**Date: 30th June, 2021**

To,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001

**BSE Scrip Code: 520155**

Dear Sir / Madam,

**Sub: Submission of Standalone Audited Financial Results for the year ended March 31, 2021 pursuant to Regulation 33 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to the captioned subject, we would like to submit herewith copy of Standalone Audited Financial Results for the year ended March 31st, 2021 along with a copy of the Audit Report of the Auditors for the year ended March 31, 2021.

Kindly take the same on record and acknowledge the receipt.

Thanking you

Yours faithfully
For **Starlog Enterprises Limited**

**Pranali Sulakhe**
**Company Secretary**
Encl. a/a

Starlog Enterprises Ltd. Mumbai

# STARLOG ENTERPRISES LIMITED

141, Jolly Chambers II, 14th Floor, Nariman Point, Mumbai 400021, India

CIN: L63010MH1983PLC031578

PART I STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH

*₹ In Lakhs except per share data*

| Particulars | Quarter Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | 31.03.2021 | 31.12.2020 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| | IND - AS | IND - AS | IND - AS | IND - AS | IND - AS |
| | Unaudited | Unaudited | Unaudited | Audited | Audited |
| 1. (a) Revenue from Operations | 544.89 | 502.00 | 554.46 | 1,813.73 | 2,070.90 |
| (b) Other Income | 578.78 | 44.96 | 667.77 | 725.29 | 746.16 |
| **Total Income** | **1,123.67** | **546.96** | **1,222.23** | **2,539.02** | **2,817.06** |
| **2. Expenditure:** | | | | | |
| a. Employee Cost | 126.15 | 119.08 | 138.51 | 452.47 | 579.34 |
| b. Operation and Administration Cost | 256.70 | 342.61 | 289.51 | 1,036.79 | 911.82 |
| c. Finance Cost | 632.91 | 676.78 | 591.53 | 2,604.21 | 2,392.53 |
| d. Depreciation | 264.79 | 282.72 | 338.96 | 1,128.42 | 1,375.70 |
| e. Total (a to d) | **1,280.55** | **1,421.19** | **1,358.51** | **5,221.89** | **5,259.39** |
| **3. Profit/(Loss) before exceptional items and ta** | **(156.88)** | **(874.23)** | **(136.28)** | **(2,682.87)** | **(2,442.33)** |
| **4. Exceptional Items** | (371.02) | - | (7,468.83) | (371.02) | (7,646.42) |
| **5. Profit/(Loss) before tax** | **(527.90)** | **(874.23)** | **(7,605.11)** | **(3,053.89)** | **(10,088.75)** |
| **6. Tax Expense:** | | | | | |
| a. Current Tax Expense | - | - | - | - | - |
| b. Deferred Tax Expense | - | - | - | - | - |
| **Total Tax Expense** | | | | | |
| **7. Profit/(Loss) after tax** | **(527.90)** | **(874.23)** | **(7,605.11)** | **(3,053.89)** | **(10,088.75)** |
| **8. Other Comprehensive income (net of tax)** | | | | | |
| a. Items that will not be reclassified to profit or l | - | - | 16.64 | - | 16.64 |
| b. Items that will be reclassified to profit or loss | - | - | - | - | - |
| **9. Total Other Comprehensive income (net of ta** | - | - | 16.64 | - | 16.64 |
| **10. Total Comprehensive income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)** | (527.90) | (874.23) | (7,588.47) | (3,053.89) | (10,072.11) |
| **11. Paid Up Equity Share Capital (Face Value Rs. 10/- Each)** | 1,197.00 | 1,197.00 | 1,197.00 | 1,197.00 | 1,197.00 |
| **Other Equity** | - | - | - | (3,133.34) | (79.45) |
| **12. Earnings per equity share (for continuing and discontinued operations) (Not Annualised) (In Rs.)** | - | - | - | - | - |
| a. Basic | **(4.41)** | **(7.30)** | **(63.53)** | **(25.51)** | **(84.28)** |
| b. Diluted | **(4.41)** | **(7.30)** | **(63.53)** | **(25.51)** | **(84.28)** |

GUPTA RUSTAGI & CO. FRN: 128701W MUMBAI Chartered Accountants

Starlog Enterprises Ltd. Mumbai

# STARLOG ENTERPRISES LIMITED

141, Jolly Chambers II, 14th Floor, Nariman Point, Mumbai 400021, India
CIN: L63010MH1983PLC031578

## Statement of Assets & Liabilities as at 31st March, 2021

PART II

₹ In Lakhs

| Particulars | As At 31.03.2021 (Audited) | As At 31.03.2020 (Audited) |
|---|---|---|
| **I. ASSETS** | | |
| **(1) Non Current Assets** | | |
| (a) Property, Plant and Equipment | 6,969.24 | 8,550.64 |
| (b) Investment Property | 1,226.25 | 1,226.26 |
| (c) Financial Assets | | |
| (i) Investments | 7,484.91 | 7,484.91 |
| (ii) Other Financial Assets | 1,126.07 | 1,403.21 |
| (d) Other non-current assets | 1,195.76 | 1,157.14 |
| **Total Non Current Assets** | **18,002.23** | **19,822.16** |
| | | |
| **(2) Current Assets** | | |
| **(a) Financial Assets** | | |
| (i) Trade receivables | 1,031.58 | 2,598.78 |
| (ii) Cash and cash equivalents | 6.59 | 163.47 |
| (iii) Loans | 847.84 | 830.94 |
| (iv) Others financial assets | 112.95 | 101.02 |
| (b) Other current assets | 721.36 | 961.35 |
| **Total current assets** | **2,720.32** | **4,655.56** |
| **TOTAL ASSETS** | **20,722.55** | **24,477.72** |
| | | |
| **II. EQUITY AND LIABILITIES** | | |
| **(1) Equity** | | |
| (a) Equity share capital | 1,196.69 | 1,196.69 |
| (b) Other Equity | (3,133.34) | (79.45) |
| **Total Equity** | **(1,936.65)** | **1,117.24** |
| | | |
| **(2) Non current liabilities** | | |
| **(a) Financial liabilities** | | |
| (i) Borrowings | - | 1,204.00 |
| (ii) Other financial liabilities | - | - |
| (b) Provisions | 7.26 | 7.26 |
| (c) Other non-current liabilities | 2,417.98 | 2,398.09 |
| **Total Non Current Liabilities** | **2,425.24** | **3,609.35** |
| | | |
| **(3) Current liabilities** | | |
| **(a) Financial liabilities** | | |
| (i) Trade and Other Payables | 525.00 | 724.54 |
| (ii) Other financial liabilities | 16,639.58 | 16,232.60 |
| (b) Provisions | 0.28 | 0.28 |
| (c) Other current liabilities | 3,069.10 | 2,793.71 |
| **Total Current Liabilities** | **20,233.96** | **19,751.13** |
| **Total Liabilities** | **22,659.20** | **23,360.48** |
| **TOTAL EQUITY AND LIABILITIES** | **20,722.55** | **24,477.72** |

GUPTA RUSTAGI & CO. Chartered Accountants

Starlog Enterprises Ltd. Mumbai

# STARLOG ENTERPRISES LIMITED

141, Jolly Chambers II, 14th Floor, Nariman Point, Mumbai 400021, India

CIN: L63010MH1983PLC031578

## PART III STATEMENT OF AUDITED STANDALONE CASH FLOW STATEMENT

₹ in Lakhs

| Particulars | | For Year Ended 31st March 2021 | For Year Ended 31st March 2020 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| **Profit/ (loss) before tax** | | **(3,053.89)** | **(10,088.75)** |
| **Adjustments for:** | | | |
| Depreciation Expense | | 1,128.42 | 1,375.70 |
| Interest Expense | | 2,604.21 | 2,389.82 |
| Interest on unwinding of Financial Liabilites | | - | 2.71 |
| Miscellaneous balances written off | | (116.49) | (118.01) |
| Exceptional Items / Liabilities No Longer Required | | 371.02 | 7,646.42 |
| Loss/(Profit) on Sale of Assets | | (368.73) | (494.18) |
| Interest Income | | (12.54) | (17.00) |
| | | **552.00** | **696.71** |
| **Changes in operating assets and liabilities** | | | |
| (Increase)/ Decrease in trade receivables | | 261.85 | 110.40 |
| (Increase)/ Decrease in Other Financial Assets | | (11.93) | 44.56 |
| (Increase)/ Decrease in loans | | (20.12) | (41.14) |
| (Increase)/ Decrease in other non-current assets | | 11.43 | 9.31 |
| (Increase)/ Decrease in other current assets | | (58.65) | (60.31) |
| Increase/ (Decrease) in trade and other payables | | 39.11 | (25.45) |
| Increase/ (Decrease) in provisions | | 0.00 | 1.36 |
| Increase/ (Decrease) in other current liabilities | | 329.14 | (583.14) |
| **Cash generated from operations** | | **1,102.83** | **152.30** |
| Tax Expenses/(Refund) | | (34.94) | 288.11 |
| **Net cash inflow from operating activities** | **(A)** | **1,067.89** | **440.41** |
| **Cash flow used in investing activities** | | | |
| Proceeds from sale of property, plant and equipment | | 824.99 | 1,765.15 |
| Addition in property, plant and equipment | | (3.28) | - |
| Interest Income from fixed Deposits | | 12.54 | 17.00 |
| Advance against sale of Fixed Asset- Taken/(Given) | | - | (440.13) |
| Bank deposits in excess of 3 months (Net) | | 103.29 | (9.24) |
| Non-Current Financial Investments | | 17.10 | 305.06 |
| Repayment of advance against sale of land/Others | | (59.40) | |
| **Net cash inflow from in investing activities** | **(B)** | **895.25** | **1,637.84** |
| **Cash flow used in financing activities** | | | |
| Repayment of Borrowings | | (1,519.34) | (1,349.86) |
| Unclaimed Dividend Paid | | - | - |
| Interest Expense | | (600.68) | (592.67) |
| **Net cash outflow used in financing activities** | **(C)** | **(2,120.02)** | **(1,942.53)** |
| **Net increase/ (decrease) in cash and cash equivalents** | **(A+B+C)** | **(156.88)** | **135.72** |
| Cash and cash equivalents at the beginning of the year | | 163.47 | 27.75 |
| **Cash and cash equivalents at the end of the year** | | **6.59** | **163.47** |

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Starlog Enterprises Ltd. Mumbai

**Notes:**

1. The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on 30th June 2021.

2. The figures for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the financial year ended March 31,2021 and March 31, 2020 respectively. Also, the figures upto the end of the third quarter has been reviewed by the auditors.

3. The gap between the current liabilities and current assets amounting to Rs. 17,513.64 lakhs is mainly on account of current maturities of long term debt. The Company is actively engaged in one time settlement with remaining 3 Lenders through monetizing some of its fixed assets, recovery of dues from its clients and improving EBIDTA. During the quarter ended March 31, 2021, the company has sold cranes amounting to Rs. 775 lakhs, which has resulted in profit of Rs. 402 lakhs. Entire proceeds realized, has been paid to the Lenders to reduce the debt of the Company.

4. The company has demands from Commissioner of Customs(Export/EPCG) amounting to Rs. 1,294.67 Lakhs & Sales Tax/MVAT department of Rs. 27,716.23 Lakhs. The Company has disputed these demands and obtained stay orders in many cases. The Company believes that it has a good case and therefore no provision has been made in the books for the same.

   One of the Lenders to a subsidiary of the company has invoked shortfall undertaking amounting to Rs. 6,627.20 Lakhs for loan taken by the subsidiary. The same has been disputed by the Company and the entire Debt Due taken by the Subsidiary has been deposited in Gujarat High Court and the matter is sub-judice.

5. During the year, on account of prevailing COVID situation, the company has carried out detail analysis of trade receivables and other financial assets. Accordingly, impairment provision of Rs.1645.26 lakhs has been made against such assets which has been disclosed as exceptional item.

6. The Bank of India (BOI) had approved One Time Settlement ("OTS") of its outstanding dues vide its approval letter no. MLCB:2020-21 dated September 30, 2020. As per settlement terms, OTS amount of Rs. 872.57 lacs (including interest and incidental expenses) was paid by the company. The company has complied with the terms of approval of such OTS and obtained No Dues Certificate letter dated 26.03.2021. Accordingly, the Company has accounted and disclosed gain of Rs. 1274.24 lacs arising out of OTS under the exception item.

7. During the current year the company had received the sanction of One Time Settlement (OTS) from JM Financial Asset Reconstruction Company Limited (JMFARC) vide its letter reference no. JMFARC/VG/FY21/0722 dated November 13, 2020. As per the approval letter, the Company is required to make payment of Rs 3,800 lacs in six installments, out of which Rs 1,000 lacs were due and payable by 31st March 2021 and balance of Rs 2,800 lacs are due and payable from 1st April 2021 to 31st Dec 2021. The Company has complied with terms by making payment of Rs 1,000 lacs by March 31, 2021. However, pending balance payment under OTS and release of No Dues Certificate from JMFARC and related documents, Company has not recognized the impact of OTS in its books of accounts. Company is continuing with the pre OTS loan liability and accounted full year interest on the same. Against the total liability (Outstanding loans and interest) of Rs. 11271.03 lakhs as on March 31, 2021, company is required to make payment of Rs. 2800 lakhs only.

GUPTA RUSTAGI & CO. Chartered Accountants

Starlog Enterprises Ltd. Mumbai

8. The balances in Trade Receivable, Trade Payable, Advances and certain Bank balances are subject to reconciliation/confirmation and adjustment, if any. In the opinion of the management there will be no material adjustment and if any, will be carried out as and when ascertained.

9. The Company has not received any balance confirmation from Axis Bank and Edelweiss Assets Reconstruction Company Ltd.(the Lenders) as at March 31,2021. In the opinion of the management there will be no material adjustment on the confirmation by the Lenders.

10. The company has elected to carry its Property Plant and Equipment (PPE) at previous GAAP carrying value as its deemed cost on the date of transition to Ind AS and thereon continued to compute depreciation as required under Companies Act, 2013. No impairment on non-operative PPE due to corrosion and being stationed unused at remote locations have been considered.

11. Covid – 19 Pandemic had been rapidly spreading throughout the world. The Government of India has taken significant measures to control the spread of virus which included complete lockdown and restrictions in activities. This affected the Company's operations considerably during the F.Y. 2020-21 and impacted the revenues and operations of the Company during the period. This has also resulted in some of the cranes being de-hired and lying idle. Although there was improvement in the last quarter of FY 2021, the second wave has again imposed uncertainties for FY 2021-22. It is clearly a dynamic and fast changing situation and the actual impact in the future may be different from those estimated as at the date of approval of these financial results.

12. The Company has operated only in one reportable segment.

13. The above financial results are available on the company website www.starlog.in and also on the website of BSE (www.bseindia.com)

GUPTA RUSTAGI & CO. FRN : 128701W MUMBAI Chartered Accountants

Starlog Enterprises Ltd. Mumbai

For Starlog Enterprises Limited
Saket Agarwal
Managing Director
Mumbai, 30.06.2021

**Independent Auditor's Report on the Quarterly and Year to Date Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**

**The Board of Directors of**
**Starlog Enterprises Limited**

**Report on the Audit of the Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of quarterly and the year to date standalone financial results of Starlog Enterprises Limited ('the Company') for the quarter ended March 31, 2021, and for the year ended March 31, 2021 ('the statement'), attached here with, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. Is presented in accordance with the requirements of the Listing Regulations in this regards; and

ii. Except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph below, gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2021, and for the year ended March 31, 2021.

**Basis of Qualified Opinion**

1. In relation to Going Concern assumption we refer to Note 3 of the Statement where it is mentioned that the Company's current liabilities are in excess of its current assets by ₹. 17,513.64 lakhs which is largely on account of current maturities of its long term debts. Further, as mentioned in Note 4 of the Statement, the Company has contingent liabilities regarding EPCG Obligations of ₹. 1,294.67 lakhs, demands from sales tax / MVAT department of ₹. 27,716.23 lakhs and invocation of the Shortfall Undertaking by a lender of a subsidiary of ₹. 6,627.20 lakhs. There has also been a substantial reduction in the net worth of the Company due to current year losses. We also refer to Note 11 of the Statement wherein the Company has explained the impact of COVID 19 and ensuing nationwide lockdown on its operations. The outbreak of the pandemic has led to some of the cranes of the Company being de-hired. These situations indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, however the Company has prepared its statements as a going concern. The impact of the same on the statement of the Company is unascertainable.

GUPTA RUSTAGI & CO. FRN: 128701W MUMBAI Chartered Accountants



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Phone No : +91 22 4002 2072 / 4004 6887

•Branch : 620, Goldcrest Business Park, Behind HDFC Bank, Near Shreyas, L.B.S. Road, Ghatkopar (W), Mumbai - 400 086
Phone No : +91 22 4973 3968 / 4973 4015

2. We refer to Note 11 of the Statement wherein the Company has mentioned that its cranes are de-hired and lying idle due to outbreak of COVID 19. Non operation is causing deterioration in life of the assets. Further, the Company expects the demand for its services to remain low. However, the Company has not conducted an impairment study under Ind AS 36. As mentioned in Note 10, the Company has continued to carry its PPE at book value. The impact of the same on the standalone financial statements of the Company is unascertainable.

3. The Company has total outstanding of ₹. 16,639.58 lakhs repayable to lenders. However, we have not received balance confirmations from majority lenders as on March 31, 2021, and have been unable to confirm the balances through any alternate means. The impact on the results of the Company is unascertainable.

4. As mentioned in the note no 8 of the Statement, in respect of Trade Receivables, trade payables and Loans & Advances (Assets) and Advances Liabilities are subject to confirmation/ reconciliation from respective parties. Hence, any material impact on the financial statement due to the same cannot be ascertained.

5. The Company has not carried out actuarial valuation of liability for accumulated leave balances and gratuity of employees as on March 31, 2021 in accordance with Ind AS 19 "Employee Benefit" and continued with the same provision for leave balance and gratuity as appearing on April 1, 2020. The impact of same cannot be ascertainable.

6. The company has not complied with the provisions of section 138 of the Companies Act, 2013 with respect to appointment of Internal Auditors during the year ended March 31, 2021. Pending regularization of the aforementioned default, we are unable to comment on the extent of adjustment, if any, that may be required in these financial statement on account of such default.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013, as amended ('the Act'). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Emphasis of Matter**

1. The Company has shown investments of ₹. 1,201.20 lakhs in an associate which is equivalent to 26% of equity capital of the associate. As against this, the financial statements of the associate show the shareholding of the Company as 10% of its equity capital only. The differential 16% have been claimed by the associate as being transferred in its financial statements from the name of the Company to certain entities who are having credit balances with the Company towards advance given for purchase of shares of the associate. However, the Company has

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continued to show investment at original cost and original number of shares in its standalone financial statements on the ground that it has not been provided with necessary documents by the associate to justify the change in shareholding and settlement with the transferee entities.

2. As mentioned in Note 4, a lender of a subsidiary has invoked a Shortfall Undertaking of ₹. 6627.20 Lakhs. The matter was adjudicated by DRT, Mumbai, passing a recovery order against the Company. The Company has filed a review petition against the said order and the matter is sub-judice.

3. As mentioned in Note 5, due to ongoing pandemic and recent surge in COVID-19 cases, company has carried out detail analysis of Trade receivable and other financial assets and provide the impairment provision of Rs.1645.26 lakhs which was disclosed under exceptional item.

4. As mentioned in Note 7 JM Financial Asset Reconstruction Company Limited (JMFARC) vide its letter no. JMFARC/VG/FY21/0722 dated November 13, 2020 has sanctioned One Time Settlement (OTS) of outstanding loan amount. As per the approval letter, the Company is required to make payment of ₹. 3,800 lacs in various installments, out of which ₹. 1,000 lacs were due and payable by 31st March 2021 and balance of ₹. 2,800 lacs are due and payable from 1st April 2021 to 31st Dec 2021. The Company has complied with terms by making payment of ₹. 1,000 lacs by 31st March 2021. However, Pending balance payment under OTS and release of no due certificate from JMFARC and related documents, no accounting entries are passed to give effect to OTS.

5. We draw attention to the fact that the Confirmation of Bank Balances of 3 bank Accounts could not be obtained by the Company. The Management stated that these are old and non-operative accounts hence balance confirmation could not be obtained, the opening balance of such are taken as closing balance. In absence of any statement and balance confirmation, any material effect due to such non-confirmation is currently not ascertainable.

Our opinion is not modified in respect of the above matters.

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

The Statement has been prepared on the basis of standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribes under Sectoin 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities ,selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent; and the design; implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and



completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act , we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosure made by the Board of Directors.
- Conclude of the appropriateness of the Board of Directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement, or if such disclosures are inadequate, to modify our opinion. Our conclusions given in a qualification no. 1 are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

GUPTA RUSTAGI & CO. FRN 028701W Chartered Accountants

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

1. The Comparative Ind AS financial information of the company for the corresponding quarter and year ended March 31, 2020, included in these standalone financial results, were audited by the predecessor auditor who expressed an modified opinion on those financial information on June 29, 2020

2. The Statement includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to limited review by us, as required under the listing Regulations.

For **Gupta Rustagi & Co.**
Chartered Accountants
ICAI FRN: 128701W

GUPTA RUSTAGI & CO. FRN: 128701W MUMBAI Chartered Accountants

Niraj Gupta
Partner
Mem.no.100808
UDIN: 21100808AAAAEM1758

Mumbai
June 30, 2021

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

All figures are Rs. In Lakhs Except EPS

| I. | Sr. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
|---|---|---|---|---|
| | 1 | Turnover / Total Income | 2539.02 | 2539.02 |
| | 2 | Total Expenditure (Excluding OCI) | 5592.91 | 5592.91 |
| | 3 | Net Profit/(Loss) | (2682.87) | (2682.87) |
| | 4 | Earnings Per Share (EPS) | (25.51) | (25.51) |
| | 5 | Total Assets | 20722.55 | 20722.55 |
| | 6 | Total Liabilities | 22659.20 | 22659.20 |
| | 7 | Net Worth | (1936.65) | (1936.65) |
| | 8 | Any other financial item(s) (as felt appropriate by the management) | NIL | NIL |

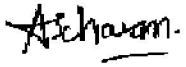
| II. | | |
|---|---|---|
| | (i) Audit Qualification (provide each audit qualification separately): | |
| | a. | **Details of Audit Qualification:** In relation to Going Concern assumption we refer to Note 1 of the Statement where it is mentioned that the Company's current liabilities are in excess of its current assets by ₹. 17,513.64 lakhs which is largely on account of current maturities of its long term debts. Further, as mentioned in Note 4 of the Statement, the Company has contingent liabilities regarding EPCG Obligations of ₹. 1,294.67 lakhs, demands from sales tax / MVAT department of ₹. 27,716.23 lakhs and invocation of the Shortfall Undertaking by a lender of a subsidiary of ₹. 6,627.20 lakhs. There has also been a substantial reduction in the net worth of the Company due to current year losses. We also refer to Note 11 of the Statement wherein the Company has explained the impact of COVID 19, and ensuing nationwide lockdown on its operations. The outbreak of the pandemic has led to some of the cranes of the Company being de-hired. These situations indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, however the Company has prepared its statements as a going concern. The impact of the same on the statement of the Company is unascertainable. |
| | b. | **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~ |
| | c. | **Frequency of qualification:** Whether appeared ~~first time~~ / repetitive / ~~since how long continuing~~ |

| | | |
|---|---|---|
| | d. | **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The impact of the qualification is not quantified by the auditor. |
| | e. | **For Audit Qualification(s) where the impact is not quantified by the auditor:** |
| | | **(i) Management's estimation on the impact of audit qualification:** The management of the Company is actively engaged in settlement/ restructuring of its financial obligations with the lenders and is confident that with the co-operation of the lenders and other stakeholders the Company shall remain a going concern and therefore prepared its standalone financial statements as a going concern. |
| | | **(ii) If management is unable to estimate the impact, reasons for the same:** On account of Covid-19 Pandemic declared as Force Majeure by Government of India, the impact is dependent on future demands and operations which during the lockdown and restrictions does not allow the management to ascertain the impact of the qualification. |
| | | **(iii) Auditor's Comments on (i) or (ii) above:** Auditor has not provided any comment on Management clarifications. |

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| II. | (ii) Audit Qualification (provide each audit qualification separately): | |
| | a. | **Details of Audit Qualification:** We refer to Note 11 of the Statement wherein the Company has mentioned that its cranes are de-hired and lying idle due to outbreak of COVID 19. Non operation is causing deterioration in life of the assets. Further, the Company expects the demand for its services to remain low. However, the Company has not conducted an impairment study under Ind AS 36. As mentioned in Note 10, the Company has continued to carry its PPE at book value. The impact of the same on the standalone financial statements of the Company is unascertainable. |
| | b. | **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~ |
| | c. | **Frequency of qualification:** Whether appeared ~~first time~~ / repetitive / ~~since how long continuing~~ |
| | d. | **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Impact is not quantified by the Auditor. |
| | e. | **For Audit Qualification(s) where the impact is not quantified by the auditor:** |
| | | **(i) Management's estimation on the impact of audit qualification:** The impact of the same on the standalone financial statements of the Company is unascertainable. |
| | | **(ii) If management is unable to estimate the impact, reasons for the same:** On account of lockdown and restrictions on movements and access to site, due to Covid-19 Pandemic, no impairment study was possible. |
| | | **(iii) Auditor's Comments on (i) or (ii) above:** Auditor has not provided any comment on Management clarifications. |

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| | (iii) | Audit Qualification (provide each audit qualification separately): |
| II. | a. | **Details of Audit Qualification:** The Company has total outstanding of ₹. 16,639.58 lakhs repayable to lenders. However, we have not received balance confirmations from majority lenders as on 31st March, 2021, and have been unable to confirm the balances through any alternate means. The impact on the results of the Company is unascertainable |
| | b. | **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~ |
| | c. | **Frequency of qualification:** Whether appeared ~~first time~~ / repetitive / ~~since how long continuing~~ |
| | d. | **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The impact of the qualification is not quantified by the Auditor. |
| | e. | **For Audit Qualification(s) where the impact is not quantified by the auditor:** |
| | | **(i) Management's estimation on the impact of audit qualification:** Management is unable to estimate due to uncertainties on account of Covid-19 Pandemic. |
| | | **(ii) If management is unable to estimate the impact, reasons for the same:** The management has made efforts to ascertain the balance confirmation from the Lenders. However no balance confirmation from the Lenders as on 31st March, 2021 has been received. |
| | | **(iii) Auditor's Comments on (i) or (ii) above:** Auditor has not provided any comment on Management clarifications. |
| II. | (vi) | Audit Qualification (provide each audit qualification separately): |
| | a. | **Details of Audit Qualification:** As mentioned in the note no 8 of the Statement, in respect of Trade Receivables, Trade Payables and Loans & Advances (Assets) and Advances Liabilities are subject to confirmation/ reconciliation from respective parties. Hence, any material impact on the financial statement due to the same cannot be ascertained. |
| | b. | **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~ |
| | c. | **Frequency of qualification:** Whether appeared first time / ~~repetitive~~ / ~~since how long continuing~~ |
| | d. | **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The impact of the qualification is not quantified. |
| | e. | **For Audit Qualification(s) where the impact is not quantified by the auditor:** |
| | | **(i) Management's estimation on the impact of audit qualification:** Since the parties have not provided their confirmation the management has relied on the information available in the Companies records. |
| | | **(ii) If management is unable to estimate the impact, reasons for the same:** The management has made efforts to ascertain the balance confirmation from the respective Parties. However no balance confirmation from the Parties as on 31st March, 2021 has been received. |

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| II. | (v) Audit Qualification (provide each audit qualification separately): | (i) Auditor's Comments on (i) or (ii) above: Auditor has not provided any |
| | a. | **Details of Audit Qualification:** The Company has not carried out actuarial valuation of liability for accumulated leave balances and gratuity of employees as on March 31, 2021 in accordance with Ind AS 19 "Employee Benefit" and continued with the same provision for leave balance and gratuity as appearing on April 1, 2020. The impact of same cannot be ascertainable. |
| | b. | **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~ |
| | c. | **Frequency of qualification:** Whether appeared first time / ~~repetitive~~ / ~~since how long continuing~~ |
| | d. | **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The impact of the qualification is not quantified by the auditor. |
| | e. | **For Audit Qualification(s) where the impact is not quantified by the auditor:** |
| | | **(i) Management's estimation on the impact of audit qualification:** Since actuarial valuation is not available, management is unable to ascertain the impact. |
| | | **(ii) If management is unable to estimate the impact, reasons for the same:** Due to ongoing pandemic situation and travel restriction, the valuer had not able to provide the data within the stipulated time. |
| | | **(iii) Auditor's Comments on (i) or (ii) above:** Auditor has not provided any comment on Management clarifications. |
| II. | (vi) Audit Qualification (provide each audit qualification separately): | |
| | a. | **Details of Audit Qualification:** The company has not complied with the provisions of section 138 of the Companies Act, 2013 with respect to appointment of Internal Auditors during the year ended March 31, 2021. Pending regularization of the aforementioned default, we are unable to comment on the extent of adjustment, if any, that may be required in these financial statement on account of such default. |
| | b. | **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~ |
| | c. | **Frequency of qualification:** Whether appeared first time / ~~repetitive~~ / ~~since how long continuing~~ |
| | d. | **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The impact of the qualification is not quantified by the auditor. |
| | e. | **For Audit Qualification(s) where the impact is not quantified by the auditor:** |
| | | **(i) Management's estimation on the impact of audit qualification:** The management is unable to ascertain the impact. |
| | | **(ii) If management is unable to estimate the impact, reasons for the same:** Due to ongoing pandemic situation and travel restriction, Management unable to found the Internal Auditor for the company, will appoint the same as soon as situation normalised. |

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| | | **(iii) Auditor's Comments on (i) or (ii) above:** Auditor has not provided any comment on Management clarifications. |
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| | | |
| III. | **Signatories:** | |
| **Managing Director** | | <br>Saket Agarwal<br>Mumbai<br>30/06/2021 |
| **CFO** | | <br>Amita Chawan<br>30/06/2021 |