

# DICABS

DIAMOND POWER INFRASTRUCTURE LTD.  
Corporate Office : GSEC Ltd., 2<sup>nd</sup> Floor,  
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11<sup>th</sup> February, 2022

To,  
Corporate Relations Department  
Bombay Stock Exchange Limited  
2<sup>nd</sup> Floor, P.J. Towers  
Dalal Street,  
Mumbai - 400 001  
Scrip Code: 522163

To,  
Corporate Relations Department  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G- Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051  
NSE: DIAPOWER

Dear Sir/Madam,

**Sub:** 1. Outcome of Board Meeting held on 11<sup>th</sup> February, 2022.  
2. Standalone Un-Audited Financial Results (Provisional) of the Company for the quarter and Nine months ended on 31<sup>st</sup> December, 2022.

**Ref:** Regulation 30 read with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to subject matters, we hereby inform you that the Board of Directors of the Company at its meeting held on today i.e., 11<sup>th</sup> February, 2023 had inter alia, considered and approve the followings:

1. Standalone Un-Audited Financial Results for the quarter and nine months ended on 31<sup>st</sup> December, 2022 along with Limited Review Report issued by M/s. A. Yadav & Associates, Chartered Accounts, Statutory Auditors of the Company. The Copy of the same is enclosed herewith.
2. Appointment of M/s. PriceWaterhouse Coopers Services LLP ('PwC') as Internal Auditors of the Company for the period from FY- 2022-23 AND FY 23-24.
3. The Board of Directors of the Company at its meeting held on today i.e., 11<sup>th</sup> February, 2023 and pursuant to assessment and recommendation of Nomination and Remuneration Committee and approval of the Audit Committee has considered and approved the appointment of Mr. Aditya Nayak as new Dy. Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company with effect from 13<sup>th</sup> February, 2023. He will be "Chief Financial Officer- In Charge" of the Company for all Compliances purposes.

The details as per the requirement of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD/4/2015 dated 9th September, 2015 are enclosed hereunder as **Annexure-A**.

The Board meeting commenced at 12:30 p.m. and concluded at 3.15 p.m.

We request you to please take the same on record.

For, Diamond Power Infrastructure Limited

Tushar J. Lakhtapurkar  
VP - Legal & Company Secretary



CIN:L31300GJ1992PLC018198

Regd. Office & Factory : Vadadala, PHASE - II,  
Savli, Vadodara-391520, Gujarat, India.

## Annexure- A

Details under Regulation 30 of the SEBI Listing Regulations read along with SEBI circular CIR/CFD/CMD/4/2015 dated September 9, 2015.

1. Appointment of M/s. Pricewaterhouse Coopers Services LLP ('PwC') as Internal Auditors of the Company for the period from FY- 2022-23 AND FY 23-24.

Sr. No.	Particulars	Disclosure
1	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment
2	Date of Appointment & term of appointment	11 <sup>th</sup> February, 2023  <i>Price Water house Cooper LLP (PwC)</i> appointed as Internal Auditors pursuant to section 138 of the Companies Act, 2013 and read with Rule no 13 of Companies (Accounts) Rules, 2014 period from FY- 2022-23 AND FY 23-24.
3.	Brief Profile  (in case of appointment)	PricewaterhouseCoopers is an international professional services brand of firms, operating as partnerships under the PwC brand. It is the second-largest professional services network in the world. Over 135 years in India, the oldest and one of the largest professional services firms in the country. It has won the New - Age Workplace 2025 Awards 2019 in the Rewards and Recognition category organized by the Times Group.
4	Disclosure of relationships between directors (in case of appointment of a Director)	Not applicable



2. Appointment of Mr. Aditya Nayak, Dy. Chief Financial Officer (CFO) & Key Managerial Personnel (KMP). He will be "Chief Financial Officer- In Charge" of the Company for all Compliances purposes.

Sr. No.	Particulars	Disclosure
1	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment as Dy. Chief Financial Officer and Key Managerial Personnel
2	Date of Appointment & term of appointment	Appointed w.e.f. 13 <sup>th</sup> February, 2023
3.	Brief Profile (in case of appointment)	Mr. Aditya Nayak is by profession a MBA (Finance & Marketing) from VIT Business School, Mumbai and having 10 years of experience. Lastly, he was working with Metalxperts India Private Limited as Head-Finance.
4	Disclosure of relationships between directors (in case of appointment of a Director)	Not applicable



# A YADAV & ASSOCIATES LLP

## CHARTERED ACCOUNTANTS



Registered Office : Office No. 202, Iscon Atria - I, Iscon Heights, Opp. GEB Training Center, Gotri Road, Baroda - 390 021, India.

**Independent Auditors' Limited Review Report on unaudited standalone Financial Results of DIAMOND POWER INFRASTRUCTURE LIMITED for the quarter ended 31-Dec-2022 and year-to-date results for the period from 01-Apr-2022 to 31-Dec-2022 Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.**

### Review report to TO THE BOARD OF DIRECTORS OF DIAMOND POWER INFRASTRUCTURE LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **DIAMOND POWER INFRASTRUCTURE LIMITED** ("the Company"), for the for the quarter ended 31-Dec-2022 and for the period from **01-Apr-2022 to 31-Dec-2022** together with notes thereon ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The company has undergone Corporate Insolvency Resolution Process ("CIRP") in terms of the provisions of the Insolvency & Bankruptcy Code, 2016 ("Code"), the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated August 24, 2018 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by financial creditors and Mr. Bhuvan Madan (Registration No. IBBI/IPA-001/IP-P01004/2017-2018/11655) was appointed as Resolution Professional ("RP") for the Company wide order dated October 23, 2018 to conduct CIRP of DIAMOND POWER INFRASTRUCTURE LIMITED (DPIL). While the Resolution Professional, had taken over the charge of the management of the DPIL on October 23, 2018, at that time investigations were being conducted by the offices of the Directorate of Enforcement ("ED") under Prevention of Money Laundering Act, 2002 ("PMLA"), by the Central Bureau of Investigation ("CBI") and the Income Tax Authorities under the Income tax Act, 1961 into the affairs of DPIL and whereby most of the documents pertaining to DPIL had already been seized by the ED and CBI and matters are under legal proceeding with respective judiciary courts. Thereafter the RP was replaced and new RP Mr. Prashant Jain was appointed as the Resolution Professional ("RP") vide order dated May 04, 2021 in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code.

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502, Shagun Complex, Opp. Fair Deal House,  
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During CIRP period, there were no **operations & business activities** in the Company, as majority of the company's staff had left the company. Resolution Professional continued to manage the Company as per the Code. Thereafter the RP received resolution plan from M/s GSEC Limited in consortium with Mr. Rakesh Shah which was approved by the Committee of Creditors ("CoC") and put up for approval of the Hon'ble NCLT. The RP continued to remain in charge of the Company till the trigger date/handover date.

For statutory compliances, Chairman of monitoring committee Mr. Prashant Jain, RP together with suspended management had prepared financial statements for financial year 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 based on available records with the company. Mr. Prashant Jain, RP had appointed our firm, viz. A Yadav & Associates LLP to carry out the statutory audit of the company. We have carried out the statutory audit of the company based on the available records, supporting and details given to us, due to that, we have given our **disclaimer of opinion** for audited financial statements of the 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22.

The Hon'ble NCLT vide its **order dated June 20, 2022** has approved resolution plan submitted by M/s GSEC Limited in consortium with Mr. Rakesh Shah. Thereafter, as per approved Plan, a Monitoring Committee was constituted to take necessary actions for implementation of the approved Resolution Plan. At present the ED has not released the charges on assets of the company, hence company has filed petition to Honorable Supreme Court for release of charge and matter is under legal process as per the information provided to us.

**On Trigger date i.e. September 17, 2022**, M/s GSEC Limited in consortium with Mr. Rakesh Shah has taken over charge of the company and has reconstituted the Board of Directors of the company ('Board') and new management ('New Management') was put in place to implement the Resolution Plan as approved by the NCLT vide order dated June 20, 2022.

2. In view of concluded CIRP process, the Board of directors is reconstituted on trigger date i.e. September 17, 2022 and the new management has taken over charge of the company. The newly constituted Board have taken on record & approved the unaudited financial statements for the quarter ended 31-Dec-2022 and for the period from **01-Apr-2022 to 31-Dec-2022 in the audit committee and Board meeting held on February 11<sup>th</sup>, 2023**. The unaudited financial results are prepared by the New Management along with support from the suspended board of directors for **compliance with the Resolution plan as per the Code** and in compliance with the presentation and disclosure requirements of Regulations 33 of SEBI and listing agreement requirements of Stock exchanges.

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## CHARTERED ACCOUNTANTS



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This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has not been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our limited review, **the company has passed necessary accounting entries in compliances with NCLT Approved resolutions plan and not as required under Ind AS. So that, to extent non-compliances with Ind AS.**

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### 4. Conclusion:

**We have reported material information and details of disclaimer of opinion in notes to accompanying statement of unaudited financial statements,** except that, we report that, based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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### 5. Emphasis of matter :

We draw attention to:

- (i) Company has prepared enclosed unaudited financial statements for quarter and nine month ended on 31-Dec -2022, in compliances with resolution plan approved by NCLT order dated June 20, 2022, the company has given accounting treatments for reduction of share capital, reduced liabilities, converted bank / FI liabilities as per approved resolution plan.
- (ii) The Company has provided necessary provision entries for Investments and current assets, as realizability of current assets are not ascertainable as on the reporting date, so we **give our disclaimer of opinion** about current assets reported in financial statements is correct or not. We have given our basis for the disclaimer of opinion in enclosed notes with these financial statements ("FS").
- (iii) The company has started preparation of fixed assets register and verification of capital work in progress amounts reported in the enclosed FS, the company has carried forward the same accounted balances since 2017 as on date, since the present value and items accounted are under verification by new management, accordingly we have **given our disclaimer of opinion** about fixed assets block reported in FS. We have given our basis for the disclaimer of opinion in enclosed notes with FS.
- (iv) The company is in process of appointment of Internal auditor & CFO in the company, the present accounting operation and supervision are carried out without proper authorization.
- (v) We have given **material information in forms of notes** to the accompanying Unaudited Standalone Financial Results, we **draw attention that (Point no. 1 to 27)**, it should be read together with our Limited Review Report.

For : **A Yadav & Associates LLP.**  
**Chartered Accountants**  
**FRN : 129725W/W100686**



**CA Arvind Yadav, Partner**  
**Membership No: 047422**

**Place: Vadodara**

**Date: 11/02/2023**

**UDIN: 23047422BGUTFR6339**

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**DIAMOND POWER INFRASTRUCTURE LIMITED**

CIN: L31300GJ1992PLC018198

Regd. Office: Phase-II, Village-Vadadala, Taluka-Savli, Vadodara-391520, Gujarat, India.

Tel. No.: +91-79-26554100/26575757 Email: tushar.lakhmapurkar@dicabs.com Website: www.dicabs.com

**Statement of Standalone Unaudited Financial Results for the quarter & Nine Month ended 31<sup>st</sup> December 2022**

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			9 Months Ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	134.88	-	-	134.88	5.00	5.00
2	Other Income	1.80	3.56	-	5.36	-	-
3	<b>Total Income (1+2)</b>	<b>136.68</b>	<b>3.56</b>	<b>-</b>	<b>140.25</b>	<b>5.00</b>	<b>5.00</b>
4	<b>Expenses</b>						
	a) Cost of Materials consumed	135.56	-	-	135.89	-	-
	b) Purchase of stock-in-trade	-	-	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	378.98	-	-	378.98	-	-
	d) Employee Benefits Expense	103.52	0.46	3.66	106.58	10.54	13.69
	e) Finance Costs	17.22	3.17	-	20.39	0.04	691.91
	f) Depreciation and amortisation of expenses	392.60	392.60	-	1,177.81	-	1,570.42
	g) Other Expenses	653.39	486.48	64.70	1,245.96	195.84	269.32
	<b>Total expenses</b>	<b>1,681.27</b>	<b>882.71</b>	<b>68.36</b>	<b>3,065.62</b>	<b>206.42</b>	<b>2,545.34</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>(1,544.58)</b>	<b>(879.15)</b>	<b>(68.36)</b>	<b>(2,925.37)</b>	<b>(201.42)</b>	<b>(2,540.34)</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit / (Loss) before tax (5-6)</b>	<b>(1,544.58)</b>	<b>(879.15)</b>	<b>(68.36)</b>	<b>(2,925.37)</b>	<b>(201.42)</b>	<b>(2,540.34)</b>
8	<b>Tax Expense</b>						
	a) Current tax	-	-	-	-	-	-
	b) Deferred tax	-	-	-	-	-	-
	c) Taxation relating to earlier years	-	-	-	-	-	-
	<b>Total Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	<b>Net Profit / (Loss) for the period (7-8)</b>	<b>(1,544.58)</b>	<b>(879.15)</b>	<b>(68.36)</b>	<b>(2,925.37)</b>	<b>(201.42)</b>	<b>(2,540.34)</b>
10	<b>Other Comprehensive Income</b>						
	a) i. Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	ii. Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	b) i. Items that will be reclassified to profit or loss	-	-	-	-	-	-
	ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	<b>Total Other Comprehensive Income (Net of Taxes)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11	<b>Total Comprehensive Income for the period (9-10)</b>	<b>(1,544.58)</b>	<b>(879.15)</b>	<b>(68.36)</b>	<b>(2,925.37)</b>	<b>(201.42)</b>	<b>(2,540.34)</b>
12	Paid-up equity share capital (Face Value of ₹ 10/- each)	5,269.71	5,269.71	26,971.07	5,269.71	26,971.07	26,971.07
13	<b>Earnings per equity share (In INR)</b>						
	(i) Basic earnings per share (₹)	(2.93)	(1.67)	(0.03)	(5.55)	(0.07)	(0.94)
	(ii) Diluted earnings per share (₹)	(2.93)	(1.67)	(0.03)	(5.55)	(0.07)	(0.94)

Notes No 1 to 27 is forming part of the results as enclosed

Place : Vadodara  
Date: 11/02/2023



For Diamond Power Infrastructure Limited

CHAIRMAN/DIRECTOR



## Notes to Financial Statement:

### Material information for events accrued in the company as on date:

1. On the basis of CBI FIR, the Enforcement Directorate, Ahmedabad (ED) has registered case, bearing no. ECIR/AMZO/03/2018 dated April 05, 2018 under the provision of **Section 17 of the Prevention of Money-Laundering Act, 2002** and conducted search at all the places of the company on April 09, 2018 & attached properties of company & directors by provisionally attached order no. PAO No. 02/2018 dated April 24, 2018. The ED has filled ECIR sheet on December 22, 2018 with The Hon'ble Court of Principal District & Sessions Judge (Ahmedabad Rural) and Hon'ble Designated special court under the prevention of Money-Laundering Act, 2002, At Ahmedabad, the matter is under legal proceeding.
2. On the basis of CBI FIR, the Directorate of Investigation of Income Tax department has carried out search and seizure U/s 132 of the Act on 10/04/2018 and subsequently a notice U/s 153 A of the Act was issued on 25/10/2018 to file Income Tax returns, the company has filed Income tax returns U/s 139(4) and declared losses of Rs. 715.67 Crs., which was marked as defective returns by IT department. Against that, various notices were given to the company to file ITR of the company but the company has not filed Income tax returns, subsequently as required notices were served by IT department to the company and due to non-availability of information and records special audit was carried out U/s 142(2A) by the M/s Talati & Talati LLP Chartered Accountants and IT department has added various addition and Assessment order for FY 2017-18 / AY 2018-19 dated 01/07/2022 is received by the company with tax demand of Rs. 37,98,22,980.00 and addition was done for subsequent years.

The other regulators / departments like GST, Income Tax, SIFO, Serious fraud investigation department of BSE / NSES & others, over and above details give for ED and CBI have also initiated legal proceeding against the directors, employees, other persons and company, at present legal proceeding are going on and we have no details, other than reported in respective paras of this report. The Company has undergone CIRP with cutoff date being 24.08.2018 in terms of the provisions of the Code vide order dated 24.08.2018 passed by the NCLT, accordingly accounting of applicable interest on borrowed debts after cut of date i.e. 24/08/2018 have not been accounted as per applicable rules under code.

3. After trigger date new management has taken over administration and management of the company and reconstituted board of directors, the above result has been adopted by the Board of Directors on **February 11<sup>th</sup>, 2023** in the audit committee meeting and board of directors' meetings respectively, which was prepared by the new management along with support from the suspended management.
4. During CIRP process, company has defaulted in submission of past quarterly results, half yearly and annual audited financial results of the company to stock exchanges and defaulted in all applicable Acts, Rules Regulations, Guidelines, Standards and provisions of Companies Act, 2013 for filling, conducting, submission and records maintenances etc. The previous quarters & nine months comparison given are pro-rata of expenses / income accounted by the company for comparison purpose only, there will be **no comparative basis for it**, all transactions are accounted based on nature of transactions. As required under Companies Act, 2013, company **has not prepared consolidated financial statements** in view of ongoing insolvency proceedings with the subsidiaries / associate / group companies and unavailability of the updated financial statements of such subsidiaries / associate / group companies with the new management. The new



management is in process of preparation of consolidated FS based on requirements, as new share holding and allotment of share in process and under approval with BSE and NSE.

5. The Standalone Results of the Company comprise of only one segment i.e. Cables and conductors division only. However, no major operational activities during the reporting period.
6. **The company has passed necessary accounting entries in compliances with NCLT approved resolutions plan via / through capital reserves for Rs. 748.55 Crs (Net), write-off/write-back/adjustment of the creditor & liabilities amounts to bring the outstanding as per the approved resolution plan and necessary all provision entries for assets reduction passed through capital reduction reserves, the passed accounting entries are not in compliances with Ind AS and to that, extent non-compliances to Ind AS.**
7. During the period under reporting, no major production activities in the company were undertaken, so company has provided pro-rata 20 % (p.a.) of applicable depreciation rate for PPE block as per part C of Schedule II of the Companies Act, 2013 for normal wear and tear.
8. During the quarter and half year, various expenses incurred related to CIRP process, accounting vouchers were not signed and approved by the Resolution Professional. However, we understand that as per IBC, during CIRP, all expenses are incurred based on and after approval of CoC and due to confidentiality, the minutes of CoC / monitoring committee were not shared with us, so to that extent we give our disclaimer of opinion.
9. During the reporting quarter and nine months, company has incurred expenditures towards, Contract wages Rs. 106.57 Lakhs, Security charges Rs. 114.20 Lakhs, Repairs and Maintenances Rs. 81.21 Lakhs, Legal & Professional Fees Rs. 162.10 Lakhs, Insurance premium Rs. 106.40 Lakhs and Electricity charges Rs. 157.82 Lakhs as reported under head other expenses.
10. The figures for quarter ended 31.12.2022 are balancing figures between the audited figures in respect of the full financial year up to 31.03.2022.
11. Previous periods figures have been re-arranged / re-grouped wherever considered necessary to confirm to the presentation of the current period.
12. No impairment test was carried out for the reporting period as per requirement of the IND AS and accordingly no provision/reserve were accounted.
13. Current legal status for investment and advance paid to Group/associate company were not available hence total provision was made during the reporting period against the outstanding investment.
14. During the quarter under review, company has written of negative balances of bank margin moneys and current accounts balances based on bank statements of old period, the necessary accounting effect given through capital redemption reserve account, this is not in compliances with Ind AS provisions.



### Approved Resolution Plan Execution:

15. In compliance with approved resolution plan, new management has infused Rs. 50 Crs. as equity share capital, the equity shares are allotted to respective shareholders, company has filled application to stock exchanges BSE and NSE for approval. The approval of authority is pending as on date.
16. In compliance with approved resolution plan, company has reduced the equity share capital and has filled necessary application to BSE & NSE for approval. The approval of authority is pending as on date.
17. In compliance with approved resolution plan, company has paid upfront amount of Rs. 42.60 Crs to the secured financial creditors.
18. In compliances with approved resolution plan, Rs 20 Crs. which are earmarked towards the CIRP costs with RP for CIRP expenditures, required details for expenditure yet to be receive from RP.
19. In compliance with approved resolution plan, company has to pay Rs. 1900 Crs at end of 30 years to secured financial creditors, accordingly the company has issued unsecured bond with maturity amount of Rs. 1900 Crs. at coupon rate 0.001 % per annum and necessary accounting entries were passed in given FS. These bonds are repurchased by Gomex Aviation Pvt. Ltd. (SPV of RA) from respective banks / FIs through repurchase agreements. In compliance with Ind AS 109, company has to discount the bond at present NPV of Rs. 25.67 Crs and necessary accounting effect to be given in books accordingly.
20. In compliance with approved resolution plan, company has taken unsecured loan from the group companies at the interest rate of 10% p.a. to start the operation of the company but formal agreement was yet to be received.
21. In compliance with approved resolution plan, company has accounted long term borrowing liabilities of Rs. 394.85 Crs. payable to secured financial creditors within period of 5 years.
22. In compliance with approved resolution plan, company had allocated to pay Rs.2.40 Crs. towards the admitted claims of workmen and employees, however, the company has not paid amount as per the claim admitted by the Resolution professional, since mistakes were found in claim admission, accordingly the company has taken stay order for the payment to the workmen and employees and the matter under legal proceedings.
23. In compliance with approved resolution plan, company has accounted operational creditors outstanding as per the revised claim admitted by RP reduced by amount paid as per the resolution plan, in the books of accounts certain creditors amount reflected as debit balance and necessary accounting entries passed as advances paid to vendors and recovery procedure has been undertaken towards the amounts due to respective vendors/operational creditors.
24. In compliance with approved resolution plan, during quarter and nine months under review, the company has passed various accounting entries for secured financial creditors banks / FIs & other current and non-current liabilities and assets based on available records with the company and created **capital reserves for Rs. 748.55 Crs.** write-off/write-



back/adjustment of the creditor amounts to bring the outstanding as per the approved resolution plan.

25. The reported figures in enclosed FS of current assets and non-current assets are under reconciliation & outstanding confirmation work is in progress and subject to confirmation by respective parties. The reported figures of current assets and non-current assets are the carried forward figures from FY 2017-18 onwards, as a statutory auditor of the company, we have given our **disclaimer of opinion** on it in previous audited financial statements.
26. At the time of search by Enforcement Directors on April 05<sup>th</sup>, 2018, inventories valuation reported amount of Rs. 50 Crs. (Approx), while as per the books of accounts for FY 2017-18 the amount of inventories outstanding stood at Rs. 47.90 Crs. as on September 2022 and Rs. 49.22 Crs as on December 2022. As informed to us by the new management is in process of physical verification and revaluation of inventories. The reported figures of inventories as accounted and carried forward are from 2017 onwards, our firm has given **disclaimer of opinion** for audited FS of the company.
27. The new management has sent debtors balance confirmation letter to major debtors and the same is awaited as on reporting date, due to uncertainty about realizability on account of liquidated damages (LD), penalties and others deductions, accordingly full provision entries have been passed for debtor's outstanding amount which was carried forward from 2017 onwards. So based on verification and confirmation it will be accounted accordingly and necessary written off entries will be passed in future as informed by management of the company.

