

# JAIN STUDIOS LTD.

To,

Date-12<sup>th</sup> November, 2019

<b>Bombay Stock Exchange Ltd.,</b> 1 <sup>st</sup> Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, <u>Mumbai – 400001</u>  <i>Scrip Code : 532033</i>	<b>National Stock Exchange of India Limited</b> Exchange Plaza Bandra Kurla Complex, <u>Mumbai-400051</u>  <b>Company Code: JAIN STUDIO</b>
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**Sub: Outcome of Board Meeting held on November 12, 2019**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we wish to inform you that the Board of Directors of the Company has at its meeting held today i.e.

Date of Meeting: Tuesday, November 12, 2019

Time of Commencement of the Board Meeting: 11:30 A.M.

Time of Conclusion of the Board Meeting: 01:00 P.M. inter-alia, transacted the following business:

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are also enclosing herewith the following documents, duly approved by the Board of Directors at its Meeting held today:-

- The Unaudited Financial Results (Provisional) for the Quarter and half year ended 30<sup>th</sup> September, 2019 as recommended by the Audit Committee pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Statement of Assets and Liabilities as at 30<sup>th</sup> September, 2019.
- Cash Flow Statement for the half year ended 30<sup>th</sup> September, 2019
- Limited Review Report for the Quarter and half year ended 30<sup>th</sup> September, 2019.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

Yours Faithfully,

For **JAIN STUDIOS LIMITED**

  
**BHARTI JAIN**  
**DIRECTOR**



Encl: As mentioned above

# JAIN STUDIOS LTD.

Date: 12<sup>th</sup> November, 2019

<b>Bombay Stock Exchange Ltd.,</b> 1 <sup>st</sup> Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, <u>Mumbai – 400001</u>  <i>Scrip Code : 532033</i>	<b>National Stock Exchange of India Limited</b> Exchange Plaza Bandra Kurla Complex, <u>Mumbai-400051</u>  Company Code: JAIN STUDIO
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**Sub: Submission of Unaudited Financial Results (Provisional) and Limited Review Report for the Second Quarter and Half Year ended 30<sup>th</sup> September, 2019**

Dear Sir/Madam,

In due compliance with Circular no. CIR/CFD/CMD/15/2015 Dated 30<sup>th</sup> November 2015 & CIR/CFD/FAC/62/2016 Dated 5<sup>th</sup> July 2016 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the listing Regulations, 2015”), please find enclosed herewith :-

- The Unaudited Financial Results (Provisional) for the Quarter and Half Year ended 30<sup>th</sup> September, 2019 as recommended by the Audit Committee pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Statement of Assets and Liabilities as at 30<sup>th</sup> September, 2019.
- Cash Flow Statement for the half year ended 30<sup>th</sup> September, 2019
- Limited Review Report for the Quarter and half year ended 30<sup>th</sup> September, 2019.

These Results were reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors of the Company in their meeting held on Tuesday, 12<sup>th</sup> November, 2019.

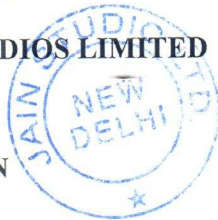
You are requested to take the same on your records and acknowledge the same.

Thanking You,

Yours Faithfully,

For **JAIN STUDIOS LIMITED**

  
**BHARTI JAIN**  
**DIRECTOR**





**JAIN STUDIOS LIMITED**  
CIN: L92199DL1991PLC042611

Regd. Off.: Scindia Villa, Sarojini Nagar, Ring Road, New Delhi-110023  
Email ID: jsl@jaintv.co.in Website: www.jainstudiosltd.com



**Statement of standalone unaudited financial results for the quarter and six months ended 30th September, 2019**

Rs. In Lakhs

	Particulars	Quarter Ended			Six Months Ended		Year ended on
		30-Sep-19 (Unaudited)	30-Jun-19 (Unaudited)	30-Sep-18 (Unaudited)	30-Sep-19 (Unaudited)	30-Sep-18 (Unaudited)	31-Mar-19 (Audited)
1	Revenue from operations	-	-	2.23	-	10.72	10.72
2	Other Income	0.82	-	1.69	0.82	14.44	14.48
3	<b>Total Revenue (1+2)</b>	<b>0.82</b>	<b>-</b>	<b>3.92</b>	<b>0.82</b>	<b>25.16</b>	<b>25.20</b>
4	<b>Expenses:</b>						
	a) Cost of Production / Materials Consumed	-	-	-	-	-	-
	b) Purchase of Stock-in-trade	-	-	-	-	-	-
	c) Change in Inventory of Finished Good	-	-	-	-	-	-
	d) Work in progress and stock-in-trade	-	-	-	-	-	-
	e) Employees benefits expense	16.73	18.66	17.10	35.39	37.18	70.93
	f) Finance Cost	1.46	0.02	0.30	1.48	0.33	0.54
	g) Depreciation and amortisation expense	19.13	19.13	19.25	38.26	38.50	77.47
	h) Other expenses	6.15	7.06	19.53	13.21	45.97	80.51
	<b>Total Expenses</b>	<b>43.47</b>	<b>44.87</b>	<b>56.18</b>	<b>88.34</b>	<b>121.98</b>	<b>229.45</b>
	<b>Profit/(Loss) before Exceptional and extraordinary items and tax (3+4)</b>	<b>(42.65)</b>	<b>(44.87)</b>	<b>(52.26)</b>	<b>(87.52)</b>	<b>(96.82)</b>	<b>(204.25)</b>
5	<b>Exceptional Items</b>	-	-	-	-	-	-
6	<b>Profit / (Loss) before extraordinary items and tax(5-6)</b>	<b>(42.65)</b>	<b>(44.87)</b>	<b>(52.26)</b>	<b>(87.52)</b>	<b>(96.82)</b>	<b>(204.25)</b>
7	<b>Tax Expenses:</b>						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	(84.71)
8	<b>Profit/(Loss) for the period from continuing operations(7 - 8)</b>	<b>(42.65)</b>	<b>(44.87)</b>	<b>(52.26)</b>	<b>(87.52)</b>	<b>(96.82)</b>	<b>(119.54)</b>
9	<b>Profit/(Loss) for the period from discontinuing operations</b>	-	-	-	-	-	-
10	<b>Tax expenses of discontinuing operations</b>	-	-	-	-	-	-
11	<b>(Profit/Loss) from discontinuing operations (after tax) (10-11)</b>	-	-	-	-	-	-
12	<b>Profit/ (loss) for the period (9+12)</b>	<b>(42.65)</b>	<b>(44.87)</b>	<b>(52.26)</b>	<b>(87.52)</b>	<b>(96.82)</b>	<b>(119.54)</b>
13	<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	-	-	-	-	-	-
14	<b>Total Comprehensive Income for the period (13+14) (Comprising Profit (Loss) and other comprehensive Income for the period</b>	<b>(42.65)</b>	<b>(44.87)</b>	<b>(52.26)</b>	<b>(87.52)</b>	<b>(96.82)</b>	<b>(119.54)</b>
15	<b>Earnings per equity share (for continuing operation):</b>						
	(a) Basic	(0.15)	(0.16)	(0.18)	(0.31)	(0.34)	(0.71)
	(b) Diluted	(0.15)	(0.16)	(0.18)	(0.31)	(0.34)	(0.71)
16	<b>Earnings per equity share (for discontinued operation):</b>						
	(a) Basic	-	-	-	-	-	-
	(b) Diluted	-	-	-	-	-	-
17	<b>Earnings per equity share (for discontinued &amp; continuing operation):</b>						
	(a) Basic	(0.15)	(0.16)	(0.18)	(0.31)	(0.34)	(0.71)
	(b) Diluted	(0.15)	(0.16)	(0.18)	(0.31)	(0.34)	(0.71)

**Notes :**

- These results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- These results have been reviewed and recommended for adoption by the Audit Committee in its meeting held on November 12, 2019, and approved by the Board of Directors at its meeting held on November 12, 2019.
- The qualifications on the audited accounts for the year ended 31st March 2019 by the previous statutory auditors has been adequately disclosed in their Auditor's Report to the members and any development thereon has been mentioned in the auditors' Audit Report for the quarter ended 30th September 2019.
- The Company is not required to report Segment information as per Indian Accounting Standard (Ind AS) 108 since it has no segment / divisions during the reporting period ended
- The company received NOC from NSE and BSE for filling of scheme of arrangement and capital reduction before the Hon'ble High Court of Delhi with regard to unlisted 53,00,000 equity shares of Rs. 10/- each allotted at a premium of Rs 9/- each during the F. Y. 2005-06. The said scheme was duly approved by the Board and thereafter by the shareholders of the company at AGM held on 30th September 2011. However, as per the SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013, the company re-submitted the said scheme with BSE and NSE for their NOC with the approval/observation of SEBI. On the basis of observations of SEBI a revised scheme of reduction of share capital shall be filed
- Subsequent to the approval of shareholders in the EGM held on 13th April 2011 and subsequent in principal approval of BSE and NSE, the company allotted 60,50,000 equity shares, face value Rs. 10/- each at a premium of Rs. 2.50/- per share and 51,50,000 share warrants, face value Rs. 10/- each convertible into fully paid up equity shares of Rs. 10/- each at a premium of Rs. 2.50/- per share warrant on 23.04 2012, to the promoter on preferential basis. Further, the company has allotted 50,00,000 equity shares of Rs. 10/- each at par to Stressed Assets Stabilisation Fund in pursuance of One Time Settlement arrived at by the company on 23.04 2012. The company got the listing approval for the aforesaid shares from BSE and same is awaited from NSE. Further, at the Board meeting held on 17th October 2013, 31,58,700 equity shares of Rs. 10/- each fully paid up has been allotted on premium of Rs. 2.50/- each to the Promoter Group on conversion of warrants. Listing of said shares with BSE & NSE is pending since 2005-06.
- The provision for current tax and deferred tax is not made at quarter ended 30/09/2019 as the company make provision of Tax and Deferred Tax at the end of the financial year.

Date : 12th November, 2019  
Place: New Delhi

*Bharti Jain*  
Mrs. Bharti Jain  
Director  
DIN: 00504140

*Mr. Dilip Kumar Singh*  
Mr. Dilip Kumar Singh  
Whole-Time Director  
DIN: 02960503

**JAIN STUDIOS LIMITED**  
CIN: L92199DL1991PLC042611



Regd. Off.: Scindia Villa, Sarojini Nagar, Ring Road, New Delhi-110023  
Email ID: jsl@jaintv.co.in Website: www.jainstudiosltd.com

Statement of standalone unaudited financial results for the quarter and six months ended 30th September, 2019

Rs. in Lakhs

Sl. No.	Particulars	Quarter Ended			Six Months Ended		Year ended on
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Total income from operations (net)	0.82	-	3.92	0.82	25.16	25.20
2	Net Profit/(Loss) from ordinary activities after tax	(42.65)	(44.87)	(52.26)	(87.52)	(96.82)	(119.54)
3	Net Profit/(Loss) for the period after tax (after Extra-ordinary items)	(42.65)	(44.87)	(52.26)	(87.52)	(96.82)	(119.54)
4	Equity Share Capital	2,859.47	2,859.47	2,859.47	2,859.47	2,859.47	2,859.47
5	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)	300.35	343.00	367.86	300.35	367.86	387.87
6	Earnings per equity share (of Rs. 10/- each)						
	(a) Basic(before extra-ordinary items) :	(0.15)	(0.16)	(0.18)	(0.31)	(0.34)	(0.71)
	(b) Diluted: (after extra-ordinary items)	(0.15)	(0.16)	(0.18)	(0.31)	(0.34)	(0.71)
	(a) Basic(before extra-ordinary items) :	(0.15)	(0.16)	(0.18)	(0.31)	(0.34)	(0.71)
	(b) Diluted: (after extra-ordinary items)	(0.15)	(0.16)	(0.18)	(0.31)	(0.34)	(0.71)

**Notes :**

- The above results are an extract of the detailed format of Standalone Unaudited Financial Results for the Quarter Ended 30th September 2019 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Standalone Audited Financial Results is available on the Stock Exchanges websites. (www.nseindia.com, www.bseindia.com) and on the Company's website (www.jainstudiosltd.com).
- The above result were approved and taken on record by the Board of Directors at its meeting held on 12.11.2019.

Date : 12th November, 2019

Place: New Delhi

  
**Mrs. Bharti Jain**  
Director  
DIN: 00504140

  
**Mr. Dilip Kumar Singh**  
Whole-Time Director  
DIN: 02960503





**Statement of Asset and Liabilities  
for the quarter and six months ended 30th September 2019**

Rs in Lakhs

Particulars	30-Sep-19	31-Mar-19
<b>Date of start of reporting period</b>	<b>01-04-2019</b>	<b>01-04-2018</b>
<b>Date of end of reporting period</b>	<b>30-09-2019</b>	<b>31-03-2019</b>
<b>Whether results are audited or unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Nature of report standalone or consolidated</b>	<b>Standalone</b>	<b>Standalone</b>
<b>Assets</b>		
<b>1) Non current assets</b>		
Property, plant and equipment	971.36	1,009.62
Capital work-in-progress	-	-
Investment property	-	-
Goodwill	-	-
Other intangible assets	-	-
Intangible assets under development	-	-
Biological assets other than bearer plants	-	-
Investment accounted for using equity method	-	-
<b>Non-current financial assets</b>	<b>971.36</b>	<b>1,009.62</b>
Non-current investments	520.00	520.00
Trade receivables, non-current	-	-
Loans, non-current	588.16	588.16
Other non-current financial assets	26.45	26.45
<b>Total non-current financial assets</b>	<b>1,134.61</b>	<b>1,134.61</b>
<b>Non-current financial assets</b>	<b>2,105.98</b>	<b>2,144.23</b>
Deferred tax assets (net)	965.46	965.46
Other non-current assets	-	-
<b>Total non current assets</b>	<b>3,071.44</b>	<b>3,109.70</b>
<b>2) Current assets</b>		
Inventories	-	-
<b>Current financial assets</b>	<b>-</b>	<b>-</b>
Current Investments	-	-
Trade receivables, current	3,548.91	3,596.44
Cash and cash equivalents	1.48	10.34
Bank balance other than cash and cash equivalents	-	-
Loans, current	52.35	115.37
Other current financial assets	83.24	82.25
<b>Total current financial assets</b>	<b>3,685.98</b>	<b>3,804.39</b>
Current tax assets (net)	-	-
Other non-current assets	-	-
<b>Total current assets</b>	<b>-</b>	<b>-</b>
<b>3) Non-current assets classified as held for sale</b>		
Regulatory deferral account debit balances and related deferred tax	-	-
<b>Total assets</b>	<b>6,757.42</b>	<b>6,914.08</b>
<b>Equity and liabilities</b>		
<b>1) Equity</b>		
<b>Equity attributable to owners of parent</b>		
Equity share capital	2,859.47	2,859.47
Other equity	620.45	707.97
<b>Total equity attributable to owners of parent</b>	<b>3,479.92</b>	<b>3,567.44</b>
<b>Non controlling interest</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>3,479.92</b>	<b>3,567.44</b>
<b>2) Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Non-current financial liabilities</b>		
Borrowing, non-current	-	-
Trade payables, non-current	-	-
Other non-current financial liabilities	-	50.69
<b>Total non-current financial liabilities</b>	<b>-</b>	<b>50.69</b>
Provision, non-current	-	-
Deferred tax liabilities (net)	-	-
Deferred government grants, Non-current	-	-



Particulars	30-Sep-19	31-Mar-19
Other non-current liabilities	-	-
<b>Total non-current liabilities</b>	-	-
<b>Current liabilities</b>		
<b>Current financial liabilities</b>		
Borrowing, current	-	-
Trade payables, current	2,521.20	2,600.00
Other current financial liabilities	-	-
<b>Total current financial liabilities</b>	<b>2,521.20</b>	<b>2,600.00</b>
Other current liabilities	683.21	618.78
Provision, current	73.10	77.18
Current tax liabilities (Net)	-	-
Deferred government grants, Current	-	-
<b>Total current liabilities</b>	<b>756.31</b>	<b>695.96</b>
3) Liabilities directly associated with assets in disposal group classified as held for sale	-	-
4) Regulatory deferral account credit balances and related deferred tax liability	-	-
<b>Total liabilities</b>	<b>3,277.50</b>	<b>3,346.65</b>
<b>Total equity and liabilities</b>	<b>6,757.42</b>	<b>6,914.08</b>

  
Mrs. Bharti Jain  
Director  
DIN: 00504140

  
Mr. Dilip Kumar Singh  
Whole-Time Director  
DIN: 02960503

Date : 12th November, 2019  
Place: New Delhi

## JAIN STUDIOS LIMITED



## Cash Flow Statement for the six months ended

(Rs. in Lakhs)

Particulars	30th September, 2019	30th September, 2018
<b>A Cash Flow from Operating activities</b>		
Net profit/(loss) before tax and exceptional items	(87.52)	(96.82)
Adjustments for:		
Bad debts written off	-	-
Provision for doubtful debts	-	-
Miscellaneous expenses written off	-	-
Sundry balances written off/back	-	-
Depreciation	38.26	38.50
Impairment of Assets Held for Disposal	-	-
Interest expenses	1.48	0.33
Profit/(loss) on sale/discard of fixed assets	-	-
Interest/Other Income	(0.82)	(14.44)
Provision for doubtful debts written back	-	-
Profit/(loss) before Exceptional items	(48.60)	(72.43)
Exceptional Items (Loss)	-	-
Operating Profit/(loss) before working capital changes	(48.60)	(72.43)
Adjustments for:		
(Increase)/decrease in inventory	-	-
(Increase)/decrease in trade & other receivables	47.53	49.64
(Increase)/decrease in long term advances and other non current assets	-	4.88
(Increase)/decrease in short term loans and advances and other current assets	62.02	151.75
Increase/(decrease) in other long term liabilities and provisions	(50.69)	(37.57)
Increase/(decrease) in trade payables, other current liabilities and short term provisions	(18.46)	(132.16)
<b>Cash generated from operations</b>	<b>(8.20)</b>	<b>(35.89)</b>
Direct taxes (paid)/Refund	-	-
<b>Net cash flow from operating activities</b>	<b>(8.20)</b>	<b>(35.89)</b>
<b>B Cash Flow from Investing activities</b>		
Interest received	0.82	14.44
Purchase of fixed assets	-	-
Sale of Investment	-	-
Sale of fixed assets	-	-
<b>Net cash flow from Investing activities</b>	<b>0.82</b>	<b>14.44</b>
<b>C Cash Flow from Financing activities</b>		
Interest paid	(1.48)	(0.33)
Repayment of Long Term Loan	-	-
Short Term Loan Taken/(repaid)	-	-
Equity Share money received	-	-
Warrant money received	-	-
<b>Net cash flow from financing activities</b>	<b>(1.48)</b>	<b>(0.33)</b>
<b>Net Decrease in cash &amp; cash equivalents(A+B+C)</b>	<b>(8.86)</b>	<b>(21.78)</b>
Opening balance of cash & cash equivalents	10.34	44.72
Closing balance of cash & cash equivalents	<b>1.48</b>	<b>22.94</b>

Note: Figures for the previous year have been re-grouped/re-arranged wherever considered necessary, to  
As per our report of even date

For and on Behalf of the Board of Directors

**Vikash Dahiya & Co.**  
Proprietor  
M. No.

  
**Dilip Kumar Singh**  
Whole-Time Director  
DIN: 02960503

  
**Bharti Jain**  
Director  
DIN: 00504140

Place : New Delhi  
Date : 12th November, 2019





# VIKAS DAHIYA & CO.

## CHARTERED ACCOUNTANTS

1577/175, Vidyanand Tower, Main Basai Road, Pataudi Chowk, Gurgaon – 122001 (HR)

Mobile: 9891569127, email id: [cavikasdahiya@gmail.com](mailto:cavikasdahiya@gmail.com)

### Auditor's Review Report On Interim Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### TO THE BOARD OF DIRECTORS OF JAIN STUDIOS LIMITED

1. We have reviewed the unaudited financial results of JAIN STUDIOS LIMITED ("the Company") for the quarter and six months ended 30<sup>th</sup> September 2019 which are being prepared and submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Statement, which is the responsibility of the company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Co. Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. Our review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Attention is drawn to Note 2 of the Statement which states that the statement of cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

4. Based on our review, nothing has come to our attention [subject to para 5] that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.





**5. Attention is invited to the following matters:**

- (i) In respect of recognition and carryover of deferred tax assets (net) amounting to Rs.965.46 Lakhs, based on management perception in respect of availability of sufficient taxable income in coming years against which such assets can be realized and our inability to comment thereon. Further, provision for taxation including deferred tax has not been made as stated in the foot note no. 7 to accompanying financial results (impact unascertained).
- (ii) In respect of MAT credit entitlement amounting to Rs 26.45 Lakhs recognized and carried over based on management perception and our inability to comment thereon.
- (iii) In respect of one time settlement (OTS) arrived at with SASF, SASF vide its letter dated 12th February 2015 and 5th March 2015 respectively denied the further extension and revoked the OTS and subsequent modifications thereof including reversal of waiver of dues and restoration of the original liability as per the terms of loan agreement and adjustment of payment received by SASF from the company towards the dues.

Besides, the Company had received a show cause notice dated 09.12.2016 from Debt Recovery Tribunal (DRT-1, Delhi) for the application filed by SASF u/s 19 of the Recovery of the Debts due to Banks and Financial institutions Act, 1993, for recovery of its debt of Rs. 308.22 crores. The matter has been pending with DRT-1, Delhi.

We were further informed that SASF has moved an application u/s 7 of I & B Code 2016 on 03.01.2019 for recovery of Rs. 445.39 crore claim. In the interim, the company has further sent a letter dated 30.01.2019 to SASF wherein the company has asked SASF to come for discussion for settlement of dues. SASF, vide its letter (LOA) dated 02.03.2019 has agreed for fresh One Time Settlement (OTS) of dues, subject to certain terms and conditions and upon payment of Rs. 750.00 Lakhs (as per Appendix) within 240 days from the date of acceptance of OTS. However, the company has yet not made the first tranche payment of Rs. 50.00 Lakhs, as per payment schedule, on or before 02.04.2019. The Management, vide its letter dated 11.04.2019 to SASF, has applied for extension of time for making the payments.

However, due to non payment of the agreed amount of Rs 750.00 lakhs the SASF has revoked the fresh OTS and now the matter is pending with the NCLT, New Delhi. NCLT has heard the matter on 12<sup>th</sup> September 2019 and reserved the order to be passed under section 7 of the IBC, 2016.

*Attention is invited that necessary accounting entries in respect of provision of fresh OTS has not been made in the books of accounts of the company till the quarter ended 31<sup>st</sup> March 2019. Further, the Management has considered and disclosed the liability of Rs. 445.39 crores, raised by SASF in respect of previous OTS revoked, as not acknowledged as debts under "Contingent Liabilities". We express our inability to comment on the matter and quantify the liability in view of pendency of the matter with NCLT.*



- (iv) In respect of custom duty saved Rs. 351.48 Lakhs during earlier years as per EPCG Scheme, against which the company's funds amount Rs 274.21 Lakhs are laying deposited with the custom department which has been shown as Deposits with custom department.

*Attention is invited that no provision has been made for the custom duty saved and interest thereon and the penal consequences which may arise out of this (impact unascertained).*

- (v) In respect of part payment made under protest of Rs. 105.00 Lakhs towards claims of Monthly use and occupation charges raised by Scindia Potteries and Services Ltd, out of the decretal amount of Rs. 1213.94 Lakhs (upto 31<sup>st</sup> March 2019) and Rs. 45.00 lakhs (at the rate of Rs 7.50 lakhs per month) upto 30<sup>th</sup> September 2019.

*Attention is invited that no provision has been made in books of accounts in respect of balance liability of the decretal amount of Rs. 1153.94 Lakhs. We express our inability to comment on the matter and quantify the liability including penal consequences (liability unascertained) which may arise due to not depositing the decretal amount as directed by the Delhi High Court vide its order dated 01.08.2018.*



For VIKAS DAHIYA & CO.  
Chartered Accountants

FRN: 026025N

CA Vikas Dahiya  
M.No. 516598

Date: 11.11.2019

Place: New Delhi

UDIN: 19516598AAAACR2925