*

### 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 consolidated 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. 100.89 Lacs for the year ended March 31, 2020 in respect to the interest payable to Micro and Small Enterprises for which no working/ basis are available. Further, no provision for interest payable in respect of delayed payments to other vendors have been made*
- c) *As further detailed at Note No. 32 (35) of the financial statements, due to the directors being disqualified by MCA Annual Return in DPT – 3 has not been filed in respect of Public Deposits accepted by the company as required under the Companies Act, 2013;*

## JYOTI STRUCTURES LIMITED

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- d) *As further detailed at Note No. 32(35) of the financial statements, due to the directors being disqualified by MCA, the compliances w.r.t various filings with the Ministry of Corporate Affairs and entries / up-dation of various registers / forms as required under the Companies Act, 2013 have not been done;*
- e) *There have been delay in conduct of general meeting.*
- ix) a) *The financial statements includes the assets, liabilities, income and expenditure in respect of 11 branches (including one audited branch) out of total 14 branches for the year ended March 31, 2020 and in respect of 1 branch, balances are as on December 31, 2017. These statements have been included based on management accounts of these 11 branches.*

*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.*

*Amount w.r.t unaudited branches which are incorporated in statement are Total assets and liabilities as on March 31, 2020 of Rs. 8,711.19 Lacs & Rs. 10,595.29 Lacs respectively, Total Income of Rs. 103.24 Lacs and Total Profit (Nett of losses) including Other Comprehensive Income of Rs. (-) 1,884.11 Lacs for the year then ended. 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.*

- b) *During 2017-18, the company had incorporated financial statements of five branches for the period till December 31, 2017. During 2018-19, unaudited financial statements were available, however details w.r.t intervening period from 01.01.2018 to 31.03.2018 is not available. Further there are opening difference in the branch trial balance aggregating to Rs. 69.38 lacs which have been debited to Reserves and Surplus for which the underlying details are not available. This has also resulted in the corresponding period figures not being comparable.*
- c) *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.*
- d) *The company is carrying Rs. 832.29 Lacs as prepaid expenses as on March 31, 2020 in respect of which the underlying details are not available and hence, we are unable to comment on the adequacy of the same being charged off or carried forward.*
- x) **Others:**
- a) *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;*
- 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:*

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- i) *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 are serious control deficiencies having regard to the fact that sufficient details for the same manually are also not available;*
  - ii) *There has been no system of Risk Control Matrix / Process Controls in place to check the adherence to guidelines, wherever framed by company and to monitor deviations, if any.*
  - iii) *The process of controls w.r.t. booking and maintenance of back up records in respect of expenses needs to be improved*
  - 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.*
- c) *With respect to disclosure requirements of Schedule – III to the Companies Act, 2013, identified non-compliances or non-availability of details are as under:*
- i) *Bifurcation of interest payable on loan is not being done properly, in view of some part of it being included with principal and part of it being disclosed under Interest Payable;*
  - ii) *the entire amount of trade receivables have been classified as current notwithstanding the contracted terms with the respective customers;*
  - iii) *Amount and period of default in repayment of borrowing and interest have not been provided in order to comply with the presentation and disclosure requirement as per the schedule III of the Companies Act, 2013;*
  - iv) *The additional disclosures as required under schedule – III 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; Similarly, the bifurcation between secured and unsecured could not be verified in the absence of details;*
  - vi) *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 Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Ind AS 108 – Operating Segment.*
- d) *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.*

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

### 3. Basis for Qualified 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 exercised the right, hence we are unable to comment on the same.*

B) *In respect of its holding company:*

#### **viii) 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.*

#### **ix) In respect of its Investments:**

- b) *The original share certificates / holding statement (viz. from DP / other sources) to substantiate the ownership of the company towards equity and other Investments in subsidiaries / associates / others amounting to aggregate carrying value Rs. 667.04 Lacs are not available due to which are unable to comment on the existence, title and carrying amount of such investments under Non-current assets.*
- c) *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 March 31, 2020.*
- x) *The balance of Trade Receivables, Bank Balances (including loan balance), advances and payables 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.*
- xi) *Balances with banks (including term deposits & loans), trade and other receivables, advances, TDS and other deposits and various payables are subject to confirmation and reconciliation and consequential adjustments, if any. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable. Impact whereof on the statement, if any is not presently ascertainable.*
- xii) *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.*

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- xiii) *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 statement and as per bank.*
- xiv) *In connection with the existence of material uncertainties over the realizability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount included in 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 the statement cannot be ascertained.*
- xv) **Contingent Liabilities**
- c) *The company has Rs. 52,095.18 lacs under contingent liabilities for Bank Guarantees. However, as per details compiled by the management, Bank Guarantees of Rs. 27,462.25 lacs are live, bank guarantees of Rs. 14,058.08 lacs has been expired and Rs.10,574.85 lacs have been cancelled. Out of these the status in respect of Rs. 23,689.76 lacs have not been confirmed by banks. However, the Company is continuing to show the expired and cancelled Bank Guarantees aggregating to Rs. 24,632.93 lacs as Contingent Liability.*
- Further, provision for BG commission has been made to the extent details in respect of the same is made available by the lenders.*
- d) *The details in respect of corporate guarantees of Rs. 75,003.98 lacs 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.*

#### 4. Material Uncertainty Related to Going Concern

We refer to Note 32 of the accompanying consolidated financial statements, the Group has incurred loss of Rs. 232,928.21 Lacs during the year and has a negative net-worth of Rs. 968,155.78 as at March 31, 2020. Further, the holding company had been at recurring defaults w.r.t. debts covenants, legal, statutory and employee dues and compliances; operations at its plants have been significantly reduced. The holding company has been admitted under Corporate Insolvency Resolution Process (CIRP) under which the resolution plan submitted by the company has been approved by the Hon'ble NCLT. This plan *interalia* includes certain conditions precedent which are yet to be complied with. The matters described in the Basis for Disclaimer of Opinion section above and Report on Other Legal and Regulatory Requirements section below may also have an impact on the Company's ability to continue as a going concern. All these developments raise a significant doubt on the ability of the holding company to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Holding Company to continue as a going concern is dependent upon the successful implementation of the plan and the resuming of operational activities which are not fully within the control of the holding company.

The Management has prepared these consolidated financial statements using going concern basis of accounting based on its assessment of the successful outcome of above referred actions.

#### 5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the accompanying consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act")



# JYOTI STRUCTURES LIMITED

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.

## 6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying consolidated financial statements.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## 7. Other Matters

- i. The Consolidated financial results includes the results of the following entities:

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

\$ As per audited financial statements

# As per un-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.

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### 8. Report on Other Legal and Regulatory Requirements

- i. As required under section 143 (1) of the Act, we report that in respect of various loans and advances made by the Group, in the absence of details of the terms w.r.t. the same we are unable to comment whether the same are duly secured or not and whether or not the same are made at terms which are prejudicial to the interest of the company or its members.
- ii. 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 (to the extent received by us) 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 inventory and fixed assets register in respect of the holding company 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 12 branches for the year ended March 31, 2020 or till December 31, 2017 as the case may be based on details available and for 2 branches details were unavailable and hence not considered. Eleven branches have been incorporated based on unaudited / management accounts / details and hence no audit 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. 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;
  - d. 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;
  - e. The matters described in the basis for disclaimer of opinion and Report on Internal Financial Controls over financial reporting in respect of companies incorporated in India (Annexure A), in our opinion, may have adverse effect on the functioning of the Company;
  - f. In the term of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the powers of the board of directors of the holding company has been suspended and be exercised by the interim resolution professional. Further, in view of the holding company being in default w.r.t. payment of interest and principal of its deposits and such defaults continuing for a period of more than one year, the directors of the company are disqualified from being re-appointed u/s 164 (2) of the Act. Hence, written representation from directors have not been taken on record by the Board of Directors except for its independent director.

## JYOTI STRUCTURES LIMITED

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In respect of the subsidiaries / associates / joint ventures incorporated in India, of which audit report / other details / representations are not available hence we are unable to comment on the disqualification or otherwise in respect of these components.

- g. 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) is in respect of the holding company and components being companies incorporated in India, based on the audit report of the auditors of the respective companies. Our report expresses and disclaimer of opinion in respect of internal financial control over financial reporting for reasons stated therein
- h. 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 (based on the report of the auditors of the respective companies), refer to our separate report in "Annexure A"
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that no remuneration has been paid by the Holding Company to its directors during the year.
- 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 32 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; and
  - iii. Unclaimed dividend amounting to Rs. 13.11 Lacs required to be transferred to Investor Education and Protection Fund by the company during the year has not been transferred as at the date of this report.

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

**Sd/-**  
**Narendra Khandal**  
**Partner**  
**M No. 065025**  
**UDIN : 21065025AAAAET1854**  
**Mumbai, April 14, 2021**

# ANNUAL REPORT 2019-20

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## **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 31<sup>st</sup> March 2020, 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 and associates 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 Group'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**

The Group'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 group'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

## **JYOTI STRUCTURES LIMITED**

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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, 2020. 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: 21065025AAAAET1854**  
**Mumbai, April 14, 2021**

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## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

	Note	As at 31 <sup>st</sup> Mar 2020 INR in Lacs	As at 31 <sup>st</sup> Mar 2019 INR in Lacs
<b>ASSETS</b>			
1) Non-Current Assets			
a) Property, Plant and Equipment	1	4,295.66	6,167.57
b) Goodwill	1.1	5.43	11.80
d) Other Intangible Assets	1.1	0.47	-
		<b>4,301.56</b>	<b>6,179.37</b>
e) Financial Assets			
i) Investment	2 & 3	39.65	47.97
ii) Other Financial Assets	4	523.18	528.17
		<b>562.83</b>	<b>576.14</b>
Total Non-Current Assets		<b>4,864.39</b>	<b>6,755.51</b>
2) Current Assets			
a) Inventories	5	5,524.00	5,667.45
b) Financial Assets			
i) Trade Receivables	6	1,36,592.02	2,14,144.50
ii) Cash and cash equivalents	7	1,563.55	1,852.16
iii) Bank Balances other than (ii) above	8	890.19	887.94
iv) Other Current Financial Assets	9	6,483.88	3,230.01
v) Current Tax Asset (Net)	10	451.28	449.70
		<b>1,45,980.92</b>	<b>2,20,564.31</b>
c) Other Current Assets	11	11,473.32	11,431.52
Total Current Assets		<b>1,62,978.24</b>	<b>2,37,663.28</b>
<b>TOTAL</b>		<b>1,67,842.63</b>	<b>2,44,418.79</b>
<b>EQUITY AND LIABILITIES</b>			
1) EQUITY			
a) Equity Share Capital	12	2,190.55	2,190.55
b) Other Equity	13	(9,70,081.55)	(7,34,800.60)
		<b>(9,67,891.00)</b>	<b>(7,32,610.05)</b>
c) Non-controlling Interest		(264.78)	(129.23)
<b>TOTAL EQUITY</b>		<b>(9,68,155.78)</b>	<b>(7,32,739.28)</b>
2) LIABILITIES			
A) Non-Current Liabilities			
a) Financial Liabilities			
Long Term Borrowings	14	3,296.87	3,296.87
		<b>3,296.87</b>	<b>3,296.87</b>
b) Long Term Provisions	15	1,586.20	2,102.98
c) Deferred Tax Liabilities (Net)	16	15.74	14.89
		<b>1,601.94</b>	<b>2,117.87</b>
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>4,898.81</b>	<b>5,414.74</b>
B) Current Liabilities			
a) Financial Liabilities			
i) Short Term Borrowings	17	4,49,283.74	3,93,563.73
ii) Trade Payables	18	54,341.60	53,711.16
iii) Other Current Financial Liabilities	19	6,16,604.24	5,14,496.69
		<b>11,20,229.58</b>	<b>9,61,771.58</b>
b) Other Current Liabilities	20	8,390.56	8,175.27
c) Short Term Provisions	21	2,479.46	1,796.48
		<b>10,870.02</b>	<b>9,971.75</b>
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,31,099.60</b>	<b>9,71,743.33</b>
<b>TOTAL</b>		<b>1,67,842.63</b>	<b>2,44,418.79</b>

Significant Accounting Policies 31  
Other Notes to Financial Statements 32

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; 14th April, 2021

Sd/-  
**SONALI GAIKWAD**  
Company Secretary

For and on behalf of the Board  
Sd/-  
**ANIL MISHRA**  
Interim Chief Financial Officer  
(Appointed by CoC in the Meeting held on 10.08.2017)  
Sd/-  
**VANDANA GARG**  
Erstwhile Resolution Professional and Member of Monitoring  
Committee for implementation of Resolution Plan  
IBBI/IPA-001/IP-P00025/2016-2017/10058

# JYOTI STRUCTURES LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

	Note	As at 31 <sup>st</sup> Mar 2020 INR in Lacs	As at 31 <sup>st</sup> Mar 2019 INR in Lacs
<b>CONTINUING OPERATIONS</b>			
<b>I INCOME</b>			
Revenue from Operations	22	1,641.19	18,245.51
Other Income	23	41.93	599.75
<b>Total Revenue</b>		<b>1,683.12</b>	<b>18,845.26</b>
<b>II EXPENSES</b>			
Cost of Materials Consumed	24	742.50	7,557.84
Erection and Sub-contracting Expense	25	1,890.06	7,429.51
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	23.71	(722.10)
Employee Benefits Expense	27	2,051.18	11,925.19
Finance Costs	28	1,47,322.45	1,09,982.47
Depreciation and Amortization Expense (Net)	29	1,635.11	2,666.96
Other Expenses	30	80,946.32	58,514.36
<b>Total Expenses</b>		<b>2,34,611.33</b>	<b>1,97,354.23</b>
<b>III Loss Before Tax and Share in joint venture (I-II)</b>		<b>(2,32,928.21)</b>	<b>(1,78,508.97)</b>
<b>IV Share of Joint Venture</b>			
Share of Profit / (Loss) of Joint Venture		-	-
<b>V Loss Before Tax (III+IV)</b>		<b>(2,32,928.21)</b>	<b>(1,78,508.97)</b>
<b>VI Tax Expense:</b>			
Current Tax		-	-
Deferred Tax (Net)		-	(5.51)
<b>Total Tax Expense</b>		<b>-</b>	<b>(5.51)</b>
<b>VII Loss for the year (V-VI)</b>		<b>(2,32,928.21)</b>	<b>(1,78,503.46)</b>
<b>VIII Other Comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Changes in revaluation surplus		-	-
Remeasurements of the defined benefit plans		(17.29)	(250.74)
<b>B. Items that will be reclassified to profit or loss</b>			
Remeasurement of Investment at fair value		(8.31)	1.61
Exchange (Loss)/Gain in translating the financial statements of a foreign operation		-	-
<b>Total (B-A)</b>		<b>8.98</b>	<b>252.35</b>
<b>IX Total Comprehensive income (VII + VIII)</b>		<b>(2,32,919.23)</b>	<b>(1,78,251.11)</b>
<b>X Net Profit Attributable to</b>			
Owner		(2,32,887.39)	(1,78,437.40)
Non-controlling Interest		(40.82)	(66.06)
<b>Other Comprehensive income</b>			
Owner		8.98	252.36
Non-controlling Interest		-	-
<b>Total Comprehensive income</b>			
Owner		(2,32,878.41)	(1,78,185.04)
Non-controlling Interest		(40.82)	(66.06)
<b>XI Earning Per Equity Share (In INR)</b>			
[Nominal value of share INR 2]			
1) Basic		INR -212.63	INR -162.92
2) Diluted		INR -212.63	INR -162.92
Significant Accounting Policies	31		
Other Notes to Financial Statements	32		

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; 14th April, 2021

Sd/-  
**SONALI GAIKWAD**  
Company Secretary

For and on behalf of the Board  
Sd/-  
**ANIL MISHRA**  
Interim Chief Financial Officer  
(Appointed by CoC in the Meeting held on 10.08.2017)

Sd/-  
**VANDANA GARG**  
Erstwhile Resolution Professional and Member of Monitoring  
Committee for implementation of Resolution Plan  
IBBI/IPA-001/IP-P00025/2016-2017/10058

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## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

		Year Ended 31st Mar 2020 INR in Lacs	Year Ended 31st Mar 2019 INR in Lacs
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) Before Taxes	[A]	<b>(2,32,928.22)</b>	(1,78,508.98)
ADJUSTMENTS FOR:			
i) Depreciation and amortization		<b>1,635.11</b>	2,666.96
ii) Interest Expense		<b>1,45,236.45</b>	1,09,982.47
iii) (Gain)/Loss on Sale of Property, Plant and Equipment (Net)		-	(4.87)
iv) Interest Received		<b>(31.43)</b>	(16.21)
v) Interest to MSME		<b>100.89</b>	71.24
vi) Provision written back		<b>(10.50)</b>	(583.54)
vii) Net (gain)/loss on foreign currency transactions and translation		<b>(4,612.08)</b>	(4,099.29)
viii) Provision for doubtful debts		<b>78,491.30</b>	36,015.23
ix) Remeasurements of the defined benefit plans		<b>17.29</b>	250.74
x) Bank Guarantee (BG) Invoked		<b>2,086.00</b>	21,302.12
xi) Exchange (Loss)/Gain in translating the financial statements on account of Property, Plant and Equipment		<b>(5,935.38)</b>	(798.00)
xii) Exchange (Loss)/Gain in translating the financial statements of foreign operations		<b>3,554.83</b>	2,686.84
	[B]	<b>2,20,532.48</b>	1,67,473.69
Operating Profit before Working Capital changes	[A+B] = [C]	<b>(12,395.74)</b>	(11,035.29)
ADJUSTMENTS FOR:			
i) Inventories		<b>(78.83)</b>	(26.86)
ii) Trade Receivable & Other Receivable, financial assets, Other Current Assets		<b>6,940.99</b>	3,975.56
iii) Current Liabilities and Provisions		<b>5,156.58</b>	6,194.51
	[D]	<b>12,018.74</b>	10,143.21
Cash Generated from Operations	[C+D] = [E]	<b>(377.00)</b>	(892.08)
i) Direct Taxes Paid (Net)		-	(5.51)
	[F]	-	(5.51)
<b>Net Cash (used in) / from Operating Activities [I]</b>	[E+F] = [G]	<b>(377.00)</b>	(897.59)
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>			
i) Proceeds from Sale of Property, plant and equipment		-	72.98
ii) Purchase of Property, plant and equipment [After Elimination of (Increase)/Decrease in Capital work-in-progress]		<b>0.52</b>	(39.82)
iii) Interest Received		<b>31.43</b>	16.21
<b>Net Cash (used in) / from Investing Activities [II]</b>		<b>31.95</b>	49.37



# JYOTI STRUCTURES LIMITED

	Year Ended 31st Mar 2020 INR in Lacs	Year Ended 31st Mar 2019 INR in Lacs
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
ii) Proceeds from Short Term Borrowings from banks	57.15	-
iii) Interest Expense	(0.71)	(3.89)
<b>Net Cash (used in) / from Financing Activities [III]</b>	<b>56.44</b>	<b>(3.89)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents I + II + III</b>	<b>(288.61)</b>	<b>(852.11)</b>
Cash and Cash Equivalents at the beginning of the year	1,852.16	2,704.28
<b>Cash and Cash Equivalents at the end of the year *</b>	<b>1,563.55</b>	<b>1,852.17</b>

\* Cash and Cash Equivalents comprise of:

Particulars	Year Ended 31 Mar 2020 In INR	Year Ended 31 Mar 2019 In INR
a) Balances with Banks	1,299.28	1,577.52
b) Fixed Deposit with original maturity for less than 3 months	259.01	259.10
c) Cash on Hand	5.26	15.55
Total	<b>1,563.55</b>	<b>1,852.17</b>

**For and on behalf of the Board**

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

Sd/-  
**ANIL MISHRA**  
Interim Chief Financial Officer  
(Appointed by CoC in the Meeting held on 10.08.2017)

Sd/-  
**Narendra Khandal**  
Partner  
Membership Number. 065025  
Mumbai; 14th April, 2021

Sd/-  
**SONALI GAIKWAD**  
Company Secretary

Sd/-  
**VANDANA GARG**  
Erstwhile Resolution Professional and Member of Monitoring  
Committee for implementation of Resolution Plan  
IBBI/IPA-001/IP-P00025/2016-2017/10058

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.
4. The details of the transaction of the branches are not available and hence the amount of cash flow as derived from the branch financial information has been considered in the Statement of Cash Flows, which is subject to reconciliation and consequential adjustments.

# ANNUAL REPORT 2019-20

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### Property, Plant and Equipment

<b>1. Tangible Assets:</b>	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Tools and Tackles	Furniture & Fixtures	Computer and Office Equipments	Vehicles	31 Mar 2020 (INR in Lacs)
<b>Gross Carrying Value</b>									
As at 1 April 2018	118.18	223.70	2,919.59	19,977.71	9,109.39	677.14	1,848.35	5,893.62	40,767.68
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
As at 31 March 2019	118.18	223.70	2,919.59	19,977.71	9,109.39	677.14	1,848.35	5,893.62	40,767.68
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	(68.50)	-	-	-	(68.50)
As at 31 March 2020	118.18	223.70	2,919.59	19,977.71	9,177.89	677.14	1,848.35	5,893.62	40,836.18
<b>Accumulated Depreciation</b>									
As at 1 April 2018	-	39.61	1,195.48	17,263.47	8,871.41	592.18	1,705.25	4,932.71	31,933.15
Charge for the year	-	3.79	75.72	1,402.79	677.84	36.64	83.65	472.40	2,752.82
Disposals	-	-	-	23.07	-	11.71	10.83	40.24	85.85
Balance adjusted with Surplus in Statement of Profit and Loss	-	-	-	-	-	-	-	-	-
As at 31 March 2019	-	43.40	1,271.21	18,643.19	9,549.24	617.11	1,778.06	5,364.87	34,600.11
Charge for the year	-	3.80	76.34	1,004.03	-	17.80	62.08	420.43	1,584.47
Disposals	-	-	-	-	-	-	-	-	-
Balance adjusted with Surplus in Statement of Profit and Loss	-	-	-	-	(108.13)	-	-	-	(108.13)
As at 31 March 2020	-	47.20	1,347.54	19,647.22	9,657.37	634.90	1,840.14	5,785.30	36,292.71
<b>Net Block</b>									
As at 31 March 2019	118.18	180.30	1,648.39	1,334.52	(439.85)	60.03	70.29	528.75	6,167.57
As at 31 March 2020	118.18	176.50	1,572.05	330.49	(479.48)	42.23	8.21	108.32	4,543.46

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1.1 Intangible assets	Software	Goodwill on amalgamation	31 Mar 2020 (INR in Lacs)
<b>Gross Carrying Value</b>			
<b>As at 1 April 2018</b>	2,459.73	316.56	2,776.29
Additions	-	-	-
Disposals	-	-	-
Transfer to assets held for sale	-	-	-
Other adjustments	-	-	-
<b>As at 31 March 2019</b>	<b>2,459.73</b>	<b>316.56</b>	<b>2,776.29</b>
Additions	0.52	-	0.52
Disposals	-	-	-
<b>As at 31 March 2020</b>	<b>2,460.25</b>	<b>316.56</b>	<b>2,776.81</b>
<b>Accumulated Depreciation</b>			
<b>As at 1 April 2018</b>	2,459.73	304.76	2,765.26
Charge for the year	-	-	-
Disposals	-	-	-
Balance adjusted with Surplus in Statement of Profit and Loss	-	-	-
<b>As at 31 March 2019</b>	<b>2,459.73</b>	<b>304.76</b>	<b>2,765.26</b>
Charge for the year	0.05	-	0.05
Disposals	-	-	-
<b>As at 31 March 2020</b>	<b>2,459.78</b>	<b>304.76</b>	<b>2,765.31</b>
<b>Net Block</b>			
<b>As at 31 March 2019</b>	<b>(0.00)</b>	<b>11.03</b>	<b>11.03</b>
<b>As at 31 March 2020</b>	<b>0.47</b>	<b>11.80</b>	<b>12.27</b>

**Note:**

- 1 For assets given as security refer Consolidated Balance Sheet Note No 14.
- 2 Intangible Assets amounting to carrying value of Rs. 508.95 lacs have been fully impaired during FY 2017-18 since the corresponding assets were no longer available for use by the Company and hence, had nil realisable value/value in use.
- 3 The figures of the previous year may not be comparable due to the effect of the transactions pertaining to earlier year being taken based on the statements / details received from the branches / subsidiary(ies).
- 4 The Net block as at March 31, 2020 as reported in the balance sheet as well as the amount of Depreciation as per the statement of profit and loss is not in agreement with the amount as reported in this note due to details for certain branches / subsidiaries not being available but the corresponding amounts in balance sheet / statement of profit and loss being incorporated based on the limited information provided by the branches / subsidiaries.
- 5 As further detailed in Note No. 32, the full details / complete set of financials had not been received due to which the underlying notes could be compiled to the extent the details were available and hence the numbers are subject to reconciliation and consequential adjustments.

# ANNUAL REPORT 2019-20

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2 INVESTMENT ACCOUNTED FOR USING EQUITY METHOD	Joint Venture Other	Face Value	No. of Shares/Units		Amount	
			31 Mar 2020 Nos	31 Mar 2019 Nos	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
<b>Investment in Equity Instruments Unquoted, fully paid up - At Cost</b>						
Gulf Jyoti International LLC - Eq. Shares	Joint Venture	AED 1000 Each	12,930	12,930	1,642.77	1,642.77
Less: Diminution of Investment ** #	Joint Venture				(1,642.77)	(1,642.77)
					-	-

\*\*# Provision for diminution of investment as at the end of the year is Rs. 1642.77 Lacs

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

3 NON CURRENT INVESTMENT	OTHER	Face Value	No. of Shares/Units		Amount	
			31 Mar 2020 Nos	31 Mar 2019 Nos	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
<b>Investment in Equity Instruments Unquoted, fully paid up - At Cost</b>						
Jankalyan Sahakari Bank Ltd. - Equity Shares	Other	INR 10 Each	49,955	49,955	5.00	5.00
					5.00	5.00
<b>Investment in mutual fund at fair value</b>						
<b>Quoted, Fully paid-up - At fair value through other comprehensive income</b>						
SBI Blue Chip Fund	Mutual Fund	INR 10 Each	20,000	20,000	5.95	7.72
SBI Infrastructure Fund	Mutual Fund	INR 10 Each	50,000	50,000	5.55	7.53
SBI Magnum Equity Fund	Mutual Fund	INR 10 Each	12,136	12,136	9.87	12.70
UTI Bond Fund	Mutual Fund	INR 10 Each	28,352	28,352	13.28	15.02
					34.65	42.97
<b>TOTAL</b>					<b>39.65</b>	<b>47.97</b>

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

Market value of Quoted Investments is INR 34.65 Lacs (P.Y. INR 42.97 Lacs)

4 OTHER NON CURRENT FINANCIAL ASSETS	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
<b>Unsecured and considered good</b>		
a) Security and Other Deposits	523.18	528.17
<b>TOTAL</b>	<b>523.18</b>	<b>528.17</b>

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

<b>5</b>	<b>INVENTORIES</b> (VALUED AT LOWER OF COST OR NET REALIZABLE VALUE)	<b>31 Mar 2020</b> <b>INR in Lacs</b>	<b>31 Mar 2019</b> <b>INR in Lacs</b>
	a) Raw Materials		
	i) In Stock	460.25	565.93
	ii) In Transit	-	-
	b) Construction Materials at Site	103.31	140.97
	c) Semi Finished Goods	119.66	119.66
	d) Work-in-Progress	4,224.38	4,214.82
	e) Finished Goods	433.96	443.63
	f) Stores and Consumables	107.34	107.34
	g) Scrap	75.10	75.10
	<b>TOTAL</b>	<b>5,524.00</b>	5,667.45
<b>6</b>	<b>TRADE RECEIVABLES</b>	<b>31 Mar 2020</b> <b>INR in Lacs</b>	<b>31 Mar 2019</b> <b>INR in Lacs</b>
	<b>Unsecured</b>		
	a) Considered good	1,35,880.96	2,10,554.24
	b) Considered doubtful	3,05,499.42	2,29,884.27
	c) Provision for doubtful trade receivables	(3,04,788.36)	(2,26,294.01)
	<b>TOTAL</b>	<b>1,36,592.02</b>	2,14,144.50
i.	Details of amount receivable from Directors and other related parties (refer note no 32 (8))		
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.		
iii.	Refer Note 32(11B) for reconciliation of provision for trade receivables		
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>31 Mar 2020</b> <b>INR in Lacs</b>	<b>31 Mar 2019</b> <b>INR in Lacs</b>
	<b>Cash and Cash Equivalents</b>		
	a) Balances with Banks	1,299.28	1,577.51
	b) Fixed Deposit with original maturity for less than 3 months	259.01	259.10
	c) Cash on Hand	5.26	15.55
	<b>TOTAL</b>	<b>1,563.55</b>	1,852.16
<b>8</b>	<b>BANK BALANCES OTHER THAN ABOVE</b>	<b>31 Mar 2020</b> <b>INR in Lacs</b>	<b>31 Mar 2019</b> <b>INR in Lacs</b>
	a) Margin Money with bank	872.00	869.75
	b) Unpaid Dividend Bank Balance *	18.19	18.19
	<b>TOTAL</b>	<b>890.19</b>	887.94
* There is INR 13.11 lacs due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March 2020. These amount has not been paid to the fund yet.			
<b>9</b>	<b>OTHER CURRENT FINANCIAL ASSETS</b>	<b>31 Mar 2020</b> <b>INR in Lacs</b>	<b>31 Mar 2019</b> <b>INR in Lacs</b>
	<b>Unsecured and considered good</b>		
	a) Loan and Advances to Related Parties	33,379.26	29,797.53
	Less: Provision for Loans and Advances to related parties	(30,235.30)	(30,235.30)
	b) Other Loans and Advances		
	i) Loans to Employees	32.30	33.68
	ii) Sundry Deposits	264.58	264.58
	iii) Claim Receivables	2,015.95	2,312.56
	iv) Expenses Receivable and Other Advances	1,019.94	1,043.76
	v) Advances Recoverable in Cash or Kind	7.15	13.20
	<b>TOTAL</b>	<b>6,483.88</b>	3,230.01

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

10	CURRENT TAX ASSETS (NET)	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
	Current Tax Asset (Net)	451.28	449.70
		<u>451.28</u>	<u>449.70</u>
11	OTHER CURRENT ASSETS	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
	<b>Unsecured and considered good</b>		
	i) Prepaid Expenses	858.45	861.21
	ii) Balances with Statutory/Government Authorities	2,924.31	2,803.76
	iii) Advances to Supplier	2,278.57	2,379.56
	iv) Interest Accrued but not due on Fixed Deposits	566.56	541.57
	v) Revenue accrued but not due	4,845.43	4,845.42
	<b>TOTAL</b>	<u>11,473.32</u>	<u>11,431.52</u>

12	SHARE CAPITAL	31 Mar 2020		31 Mar 2019	
		Number	INR in Lacs	Number	INR in Lacs
	<b>Authorised:</b>				
	Equity Shares of INR 2/- each	30,00,00,000	6,000.00	30,00,00,000	6,000.00
	Redeemable Preference Shares of INR 100/- each	25,00,000	6,200.00	25,00,000	6,200.00
		<u>30,25,00,000</u>	<u>12,200.00</u>	<u>30,25,00,000</u>	<u>12,200.00</u>
	<b>Issued:</b>				
	Equity Shares of INR 2/- each	10,95,27,710	2,190.55	10,95,27,710	2,190.55
		<u>10,95,27,710</u>	<u>2,190.55</u>	<u>10,95,27,710</u>	<u>2,190.55</u>
	<b>Subscribed and Paid-up:</b>				
	Equity Shares of INR 2/- each fully paid up	10,95,27,710	2,190.55	10,95,27,710	2,190.55
	<b>TOTAL</b>	<u>10,95,27,710</u>	<u>2,190.55</u>	<u>10,95,27,710</u>	<u>2,190.55</u>

### a) Movements in equity share capital

Equity Shares	31 Mar 2020		31 Mar 2019	
	Number	INR in Lacs	Number	INR in Lacs
At the beginning of the period	10,95,27,710	2,190.55	10,95,27,710	2,190.55
Issued during the year	-	-	-	-
Outstanding at the end of the period	<u>10,95,27,710</u>	<u>2,190.55</u>	<u>10,95,27,710</u>	<u>2,190.55</u>

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

	Number	%	Number	%
1) Surya India Fingrowth Pvt. Ltd.	58,60,320	5%	58,60,320	5%

### 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

13. OTHER EQUITY		Standalone Statement of Changes in Equity for the year Ended 31st March, 2020										(INR in Lakhs)
		Reserves & Surplus							Exchange difference on translating the financial statement	Total Reserve	Non-Controlling Interest	Total Equity
		Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Fixed Deposit Redemption Reserve	Retained Earnings				
Balance as at 1st April, 2018		6.06	27,653.82	300.00	1,243.50	16,819.72	128.66	(6,04,515.29)	(214.08)	(5,58,363.52)	(214.08)	(5,58,577.61)
Profit for the year								(1,78,437.30)	(66.06)	(1,79,951.21)		(1,80,017.27)
Other Comprehensive Income for the year								252.35	(128.38)	252.35		123.97
Adjustments of subsidiary not included in opening*								3,261.79		3,261.79		3,541.08
<b>Total Comprehensive Income for the year</b>								<b>(1,74,923.16)</b>		<b>(1,76,437.07)</b>		<b>(1,76,352.22)</b>
Balance as at 31st March, 2019		6.06	27,653.82	300.00	1,243.50	16,819.72	128.66	(7,79,438.45)	(129.23)	(7,34,800.60)	(40.82)	(7,34,929.83)
Profit for the year								(2,32,887.39)		(2,30,843.52)		(2,30,884.34)
Other Comprehensive Income for the year								8.98		8.98		8.98
<b>Total Comprehensive Income for the year</b>								<b>(2,32,878.41)</b>		<b>(2,30,834.54)</b>		<b>(2,30,875.36)</b>
Adjustments of subsidiaries**								(4,446.41)		(4,446.41)		(4,541.14)
Balance as at 31st March, 2020		6.06	27,653.82	300.00	1,243.50	16,819.72	128.66	(10,16,763.27)	529.96	(9,70,081.55)	(264.78)	(9,70,346.33)

\*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 availability of financials for the current year the same has not been consolidated and therefore, adjustment has been made in retained earnings and non-controlling interest.

\*\*Adjustment is pertaining to foreign subsidiaries financials for FY 2019-20 on account of unavailability of manpower appropriate information has not been received from them and therefore, adjustments are made to reserves.

The amounts considered in the Note is based on the details to the extent available and hence the same is subject to confirmation / reconciliation and consequential adjustments, if any.

**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

**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.

# ANNUAL REPORT 2019-20

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

14	FINANCIAL LIABILITIES - LONG TERM BORROWINGS	Total			
		Non-Current		Current	
		31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
		INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
	<b>Secured Loans</b>				
	<b>Non Convertible Debenture</b>	-	-	<b>5,068.63</b>	5,068.63
	<b>Term Loan</b>				
	From Banks	-	-	<b>2,32,704.20</b>	2,22,746.12
	From Others	-	-	<b>8,033.81</b>	8,033.81
	<b>TOTAL – A</b>	-	-	<b>2,45,806.64</b>	2,35,848.56
	<b>Unsecured Loans</b>				
	Redeemable Preference Shares	-	-	<b>4,225.00</b>	4,225.00
	<b>Term Loan</b>				
	From Bank	-	-	<b>225.92</b>	225.92
	<b>From Other</b>				
	Others	<b>3,296.87</b>	3,296.87	<b>265.63</b>	265.63
	Deposits	-	-	<b>857.76</b>	857.76
	<b>TOTAL – B</b>	<b>3,296.87</b>	3,296.87	<b>5,574.31</b>	5,574.31
	Amount disclosed under the head “Other Current Financial Liabilities” (Note No. 19) (Refer a)			<b>(2,51,380.95)</b>	(2,41,422.87)
	<b>TOTAL - A + B</b>	<b>3,296.87</b>	3,296.87	-	-

### 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 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 32 (45) for rate of interest and other details).

### Nature of Securities for Secured Loan

(the nature / amount of securities have been taken based on the reported amounts as at the end of the earlier years and the Master Restructuring Agreement between the company and its lenders. However, the same could not be independently verified in the absence of further details for the same not being available)

### Non-Convertible Debenture

- a) INR 5,068.63 Lacs (P.Y. INR 5,068.63 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 5,409.60 Lacs (P.Y. INR 4,993.26 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.,



# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Satpur Industrial Area, Nasik (Maharashtra), Raipur (Chhattisgarh) and Ghoti, Dist. Nasik (Maharashtra), Malvan, Dist. Sindhudurg (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 1,92,041.97 Lacs (P.Y. INR 1,82,492.99 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) INR 23.21 Lacs (P.Y. INR 23.21 Lacs) Secured by hypothecation on specific Plant & Machinery.
- d) 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.
- e) INR 10,960.00 Lacs (P.Y. INR 10,967.00 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.
- f) INR 614.72 Lacs (P.Y. INR 614.72 Lacs) Secured by hypothecation on specific Plant & Machinery.
- g) INR 1,345.00 Lacs (P.Y. INR 1,345.00 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.
- h) INR 1,080.00 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.
- i) INR 24.10 Lacs (PY. INR 155.23 Lacs) Secured by hypothecation of vehicles.
- j) 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).
- k) INR 7.95 Lacs (PY. INR 27.50 Lacs) Secured by hypothecation of vehicles in Jyoti Structures FZE.
- l) 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.
- m) The company had issued preference shares of face value of Rs.2500 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.4225 lacs is in books of accounts.

n)	<b>Names of preference shareholders holding more than 5 % shares</b>	<b>Percentage</b>	<b>Amount</b>
1)	Amtek India Limited	16.00%	4,00,000
2)	Amtek Auto Limited	18.00%	4,50,000
3)	Aarken Advisors Private Limited	18.00%	4,50,000
4)	Aryahi Buildwell Private Limited	19.00%	4,75,000
5)	Vishwas Marketing Services Private Limited	14.00%	3,50,000
6)	Mukund Motorparts Private Limited	15.00%	3,75,000

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- o) 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/compiled and hence, have not been given.
- p) The company had issued preference shares of face value of Rs.2500 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.4225 lacs is in books of accounts

15 LONG TERM PROVISIONS	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
Provision for Gratuity	1,025.90	1,092.68
Provision for Compensated Absences	560.30	1,010.30
<b>TOTAL</b>	<b>1,586.20</b>	<b>2,102.98</b>
16 DEFERRED TAX LIABILITIES (NET)	Deferred Tax Liability/(Asset) as at 31-Mar-2020	Deferred Tax Liability/(Asset) as at 31-Mar-2019
<b>Deferred Tax Liabilities</b>		
On Account of Branches	33.37	33.37
<b>Deferred Tax Assets</b>		
On Account of Subsidiaries	(17.63)	(18.48)
<b>TOTAL</b>	<b>15.74</b>	<b>14.89</b>
17 FINANCIAL LIABILITIES - SHORT TERM BORROWINGS	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
<b>Secured Loan</b>		
<b>Loans repayable on Demand</b>		
From Banks	4,26,451.75	3,70,731.74
<b>Unsecured Loan</b>		
From Bank and others (including Financial Creditors claim) (Refer Note 32(30))	22,831.99	22,831.99
<b>TOTAL</b>	<b>4,49,283.74</b>	<b>3,93,563.73</b>

### Secured Loan from Bank

INR 4,26,451.75 Lacs (PY. INR 3,70,731.74 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.

18 TRADE PAYABLE	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
Trade Payables (Including Acceptances) *		
a) Total outstanding dues of Micro, Small and Medium Enterprises	113.63	114.62
b) Total outstanding dues of Creditors Other than MSME	54,227.97	53,596.54
<b>TOTAL</b>	<b>54,341.60</b>	<b>53,711.16</b>

\*(Refer Note No. 32 (21) for details of due to Micro & Small Enterprises as required under The Micro, Small & Medium Enterprises Development Act, 2006)

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

19	OTHER CURRENT FINANCIAL LIABILITIES	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
	a) Current Maturities of Long Term Borrowings (Note No. 14)	2,51,380.95	2,41,422.87
	b) Deferred Payment Liabilities	221.18	221.18
	c) Unclaimed Dividend*	17.70	17.70
	d) Payable to employees	12,725.66	12,462.37
	e) Audit Fee Payable	90.45	90.41
	f) Expenses and other payable	14,446.99	7,279.55
	g) CIRP other current financial liabilities	19,194.56	19,194.58
	h) Interest Accrued**	3,18,526.75	2,33,808.03
	<b>TOTAL</b>	<b>6,16,604.24</b>	<b>5,14,496.69</b>
* There is INR 13.11 lacs due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March 2020. These amount has not been paid to the fund yet.			
**Includes interest on FITL/WCTL/Devolved LC's/Delayed/Non Payment of Statutory dues, other loans etc. at applicable rates for the year 2019-20 to the extent statement received			
20	OTHER CURRENT LIABILITIES	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
	a) Advances from Customers	261.80	261.80
	b) Preferred Stock Accretion	-	-
	c) Statutory Liabilities	8,128.76	7,913.47
	<b>TOTAL</b>	<b>8,390.56</b>	<b>8,175.27</b>
21	SHORT TERM PROVISIONS	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
	a) Provision for Onerous Contract	1,700.00	1,700.00
	b) Provision for Leave Encashment	525.13	32.11
	c) Provision for Gratuity	254.33	64.37
	<b>TOTAL</b>	<b>2,479.46</b>	<b>1,796.48</b>
22	REVENUE FROM OPERATIONS	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
	a) Sale of Products	83.70	9,621.89
	b) Sale of Services	1,434.14	8,423.09
	c) Other Operating Revenues	123.35	200.53
	<b>TOTAL</b>	<b>1,641.19</b>	<b>18,245.51</b>
23	OTHER INCOME	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
	<b>Other Income</b>		
	i) Interest on Fixed Deposit	28.68	8.08
	ii) Interest on Others	2.74	8.13
	iii) Provision / Liability Written Back	10.51	583.54
	<b>TOTAL</b>	<b>41.93</b>	<b>599.75</b>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

<b>24</b>	<b>COST OF MATERIAL CONSUMED</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
	Cost of Material Consumed*	742.50	7,557.84
	<b>TOTAL</b>	<b>742.50</b>	<b>7,557.84</b>
*[Ref Note 32(8) for related party transaction]			
<b>25</b>	<b>ERECTION AND SUB-CONTRACTING EXPENSE</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
a)	Construction Materials and Stores Consumed	37.66	165.62
b)	Sub-contracting Expenses	1,020.32	3,717.20
c)	Repairs to Construction Equipments/Machinery	4.35	76.00
d)	Construction Transportation Charges	827.73	3,470.69
	<b>TOTAL</b>	<b>1,890.06</b>	<b>7,429.51</b>
<b>26</b>	<b>CHANGES IN INVENTORIES</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
a)	(Increase)/ Decrease Finished Goods Stock	19.33	-
b)	(Increase)/ Decrease WIP/Semi Finished Goods Stock	4.38	(722.10)
	<b>TOTAL</b>	<b>23.71</b>	<b>(722.10)</b>
<b>27</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
a)	Salaries, Wages and Bonus, etc.	1,683.63	10,945.47
b)	Leave Encashment	43.02	164.31
c)	Gratuity Expenses	179.66	296.67
d)	Contribution to Provident and Other Fund	56.98	353.95
e)	Welfare Expenses	87.89	164.79
	<b>TOTAL</b>	<b>2,051.18</b>	<b>11,925.19</b>
(Refer Note No. 32(7&43))			
<b>28</b>	<b>FINANCE COST</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
a)	Interest Expense*	1,47,322.45	1,09,813.30
b)	Other Borrowing Costs	-	169.17
	<b>TOTAL</b>	<b>1,47,322.45</b>	<b>1,09,982.47</b>
*Includes the amount of interest on LC/BG invoked.			
<b>29</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
		<b>INR in Lacs</b>	<b>INR in Lacs</b>
a)	Depreciation of Tangible Assets (Note No. 1)	1,635.05	2,666.96
b)	Amortization of Intangible Assets (Note No. 1)	0.06	-
	<b>TOTAL</b>	<b>1,635.11</b>	<b>2,666.96</b>

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

30 OTHER EXPENSES	31 Mar 2020 INR in Lacs	31 Mar 2019 INR in Lacs
a) Stores and Consumables	-	(8.17)
b) Power and Fuel	100.58	86.27
c) Service Charges	217.57	109.96
d) Repairs to Plant and Machinery	0.37	0.84
e) Repairs to Others	96.21	29.68
f) Rent	24.71	46.46
g) Rates and Taxes	19.93	45.55
h) Insurance	37.44	44.76
i) Travelling and Conveyance	33.68	86.14
j) Postage, Telephone and Fax	17.73	50.31
k) Printing and Stationery	5.45	13.35
l) Professional and Legal Fees	1,112.17	1,332.85
m) Directors' Sitting Fees	1.00	-
n) Payment to Auditors	13.50	40.49
o) Net (gain)/loss on foreign currency transactions and translation other than borrowing cost	(4,612.08)	(4,099.29)
p) Licence and Tender Fees	9.07	27.71
q) Freight Outward	-	1.96
r) Brokerage and Commission	-	2.57
s) Bank Charges	630.83	588.25
t) (Gain)/Loss on Sale of Property, Plant and Equipment (Net)	-	(4.87)
u) BG Encashment	2,086.00	21,302.12
v) Bad Debts	2,400.27	2,522.43
w) Immigration Expenses	6.55	11.93
x) General Expenses	73.92	196.58
y) Interest on delayed payment to SSI Creditors	100.89	71.24
z) Provision for Trade Receivables	78,491.30	36,015.24
aa) Listing & Other Fees	16.97	-
ab) Office Exp.& Soc.Charges	53.79	-
ac) Sundry Dr./Cr. Bal.W/Off / Back	8.47	-
	<b>80,946.32</b>	<b>58,514.36</b>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

#### NOTE - 31 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, 2020.

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 2<sup>nd</sup> 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

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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, 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.

After approval of the resolution plan by the adjudicating authority on 28<sup>th</sup> March 2019 the first meeting was conducted on 2<sup>nd</sup> 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 consolidated financial statements for the year ended 31 March 2020 were taken on record by the Resolution Professional and the same has been issued on 14 April 2021.

### 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

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2017.

These Consolidated Financial statements for the year ended 31st March, 2017 were the first the Group has prepared under Ind AS. For all periods up to 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, included in the Notes to the Consolidated IndAS financial statements for the year ended March 31, 2020.

### (ii) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing following standards

- IND AS – 109: Financial Instruments
- IND AS – 12: Income Tax
- IND AS – 19: Employee Benefits

The Company has evaluated the effect of the above standards on the financial statements and the impact is not material.

### (iii) 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.

### (iv) 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. 32, 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



# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 31<sup>st</sup> 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 31<sup>st</sup> March, 2020 are as under:

Name of the Company	Percentage of Holding (%)	Country of Incorporation
<b><u>Subsidiaries (including step down subsidiaries)</u></b>		
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
<b><u>Joint Venture Companies</u></b>		
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.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### (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.

## 2. **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 (1<sup>st</sup> 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 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.

### 3. 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 14 and 19 and clause 3 of Note 32
- b) Carrying value of exposure in Jyoti International Inc. - refer note 2
- c) Carrying value of receivables, loans and advances and their respective impairment – Clause 11 (3B) of Note 32
- d) Measurement of Provision required for Defect Liability Period and Liquidated Damages Payable as per Contracts – Clause 13 and 14 of Note 32
- e) Charging/ recognizing as receivables of Bank Guarantees invoked by banks – Clause 33 of Note 32
- f) Estimation of current tax expenses and Payable – Clause 10 of Note 32
- g) Financial Instruments – Clause 11 of Note 32
- h) Valuation of Inventories
- i) Amount of liabilities recognized in the financial statements in respect of unrecognized claims preferred by financial and operational creditors (refer Note 32 (30))

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 4. 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.

### 5. 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 1<sup>st</sup> 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.

# JYOTI STRUCTURES LIMITED

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- (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.

### 6. 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.

### 7. 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.

### 8. 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.

### 9. 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.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- (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.

### 10. 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.

### 11. 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 11 of Note 32 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 11 of Note 32 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 11 of Note 32 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);

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- 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.

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 11 of Note 32 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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

### 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 Group 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 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.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(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.

### 14. 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.

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 1<sup>st</sup> 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 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, where by 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.

### 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 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

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

### 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 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.

#### (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.

### 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### NOTE - 32 OTHER NOTES :

#### 1. The details of companies considered in the Consolidated Financial Statements :

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

\$ As per audited financial statements

# As per unaudited standalone financial statements based on information / details as provided by the company

\* As per the unaudited Consolidated Financial Statements, including its subsidiaries viz. 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 of the holding company are not available and hence the same have 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 two company's financial statements have been subjected to audit. All other companies as stated above are consolidated based on the unaudited financial information and hence are subject to changes on audit, the impact of which may be material. The financials / details in respect of other 1 subsidiaries (including its step-down subsidiary) being not available have not been considered for these consolidated financial statements.

The access of the RP to these subsidiaries / JV is limited in view of these being separate entity and most of them being located outside India. Accordingly, the consolidation 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 been partially 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).

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 3. Contingent Liabilities not provided for:

(Rs. In Lakhs)

Sr. No.	Particulars	2019-20	2018-19
1	Outstanding of Bank Guarantee	52,095.18*	54,181.18*
2	Disputed liabilities in respect of Income Tax, Sales Tax, Central Excise and Service Tax (under appeal)	53,408.46	53,408.46
3	Civil Suits	75,003.98	1,564.08
4	Corporate Guarantees#	228.11	72,003.41
5	WRIT Petitions	1,564.08	228.11
6	Company Petitions and NCLT Cases	8,674.00	8,674.00
7	Labour Matters	8.96	8.96
8	Negotiable Instrument Act Matters	600.51	600.51
9	Arbitration Matters	2,878.11	2,878.11

\* In the absence of detailed break-up of opening outstanding bank guarantee (prior to RP period), 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. Bank confirmations available to the extent of Rs. 23,555.02 and remaining Bank guarantee is considered as per opening balances in the absence of non-receipt of bank confirmations despite various follow-ups.

# Out of these the CG amounting to INR 34,661.00 Lacs in respect of which the corresponding party has submitted their claim which have not been admitted by the RP. Further, during the year there is no new movement in Corporate Guarantee outstanding amount except to the extent of foreign exchange revaluation.

\*\* Interest/penalty amount on the above has not been determined and considered since the claim itself is not admitted by the RP.

4. In the absence of the audited financial statements or management certified accounts, for the year ended 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2017. The same has been fully impaired in the earlier year(s).

5. With the infusion of new orders in the group company, Jyoti Structures Africa (Pty) Ltd. (JSAL) the company has earned a profit/(loss) of Rs. (103.10) Lakhs (P.Y Rs. -187.24 Lakhs) during the year ended 31<sup>st</sup> March, 2020. 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 31<sup>st</sup> March, 2020. 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 31<sup>st</sup> March, 2016, the opening balance sheet has been incorporated in these consolidated financial statements.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 7. 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 Lakhs)

Sr. No.	Particulars	2019-20	2018-19
i)	Contribution to Provident Fund (including charges)	55.58	330.64
ii)	Contribution to Other Fund	-	23.31

#### Defined Benefit Plans:

##### **Gratuity and Leave Encashment**

##### **Gratuity**

The holding company's policy allows employees retirement benefits to employees who have completed more than 5 years of service with the holding company. The details of the same are based on the actuarial valuation being done by an external agency based on employee details provided by the holding company.

##### **Leave Encashment**

The details of employee benefits in the nature of leave entitlements of employees are based on the policies of the holding company. The assessment of the liability and costs is done at each reporting date. On an annual basis the same is being done by an external actuary based on employee details as provided by the holding company.

#### A. Balance Sheet

The assets, liabilities and surplus/ (deficit) position of the defined benefit plans at the Balance Sheet date were:

(In Rs. Lakhs)

Particulars	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Present value of obligation	(2,206.53)	1,990.47	(1,085.43)	1,042.41
Fair value of plan assets	934.67	873.12	-	-
(Asset)/Liability recognised in the Balance Sheet	(1,271.85)	1,117.35	(1,085.43)	1,042.41



# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### B. Movements in Present Value of Obligation and Fair Value of Plan Assets

(In Rs. Lakhs)

Defined Benefit Obligation	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Opening Defined Benefit Obligation	1990.47	1909.64	1042.41	863.93
Service cost for the year	93.02	206.6	93.96	99.94
Interest cost for the year	140.33	81.92	73.49	64.36
Actuarial losses (gains)	(17.29)	(268.05)	(124.43)	14.17
Benefits paid	-	-	-	-
Closing defined benefit obligation	2206.53	1990.47	1085.43	1042.41

(Rs. In Lakhs)

Fair Value of Plan Assets	Gratuity	
	2019-20	2018-19
Opening fair value of plan assets	873.12	809.98
Expected return	61.56	63.14
Actuarial gains and (losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing balance of fund	934.68	873.12

### C. Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

(In Rs. Lakhs)

Gratuity	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Current service cost	93.02	206.6	93.96	99.94
Net interest on net Defined Liability / (Asset)	78.77	81.93	73.49	64.37
Charged to Profit and Loss on Settlement*	-	-	(124.43)	-
<b>Total</b>	<b>171.79</b>	<b>288.53</b>	<b>43.02</b>	<b>164.31</b>

\* During the previous 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 of these claims on the value have been considered.

For actuarial valuation gratuity liability has been considered as per the provisions of the Payment of Gratuity Act, 1972 despite there being higher amount of gratuity liability as per the holding Company's HR policy.

The Gratuity and Leave benefits continue to be provided for all employees notwithstanding that the salary and other costs are booked based on attendance. [(Refer note. 32(43)].

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Amounts recognised in Other Comprehensive Income:

(In Rs. Lakhs)

Gratuity	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Actuarial (Gains) / Losses on Liability	(17.29)	(268.05)	(124.43)	14.18
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	-	(2.80)	-	-
<b>Total</b>	<b>(17.29)</b>	<b>(270.84)</b>	<b>(124.43)</b>	<b>14.18</b>

### 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	2019-20	2018-19
Discount rate	7.05%	7.05%
Expected return on plan assets	7.05%	7.05%
Annual increase in Salary costs	6.50%	6.50%
Attrition Rate	15.00%	15.00%
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. Lakhs)

Particulars	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
<b>Discount Rate:</b>				
One percentage increase	(55.54)	(49.56)	(23.77)	(22.52)
One percentage decrease	60.43	53.75	25.90	24.46
<b>Salary Escalation Rate:</b>				
One percentage increase	58.05	47.19	25.46	24.36
One percentage decrease	(54.70)	(44.86)	(23.83)	(22.84)
<b>Withdrawal Rate:</b>				
One percentage increase	(2.17)	1.43	(1.94)	(0.39)
One percentage decrease	2.32	(1.61)	2.11	0.42

The above information is as per certificates of the Actuary.

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 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.

## 8. 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
- c) Relative of Director:
  - i) Jyoti Motiani (Daughter of Director)

### B. Transactions during the year:

There were no transactions with the related parties during the year. Following are the balances at the end of the year:

(Rs. In Lakhs)

Sr. No.	Particulars	Type of Relationshi	2019-20	2018-19
1	Remuneration Paid/payable	a)	194.71*	194.71*
2	Purchase of Goods/Services	b)	Nil	Nil
3	Sale of Goods/Services	b)	Nil	Nil
4	Interest on Fund Transfer and loan, Commission earned on Corporate Guarantee.	b)	Nil	Nil
5	Investments at the end of the year	b)	Nil	Nil
6	Outstanding balance receivable/ (payable) at the end of the year.	b)	Nil	Nil
7	Salary Paid	c)	Nil	Nil

\*In terms of appointment, the holding company has not provided any remuneration to Mr. K. R. Thakur, Whole-time Director for the year (P.Y. Rs. 194.71 Lakhs).

No Compensation has been booked in respect of Key Management Personnel of the holding Company.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 9. Earnings per Share (EPS)

Sr. No.	Particulars	2019-20	2018-19
i)	Profit/(Loss) after Tax available to equity holders (In Rs. lakhs)	(2,32,78.41)	(1,78,437.40)
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.(212.63)	Rs.(162.92)
vi)	Diluted Earnings Per Ordinary Share	Rs.(212.63)	Rs.(162.92)

As referred to Sub Note no 19, 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

### 10. Income Taxes Expense

Tax Expense recognised in the Statement of Profit and Loss

(Rs. In Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Current Tax		
Current Tax on taxable income for the year	-	-
Total current tax expense	-	-
Deferred Tax		
Deferred Tax charge/(credit)	-	(5.51)
Total deferred income tax expense/(benefit)	-	(5.51)
Tax in respect of earlier years		
Total Income Tax Expense	-	(5.51)

#### 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 Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Enacted income tax rate in India	34.608%	34.608%
Profit/(Loss) before tax	(2,32,928.22)	(1,78,508.87)
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	-	-

For the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 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.

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

B. The movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2020:

(Rs. In Lakhs)

Particulars	As at 1 <sup>st</sup> April 2018 – Deferred Tax Asset/ (Liabilities)	(Credit)/ Charge in the Statement of Profit and Loss	As at 31 <sup>st</sup> March 2019 - Deferred Tax Asset/ (Liabilities)	(Credit)/ Charge in the Statement of Profit and Loss	As at 31 <sup>st</sup> March 2020 - Deferred Tax Asset/ (Liabilities)
On Account of Overseas Branches and Foreign Subsidiaries	(10.25)	(4.65)	14.90	0.84	15.74
<b>Total</b>	<b>(10.25)</b>	<b>(4.65)</b>	<b>14.90</b>	<b>0.84</b>	<b>15.74</b>

### 11. Financial Instruments

(a) Category-wise classification of Financial Instruments

(Rs. In Lakhs)

Particulars	Note	Non- Current		Current	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
-Investments in quoted Mutual Funds	3	34.65	42.97		-
<b>Financial assets measured at amortised cost</b>					
-Investment in unquoted Equity Instruments	3	5.00	5.00		-
-Trade Receivables	5		-	1,36,592.02	2,14,144.50
-Security and other deposits	4	523.18	528.17		-
-Loans to Employees	9		-	32.30	33.68
-Cash and Cash Equivalents	7		-	1563.55	1,852.16
-Other Balances with Banks	8		-	890.19	887.94
-Loan to Related Parties (Gross before impairment)	9		-	33,379.26	29,797.53
-Sundry Deposits	9		-	264.58	264.58
-Claims Receivable	9		-	2,015.95	2,312.56
-Interest Receivable			-	-	-
-Expenses / Other Receivable	9		-	1,019.94	1,043.76
<b>Financial liabilities measured at fair value through other comprehensive income</b>					
-Sales Tax Deferrals	19		-	221.18	221.18
<b>Financial liabilities measured at amortised cost</b>					
-Non-Convertible Debentures	14		-	5,068.63	5,068.63
-Term Loan	14		-	2,32,704.20	2,22,746.12
-Redeemable Preference Shares	14		-	4,225.00	4,225.00
-Unsecured Loans	14	3,296.87	3,296.87	491.55	491.55
-Deposits	14		-	857.76	857.76
-Loans Repayable on Demand	17		-	4,26,451.75	3,70,731.74
-Trade Payables (including acceptances)	18		-	54,341.60	53,711.16
-Unclaimed Dividend	19		-	17.70	17.70
-Payable to employees	19		-	12,725.66	12,462.37
-Payable towards Other Expenses	19		-	14,446.99	7,279.55
CIRP FC Claim	19		-	19,194.56	19,194.58

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### (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 31<sup>st</sup> March, 2020:

(Rs. In Lakhs)

Financial Assets/Financial Liabilities	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
-Investments in quoted Mutual Funds	34.65	34.65		
<b>Financial liabilities measured at fair value through other comprehensive income</b>				
-Sales Tax Deferrals	221.18	-	-	221.18

As at 31<sup>st</sup> March, 2019

(Rs. In Lakhs)

Financial Assets/Financial Liabilities	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
-Investments in quoted Mutual Funds	42.97	42.97	-	-
<b>Financial liabilities measured at fair value through other comprehensive income</b>				
-Sales Tax Deferrals	221.18	-	-	221.18

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.

### (c) 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

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly.

d) **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 Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Total Borrowings	6,95,090.38	6,29,412.29
% of Borrowings out of above bearing variable rate of interest	53.58%	58.57%

The details have been compiled based on details available which is mostly pertaining to holding company.  
Interest Rate Sensitivity

A change of 50 bps in interest rates would have the following impact on profit before tax (Rs. In Lakhs)

	2019-20	2018-19
50 bps increase would increase the loss before tax by	1862.15	1830.55
50 bps decrease would decrease the loss before tax by	1862.15	1830.55

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 31<sup>st</sup> March, 2020 could not be identified (P.Y. Nil)

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

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 Lakhs)

Particulars*	2019-20		2018-19	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	-	-	-	-
EUR	-	-	-	-
AED	-	-	-	-
(Increase)/Decrease in loss	-	-	-	-

\*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 2020, the investment in mutual funds amounts to Rs. 34.65 Lakhs (Rs. 42.97 Lakhs as on 31st March 2019)

A 5% increase in market prices would have led to approximately an additional gain of Rs. 1.73 Lakhs in Other Comprehensive Income.

A 5% decrease in prices would have led to an equal but opposite effect.

### e) 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.



# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Not due	-	-
0-3 months	-	-
3-6 months	-	-
6-12 months	-	-
Beyond 12 months and less than 2 years	-	-
<b>Total</b>	-	-

\*In the absence of appropriate information for ageing of account receivables, the same could not be identified.

### Movement in provisions of doubtful debts

(Rs. In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Opening provision	2,26,294.01	1,90,219.39
Add: Additional Provision made*	78,491.30	36,074.62
Less: Provision reversed/written off	-	-
Closing provisions	3,04,785.31	2,26,294.01

\*excludes provision made at branch level

### f) 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 Lakhs)

Particulars	Less than 1 year	1 to 5 years	Total
<b>As at 31<sup>st</sup> March, 2020</b>			
Borrowings (Refer Note 17 & 19)	7,00,664.69	-	7,00,664.69
Trade Payables (Refer Note 18)	54,341.60	-	54,341.60
Other Financial Liabilities (Refer Note 19)	221.18	-	221.18
<b>As at 31<sup>st</sup> March, 2019</b>			
Borrowings (Refer Note 17 & 19)	6,34,986.60	-	6,34,986.60
Trade Payables (Refer Note 18)	53,711.16	-	53,711.15
Other Financial Liabilities (Refer Note 19)	221.18	-	221.18

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

12. 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 Lakhs as at the end of the year (P.Y Nil) 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.
13. 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 and hence not provided for. However, wherever the amount has been admitted by the Group or recovered, the same has been charged to expenses.
14. Previously the Group had 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. However, due to data/details not being fully available such cases could not be ascertained fully for the year.
15. The accumulated losses for the year ended 31st March, 2020 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. The lenders have informed 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.

16. During the earlier years, 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 the audited financial statement of the subsidiary has not been received for the current year.
17. 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 are no 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.
18. 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:

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- 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 28<sup>th</sup> 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 31<sup>st</sup> March, 2020.

19. The number of shares of Jyoti Structures Ltd. to be issued on settlement of the preference stock on the Maturity on 28<sup>th</sup> August, 2016, cannot be ascertained since the lenders have not invoked their rights on the due date and till 31<sup>st</sup> March 2020, and therefore, the dilutive effect of those shares on the Diluted EPS of the Group has not been considered.
20. In terms of appointment, the holding company has provided remuneration amounting to Rs. 194.71 Lakhs during the previous year to Mr. K. R. Thakur, Whole-time Director. 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.
21. 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. Lakhs)

Sr. No	Particulars	2019-20	2018-19
1)	The Principle amount and the interest due thereon remaining unpaid to any suppliers at the end of each accounting year	470.03	369.14
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	172.13	71.24
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.*

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 22. 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 Lakhs)	As % of Consolidated profit or loss	Amount (Rs. in Lakhs)	As % of Consolidated other Comprehensive Income	Amount (Rs. in Lakhs)	As % of total Comprehensive Income	Amount (Rs. in Lakhs)
<b>Parent:</b>								
Jyoti Structures Limited	99.13 %	(9,59,666.32)	98.76%	(2,30,001.64)	-40.78%	-437.14	99.41%	(2,30,438.79)
<b>Subsidiaries:</b>								
<b>Indian</b>								
1 JSL Corporate Services Ltd.	(0.00) %	478.99	0.00 %	(8.65)	0.00 %	-	0.00 %	(8.65)
2 Jyoti Energy Ltd.	0.00 %	(24.50)	0.00 %	(0.59)	0.00 %	-	0.00 %	(0.59)
<b>Foreign</b>								
1 Jyoti Structures Africa (Pty) Ltd.	0.30%	(2,207.87)	0.03%	(72.18)	33.91%	363.57	0.13%	(291.39)
2 Jyoti Structures FZE	0.08%	(5,961.58)	1.20 %	(2,805.85)	92.33%	989.78	0.78%	(1,816.08)
<b>Non-Controlling Interests in all subsidiaries</b>	0.00%	(108.97)	0.02 %	(40.82)	0.00 %	155.82	0.00 %	115.00
Total Adjustment/Elimination for consolidation	0.00%	(665.54)	(0.00) %	(1.51)	-	-	0.00%	1.51
<b>As per Consolidated</b>								
Net Assets/Profit or Loss	100.00 %	(9,68,046.80)	100.00 %	(2,32,928.22)	100.00 %	(1,261.56)	100.00 %	(2,31,815.38)

\* 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. 32(4&6) to Consolidated Financial Statements.

### 23. 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 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1) Subsidiaries			
Indian Subsidiaries:			
(a) Jyoti Energy Limited	India	100%	100%
(b) JSL Corporate Services Limited	India	100%	100%

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Foreign Subsidiaries:			
(a)	Jyoti Structures FZE	United Arab Emirates	100%
(b)	Jyoti Structures Africa (Pty) Limited	South Africa	70%
(c)	Jyoti International Inc*	United States of America	100%
(d)	Jyoti Structures Kenya Limited #	Kenya	100%
(e)	Jyoti Structures Nigeria Limited #	Nigeria	100%
(f)	Jyoti Structures Namibia (Pty) Limited #	Namibia	70%
(g)	Jyoti Americas LLC ^	United States of America	100%
(h)	Jyoti Structures Canada Limited ^	Canada	100%
Joint Ventures			
(i)	Gulf Jyoti International LLC*	United Arab Emirates	30%
(j)	GJIL Tunisie Sarl @	United Arab Emirates	49%

\*\* The financials of Jyoti International (including its step-down subsidiaries) Inc and Gulf Jyoti International LLC have not been considered in the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018 for reasons stated in Note No. 32(6) and Note No. 32(4) to Consolidated Financial Statements respectively.

# Held by Jyoti Structures FZE

^ Held by Jyoti International Inc

@ Held by Gulf Jyoti International LLC

24. 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.
25. Total trade receivables of the Holding Company as at 31<sup>st</sup> March 2020 are Rs. 1,35,880.96 Lakhs (P. Y. Rs. 2,46,628.86 lakhs). 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.
26. Cost of material consumed includes Bought-out materials purchased for supplies to customers under the contracts.
27. Confirmation of balances could not be obtained as at March 31, 2020 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.
28. The holding company has various input credits and balances with various statutory authorities pertaining to service tax, VAT, sales tax etc. aggregating to Rs. 2,845.65 lacs (P.Y. Rs. 3,095.90 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. Details in respect of branches / subsidiaries are not available fully.
29. 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

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

30. During FY 2017-18, pursuant to the reconciliation of financial and other claims by RP, during the previous year 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. Out of above, Interest has been provided during current year on Rs.10,284.71 lacs for the period from Jul'17 to Mar'20.
31. Corporate Social Responsibility (CSR) - In view of losses incurred, expenditure on CSR is not applicable for the year ended as at 31st March, 2020.
32. 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 2020 as well as for the restatement of the amounts of liabilities and borrowings as per the approved plan.
33. 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.
34. During the previous 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

# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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. 6,162 Lacs 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).

35. 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 Interim Resolution Professional (IRP) to carry out the functions of the Company in his capacity as the IRP from 4<sup>th</sup> July 2017. Accordingly, Financial Statements of the holding Company and the Group for the year ended 31 March 2020 were taken on record and authorized for issue by Resolution Professional (RP) on 14 April 2021.

Further, in view of the Board being superseded and the existing directors being even otherwise disqualified from being appointed due to continuous default w.r.t. repayment of public deposits, the directors, other than the independent director, are not qualified for being reappointed and the same has also lead to various secretarial non-compliances including non-filing / delayed filing of various forms, updation of registers etc.

36. 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.
37. 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.
38. The consolidated financial statements includes the figures / amounts for the year ended on date in respect of its eleven branches (Tunisia audited and others unaudited) 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. During 2017-18, the company had incorporated financial statements of five branches for the period till December 31, 2017. During the current year, unaudited financial statements for 2018-19 are available. Further, there are opening differences in the branch trial balances aggregating to Rs. 69.38 lacs which have been debited to Reserves and Surplus due to the details for the same not being available.
39. During the year, the Company has not transferred unclaimed dividend amounts to Investor Education and Protection Fund as per the requirement of the Companies Act, 2013 as all the directors of the Company are disqualified under the provisions of section 164(2)(b) of the Companies Act, 2013.

The Company had filed the Form INC 28 as per the Ministry of Company Affairs (MCA) General Circular No. 08/2020 dt. 06.03.2020 along with required documents was filed on 05.05.2020 for inclusion of the Resolution Professional in the Master Data of the Company designating the RP as the CEO and the Authorised Person to sign the pending ROC forms. The said process is still pending with ROC.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

40. During the year, there were credits of Rs. 1,40,359 lacs (P.Y. 1,663.31 lacs) and debits of Nil (P.Y. Rs. 16.99 lacs) in few bank accounts (loan accounts) of the holding Company, effect of which has not been taken in financial statements in the absence of relevant information, which the holding Company had sought multiple times from the bank. However, the same could not be received till the time of finalization of books of accounts and therefore, the same has been kept as reconciliation items.
41. During the year, the Group has incurred a net loss of Rs. 2,32,928.21 resulting in to accumulated losses of Rs. 9,70,081.55 lacs as at 31<sup>st</sup> March 2020 and erosion of its Net worth. As the Company had received an order from National Company Law Appellate Tribunal (NCLAT) approving submitted resolution plan which is under process of implementation at the time of reporting date of the financial statements, in the opinion of the management, the company will continue its operations and the above results have been prepared on the basis that the Company is Going Concern.
42. During the year there is no significant movement in the inventory of the holding Company except to the extent of valuation done for the closing inventory at net realizable value as per the IND AS 2 Valuation of inventory. During the previous period, the company has appointed an independent agency for verification of physical inventory at various location, valuation of such inventory derived of Rs 816.76 lacs. Total inventory with the company is Rs. 3,940.86 lacs as on 31<sup>st</sup> March 2020, out of which significant materials are at site/third party locations for which physical verification exercise could not be performed due to some limitations with the Company.
43. Since the holding company faces the liquidity constrains, during the year all the employee cost has been recognized in the statement of profit and loss based on the total no of attendance marked during the year. Further, the attendance are considered based on manual attendance registers maintained at Nashik Plant I, Plant II and Head Office. Attendance for other offices, sites, factories etc. are considered based on the signed attendance recorded provided by respective office/site in charge. However, the company has considered all the employees for calculation of gratuity and leave encashment liabilities as the same are still due for payment for all the employees on records, also refer Note 32 (7).
44. These consolidated 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 include the balances of branches which have been considered but in respect of which the relevant back up papers / details are not fully available.
45. Pursuant to the defaults in repayment of debt by the holding Company, National Company Law Tribunal (NCLT) has admitted the petition filed by lenders on 4<sup>th</sup> 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. 1,47,321.74 Lacs (P.Y. Rs. 1,09,978.58 Lacs) to give a true and fair picture of the financials and comparative with previous period notwithstanding that the amount of the holding company has been classified as substandard by banks and the earlier plan 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. Further, in few cases adjustment for interest has been done in current year based on the availability of information.
46. Due to non-availability of agreements/details/documents, recognition/ presentation / disclosure requirements as per the IND AS 116 Leases could not be made.
47. 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.
48. These Consolidated financial statements are authorized to be issued at the Board Meeting of the holding company held at 14 April 2021.



# JYOTI STRUCTURES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

49. 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.
50. There are no shares allotted under ESOP / ESOS as at the reporting date.
51. 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.
52. 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.

**For and on behalf of the Board**

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

Sd/-  
**ANIL MISHRA**  
*Interim Chief Financial Officer*  
(Appointed by CoC in the Meeting held on 10.08.2017)

Sd/-  
**Narendra Khandal**  
*Partner*  
Membership Number. 065025  
Mumbai; 14th April, 2021

Sd/-  
**SONALI GAIKWAD**  
*Company Secretary*

Sd/-  
**VANDANA GARG**  
*Erstwhile Resolution Professional and Member of Monitoring  
Committee for implementation of Resolution Plan  
IBBI/IPA-001/IP-P00025/2016-2017/10058*