

# CASTEX TECHNOLOGIES LIMITED

(Formerly Known As AMTEK INDIA LIMITED)

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E-mail : info@amtek.com Web : www.amtek.com

CIN : L65921HR1983PLC033789

REF NO. NSE/BSE/2019-2020

14<sup>th</sup> August, 2019

<p>The Manager Listing Department <b>The BSE Limited</b> Listing Department Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai – 400001</p> <p><b>Scrip code: 532282</b></p>	<p>The Secretary <b>The National Stock Exchange of India Limited,</b> “Exchange Plaza”, 5th Floor, Plot No. C/1, G-Block, Bandra – Kurla Complex, Bandra (E), Mumbai-400051</p> <p><b>Scrip code: CASTEXTECH</b></p>
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**Subject: Un-Audited Standalone and Consolidated Financial Results for the Quarter ended June 30, 2019**

Pursuant to the provision of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Un-Audited Standalone and Consolidated Financial Result of the Company for the Quarter ended June 30, 2019 shall considered and disseminated on August 14, 2019. Consequent to same, we enclose, interm of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following:

1. The Un-Audited Standalone and Consolidated Financial Results for the Quarter ended June 30, 2019.
2. Limited Review Report on the Un-Audited Financial Result for the Quarter ended June 30, 2019.

The Meeting for approval of Un-Audited Standalone and Consolidated Financial Results was commenced at 05-00 P.M and concluded at 06-15 P.M.

In terms of applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2017, the results are also being published in the newspaper.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,

**For Castex Technologies Limited**  
(A Company under Corporate Insolvency Resolution Process)

  
**Jyoti Sharma**  
(Company Secretary)  
Castex Technologies Limited



Issued with Approval of Mr. Dinkar Tiruvannadapuram Venkatasubramanian  
(Resolution Professional)  
IP Registration no. IBBI/IPA-001/IP-P00003/2016-17/10011

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**CASTEX TECHNOLOGIES LIMITED**  
Statement of Standalone & Consolidated Unaudited Financial Results for the quarter ended 30th June, 2019

S.No.	Particulars	Standalone				Consolidated			
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019	30.06.2019	31.03.2019	30.06.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue								
	Revenue from operations	8,262	9,862	11,527	45,948	8,262	9,862	11,527	45,948
	Other Income	1	112	264	121	1	112	264	121
	<b>Total Revenue</b>	<b>8,263</b>	<b>9,974</b>	<b>11,791</b>	<b>46,069</b>	<b>8,263</b>	<b>9,974</b>	<b>11,791</b>	<b>46,069</b>
2	Expenses								
	Cost of Material consumed	4,137	4,838	5,995	23,189	4,137	4,838	5,995	23,189
	Changes in inventories of finished goods, work in progress and stock in trade	28	241	(70)	74	28	241	(70)	74
	Employee Benefits Expense	1,278	1,385	1,594	6,381	1,278	1,385	1,594	6,381
	Finance Costs	149	232	711	1,267	149	232	711	1,267
	Depreciation & Amortization Expenses	12,270	11,922	12,698	49,716	12,270	11,922	12,698	49,716
	Other Expenses	3,412	4,283	4,369	17,766	3,412	4,283	4,369	17,766
	<b>Total Expenses</b>	<b>21,274</b>	<b>22,901</b>	<b>25,297</b>	<b>98,393</b>	<b>21,274</b>	<b>22,901</b>	<b>25,297</b>	<b>98,393</b>
3	Profit/(Loss) before share of profit/(loss) from investment in associates and joint venture, exceptional items and tax(1-2)	(13,011)	(12,927)	(13,506)	(52,324)	(13,011)	(12,927)	(13,506)	(52,324)
4	Share of profit/(loss) of associates and joint ventures	-	-	-	-	1.08	0.03	(0.45)	0.33
5	Profit/(Loss) before exceptional items and tax(3+4)	(13,011)	(12,927)	(13,506)	(52,324)	(13,010)	(12,927)	(13,506)	(52,324)
6	Exceptional items (Income)/Expense	-	593	-	22,618	-	593	-	22,618
7	Profit/(Loss) from before tax (5-6)	(13,011)	(13,519.44)	(13,506)	(74,942)	(13,011)	(13,519.44)	(13,506)	(74,941)
8	Tax expense								
	Deferred Tax	-	-	-	-	-	-	-	-
	MAT	-	-	-	-	-	-	-	-
	<b>Total Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	Profit/(Loss) for the period from continuing operation (7-8)	(13,011)	(13,519)	(13,506)	(74,942)	(13,011)	(13,519)	(13,506)	(74,941)
	<b>Other Comprehensive Income</b>								
A	(i) items that will not be reclassified to profit or loss	-	194	-	194	-	194	-	194
	(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	-	-	-	-	-	-	-	-
10	Other Comprehensive Income (net of tax) A(i)-(A(ii))+B(i)-B(ii)]	-	194	-	194	-	194	-	194
11	<b>Total Comprehensive Income (9+10)</b>	<b>(13,011)</b>	<b>(13,325)</b>	<b>(13,506)</b>	<b>(74,748)</b>	<b>(13,011)</b>	<b>(13,325)</b>	<b>(13,506)</b>	<b>(74,747)</b>
12	Net profit/(loss) from discontinued operations	-	-	-	(107)	-	(111)	-	(5,910)
13	Other comprehensive income from discontinued operations (Net of tax)	-	-	-	310	-	(1,013)	-	(1,300)
14	<b>Total Comprehensive Income from discontinued operations(11+12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203</b>	<b>-</b>	<b>(1,123)</b>	<b>(5,661)</b>	<b>(7,210)</b>
15	<b>Total Comprehensive Income (comprising profit/(loss) and other comprehensive income for the year) (11+14)</b>	<b>(13,011)</b>	<b>(13,325)</b>	<b>(13,506)</b>	<b>(74,748)</b>	<b>(13,011)</b>	<b>(14,448)</b>	<b>(19,167)</b>	<b>(81,957)</b>
16	Income attributable to the consolidated group								
	i) To equity holders	(13,011)	(13,325)	(13,506)	(74,748)	(13,011)	(14,448)	(19,167)	(81,957)
	ii) To non controlling interest	-	-	-	-	-	-	-	-
17	Paid-up equity share capital (Face Value of Rs.2 each)	7,562	7,562	7,562	7,562	7,562	7,562	7,562	7,562
18	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	(98,774)	-	-	-	(40,000)
19	Earning per share for continuing operations:								
	Basic and Diluted	(3.44)	(3.58)	(3.57)	(19.82)	(3.44)	(3.52)	(3.57)	(19.77)
20	Earning per share for discontinued operations:								
	Basic and Diluted	-	-	-	-	0.05	(0.30)	(1.50)	(1.91)
21	Earning per share for continuing and discontinued operations:								
	Basic and Diluted	(3.44)	(3.58)	(3.57)	(19.82)	(3.39)	(3.82)	(5.07)	(21.68)

**Notes to financial results:**

- "A corporate insolvency resolution process ("CIRP") has been initiated against Castex Technologies Limited (the Company) vide an order of Chandigarh bench of the National Company Law Tribunal (NCLT) dated December 20, 2017 under the provisions of the insolvency and bankruptcy code 2016 (Code). Pursuant to the order, the power of the Board of directors stands suspended and are exercisable by Mr. Dinkar T. Venkatasubramanian, who was appointed as interim resolution professional (IRP) by the NCLT vide order dated December 22, 2017 and was consequently confirmed as Resolution Professional (RP) by the Committee of Creditors (CoC) in its meeting held on January 12, 2018. Hon'ble National Company Law Tribunal "Chandigarh Bench" vide their order No. CP (IB) No.116/Chd/Hry/2017 dated 15th June 2018, approved the extension of CIRP period by 90 days (i.e. from 180 days to 270 days). The Company is presently undergoing CIRP and the Resolution process is underway in line with the provisions of the IBC Code".  
  
Further, the Committee of Creditors of CTL had approved the resolution plan submitted by Liberty House Group Pte Ltd (LHG) through e-voting process on August 30, 2018. The resolution plan, as approved by the Committee of Creditors of CTL, had also been subsequently submitted to Hon'ble National Company Law Tribunal "Chandigarh Bench" for consideration and approval as per the provision of the Code.  
  
The 'Resolution Plan' submitted by the Liberty House Group Pte. Ltd., was initially approved but subsequently by impugned order dated 15th March, 2019, the Adjudicating Authority, Chandigarh Bench allowed an application filed by the 'State Bank of India' on behalf of the 'financial creditors' and subsequently another application for approval was permitted to be withdrawn with certain observations and imposition of cost.  
  
The appeal was filed on 29th April, 2019 wherein notice was issued on respondents including 'Committee of Creditors' and 'Resolution Professional' and since then the matter remains pending. In the meantime, for the purpose of counting the period of resolution period 270 days, which was completed on 11th July 2019, an application was filed by the 'Resolution Professional' for exclusion of the period of the pendency of the appeal till 11th July, 2019, which comes to 73 days from the date of filing of the appeal i.e. from 29th April, 2019. The Adjudication authority allowed extension of 73 days to counted w.e.f 17th July 2019 with liberty to the 'Resolution Professional' and the 'Committee of Creditors' to consider the 'resolution plans' filed by the eligible 'resolution applicants'.  
  
2. Post the commencement of CIR Process, the company is continuing to operate as a going concern in terms of the code. As the powers of the Board of Directors have been suspended, the above results have not been adopted by the Board of Directors.  
  
3. As per the Code the RP has to receive, collate and all the claims submitted by the creditors of the company. The RP has verified and admitted the claims submitted by the creditors against the company as per the Code. Pending finalisation of resolution plan, the impact of such claims if any that also has not been considered in the preparation of the financial statements. Further, interest on the financial debt from the date of commencement of CIRP (i.e. from 20th December 2017 till 30th June 2019) has not been provided in the books of accounts and charged to the Profit and Loss account.  
  
4. Considering the ongoing corporate insolvency resolution process (as mentioned in note 1 & 2), the uncertainty as to the realisation of unused tax losses and MAT credit available cannot be ascertained at this stage. Consequently, adjustments to deferred tax (net) & MAT credit available have not been given effect to, during the period.  
  
5. Considering the current operating levels of the Company, and the ongoing CIR Process it is not possible to determine:  
a. Impairment, if any, in the economic value of the fixed assets, and tools & dies;  
b. Diminution, if any, in the value of investments.  
  
6. Trade receivables, loans & advances at June 30th, 2019 (which are subject to confirmation & reconciliation), includes balances from the group entities, which are subject to confirmation/reconciliation and the recoverability assessment thereof is under process.  
  
7. The company is in the business of Casting and Machining of steel products and hence has only one reportable operating segment as per Ind AS 108 "operating segments".  
  
8. The consolidated financials of the company include financials pertaining to its overseas subsidiary (held for sale), seven associate companies and a joint venture company. It may be noted that that the RP of the Company has no control/ access over/ to the entities, which have been consolidated. The accounts of the overseas subsidiary and joint venture company are unaudited and have been considered on the basis of certification by the management of the entities being consolidated.  
  
9. Amtek Global Technologies Pte Limited (AGT), in which the overseas subsidiary of the Company (i.e. Amtek Kuepper GmbH) holds stake, is under receivership in Singapore and receiver has been appointed. Since the latest financial results for 30th June 2019 were not available/ accessible to the overseas subsidiary, the investment in AGT held by Amtek Kuepper GmbH, has been valued based on the financial statements for 31 March 2017 for AGT.  
  
11. Previous period figures have been regrouped/rearranged wherever considered necessary to make them comparable with current period.

For CASTEX TECHNOLOGIES LIMITED

Ajay Kumar  
Chief Financial Officer

Sanjay A. Jha  
Whole time Director

Date: 11th August, 2019  
Place: New Delhi





**RAJ GUPTA & CO.**

**Chartered Accountants**

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### INDEPENDENT AUDITORS' REPORT

To

The Resolution Professional of  
CASTEX TECHNOLOGIES LIMITED

We, the Statutory Auditors, of the Company have reviewed the accompanying statement of Consolidated unaudited financial results of M/s CASTEX TECHNOLOGIES LIMITED (the holding company or company), its overseas subsidiary (held for sale), its associates and joint venture, for the quarter ended 30th June, 2019 being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including relevant circulars issued by SEBI from time to time.

A corporate insolvency resolution process ("CIRP") has been initiated against the company vide an order of Chandigarh bench of the National Company Law Tribunal (NCLT) dated December 20, 2017 under the provisions of the insolvency and bankruptcy code 2016 (Code). Pursuant to the order, the power of the Board of directors stands suspended and are exercisable by Mr Dinkar T. Venkatasubramanian, who was appointed as interim resolution professional (IRP) by the NCLT vide order dated December 22, 2017 and was consequently confirmed as Resolution Professional (RP) by the Committee of Creditors (COC) in its meeting held on January 12, 2018. Hon'ble National Company law tribunal "Chandigarh Bench" vide their order No. CP (IB) No. 116/Chd/Hry/2017 dated 13th June 2018, approved the extension of CIRP period by 90 days (i.e. from 180 days to 270 days)

Further, the Committee of Creditors of CTL had approved the resolution plan submitted by Liberty House Group Pte Ltd (LHG) through e-voting process on August 30, 2018. The resolution plan, as approved by the Committee of Creditors of CTL, had also been subsequently submitted to Hon'ble National Company Law Tribunal "Chandigarh Bench" for consideration and approval as per the provision of the Code.

The 'Resolution Plan' submitted by the 'Liberty House Group Pte. Ltd.' was initially approved but subsequently by impugned order dated 15th March, 2019, the Adjudicating Authority, Chandigarh Bench allowed an application filed by the 'State Bank of India' on behalf of the 'financial creditors' and subsequently another application for approval was permitted to be withdrawn with certain observations and imposition of cost.







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The appeal was filed on 29th April, 2019 wherein notice was issued on respondents including 'Committee of Creditors' and 'Resolution Professional' and since then the matter remains pending. In the meantime, for the purpose of counting the period of resolution period 270 days, which was completed on 11th July 2019, an application was filed by the 'Resolution Professional' for exclusion of the period of the pendency of the appeal till 11th July, 2019, which comes to 73 days from the date of filing of the appeal i.e. from 29th April, 2019. The Adjudication authority allowed extension of 73 days to counted w.e.f 17th July 2019 with liberty to the 'Resolution Professional' and the 'Committee of Creditors' to consider the 'resolution plans' filed by the eligible 'resolution applicants..

As the powers of the Board of Directors have been suspended, the above result has not been adopted by the Board of Directors. However, the same have been signed by Mr. Sanjay Arora, Director of the Company, confirming, accuracy & completeness of the results and taken on record not signed by Mr Dinkar T. Venkatasubramanian (Resolution Professional).

This Statement, which is the responsibility of the holding company's management, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34, Interim Financial Reporting (IND AS 34) prescribed under section 133 of the Companies Act, 2013 ("the Act"), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statements based on our review.

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. A review of interim financial information consists of making inquiries, primarily of persons 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 the Standards on Auditing specified under Section 143(10) of the Act, 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.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1 /44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable







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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit report on the statement.

**Basis for qualification**

We draw attention to the following:

1. As per "Indian Accounting Standard 36" which talks about impairment of asset, if the carrying amount of the asset is more than recoverable amount then asset need to be impaired and as per "Indian Accounting Standard 109" on financial instruments which also contains provisions of impairment of financials assets through expected credit loss method basis these provisions we were required to seek for any impairment obligations from management but since the corporate debtors is still under the process CIRP and resolution professional and committee of creditors are in the process of finalization successful resolution applicant and the management has not determined value in use thus impairment of Fixed Assets including Capital Work In Progress (Rs. 491454.97 Lacs), advances given to related parties (Rs. 55161.17 Lacs) and Trade Receivables (Rs. 12087 Lacs). Accordingly we are unable to ascertain the effect of the same on the financial statements.
2. As per "Indian Accounting Standard 36" company was required to get the Investment (Rs. 56416.67 Lacs) at fair value but the same has not been done by the company, accordingly we are unable to ascertain the effect of the same on the Financial statements.
3. Considering the current operating levels of the company, and the ongoing corporate insolvency resolution process company has not made any impairment in the value of tools and dies amounts to Rs. 23515.50 Lakhs. Moreover company is showing such tool and dies as inventory. Physical verification has not been done by the management and by third party that have been appointed. Accordingly we are unable to comment upon the effect of the same on the Financial Statements.
4. We have relied upon the report of External agency (VCAN & Co. Dated 01.07.2019) for the valuation of Inventory. The report of external agency is subject to qualifications which still persist. We have not physically verified the same. Accordingly we are unable to comment upon the effect of the same on the Financial Statements.







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5. The financial statements and other financial information of the 1 overseas subsidiary, 7 associates & 1 joint venture in the consolidated IND AS financial statements, as at and for the year ended June 30, 2019 are based on its unaudited financial statements. Consequently, we are unable to comment and determine about any adjustment that have been made to these consolidated financial statements
6. We have not been explained and provided with any information regarding assets/liabilities held for sale (Rs. 68016.57/12036.18 Lacs) which pertains to foreign subsidiary. However, as per "**IND AS 105 Non-Current Asset Held For Sale & Discontinued Operations**" the same supposed to be sold out within a year but still appearing in the Consolidated financial statements, accordingly we are unable to certain the effect of the same on the Consolidated Financial Statements.

**Conclusion**

1. In our opinion and to best of our information and according to the explanations given to us, and based on the unaudited financial statements and other financial information provided to us by the management of the overseas subsidiary, joint venture and associates referred to in paragraph below, the statement:
  - a) Includes the results of the following:
    - Overseas Subsidiary:
      - 1 Amtek Kupper GmbH
    - Joint Venture
      - 2 Amtek Riken Casting Pvt. Ltd.
    - Associate
      - 3 Terrasoft Infosystems Pvt. Ltd.
      - 4 Aaron Steels & Alloys Pvt. Ltd.
      - 5 Asta Motorcycles and Scooter Pvt. Ltd.
      - 6 Blaze spare parts Pvt. Ltd.
      - 7 Domain Steels & Alloys Pvt. Ltd.
      - 8 Gagandeep Steels & Alloys Pvt. Ltd.
      - 9 Neelmani Engine Components Pvt. Ltd.







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- b) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c) gives a true and fair view except for the matters described in Basis for qualified opinion as given herein above, in conformity with the aforesaid Indian Accounting Standards and other principles generally accepted in India of the total comprehensive income and other information of the company for the year ended June 30, 2019. The financial result of the overseas subsidiary, associates and joint venture are unaudited and has been considered on the basis of certification by the management of these entities.

**2. Emphasis of Matter**

We draw attention to the following matters:-

- a) Note No. 1 regarding Corporate Insolvency Resolution Process (CIRP) initiated under Insolvency and Bankruptcy Code, 2016 ('the Code') and the outcome of the CIRP is subject to decision of APEX Court / NCLT.
- b) The Company has been continuously making losses, consequently its net worth is negative and the Company's total liabilities exceeded its total assets. This indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, in view of the CIRP in respect of the Company, which is in progress, the accounts have been prepared on a going concern basis [Refer Note No. 2 of financial results];
- c) Considering the ongoing corporate insolvency resolution process (as mentioned in Note No 1 & 2) the certainty as to the realisation of unused tax losses and MAT credit available cannot be ascertained at this stage. Consequently, adjustment to deferred tax (net) and MAT credit available have not been given effect to. (Refer Note 4 to financial results)
- d) As per the code RP has to receive, collate all the claims submitted by the creditors of the company. The RP has verified and admitted the claims submitted by the creditors against the company as per the code. Pending finalization of resolution plan, the impact of such claims if any that also has not been considered in the preparation of the financial statements.







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Further interest on the financial debt from the date of commencement of CIRP (i.e. from 20<sup>th</sup> December 2017 till 30<sup>th</sup> June 2019) has not been provided in the books of accounts and charged to profit or loss account.

- e) Stock held at Nalagarh and Palwal unit not physically verified by the third agency.
- f) Trade receivables are subject to confirmation.

Place: New Delhi  
Dated: 14.08.2019

For Raj Gupta & Co.  
Chartered Accountants



Membership No. 017039

UDIN - 19017039AAAADC3667





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**INDEPENDENT AUDITORS' REPORT**

To

The Resolution Professional of  
**CASTEX TECHNOLOGIES LIMITED**

We, the Statutory Auditors, of the Company have reviewed the accompanying statement of standalone unaudited financial results of M/s CASTEX TECHNOLOGIES LIMITED (the company), for the quarter ended 30th June, 2019 being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including relevant circulars issued by SEBI from time to time.

A corporate insolvency resolution process ("CIRP") has been initiated against the company vide an order of Chandigarh bench of the National Company Law Tribunal (NCLT) dated December 20, 2017 under the provisions of the insolvency and bankruptcy code 2016 (Code). Pursuant to the order, the power of the Board of directors stands suspended and are exercisable by Mr Dinkar T. Venkatasubramanian, who was appointed as interim resolution professional (IRP) by the NCLT vide order dated December 22, 2017 and was consequently confirmed as Resolution Professional (RP) by the Committee of Creditors (COC) in its meeting held on January 12, 2018. Hon'ble National Company law tribunal "Chandigarh Bench" vide their order No, CP (IB) No. 116/Chd/Hry/2017 dated 13th June 2018, approved the extension of CIRP period by 90 days (i.e. from 180 days to 270 days)

Further, the Committee of Creditors of CTL had approved the resolution plan submitted by Liberty House Group Pte Ltd (LHG) through e-voting process on August 30, 2018. The resolution plan, as approved by the Committee of Creditors of CTL, had also been subsequently submitted to Hon'ble National Company Law Tribunal "Chandigarh Bench" for consideration and approval as per the provision of the Code.

The 'Resolution Plan' submitted by the 'Liberty House Group Pte. Ltd.' was initially approved but subsequently by impugned order dated 15th March, 2019, the Adjudicating Authority, Chandigarh Bench allowed an application filed by the 'State Bank of India' on behalf of the 'financial creditors' and subsequently another application for approval was permitted to be withdrawn with certain observations and imposition of cost.

The appeal was filed on 29th April, 2019 wherein notice was issued on respondents including 'Committee of Creditors' and 'Resolution Professional' and since then the matter remains pending. In the meantime, for the purpose of counting the period of resolution period 270 days, which was







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completed on 11th July 2019, an application was filed by the 'Resolution Professional' for exclusion of the period of the pendency of the appeal till 11th July, 2019, which comes to 73 days from the date of filing of the appeal i.e. from 29th April, 2019. The Adjudication authority allowed extension of 73 days to counted w.e.f 17th July 2019 with liberty to the 'Resolution Professional' and the 'Committee of Creditors' to consider the 'resolution plans' filed by the eligible 'resolution applicants..

As the powers of the Board of Directors have been suspended, the above result has not been adopted by the Board of Directors. However, the same have been signed by Mr. Sanjay Arora, Director of the Company, confirming, accuracy & completeness of the results and taken on record not signed by Mr Dinkar T. Venkatasubramanian (Resolution Professional).

This Statement, which is the responsibility of the holding company's management, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34, Interim Financial Reporting (IND AS 34) prescribed under section 133 of the Companies Act, 2013 ("the Act"), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statements based on our review.

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. A review of interim financial information consists of making inquiries, primarily of persons 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 the Standards on Auditing specified under Section 143(10) of the Act, 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.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1 /44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit report on the statement.







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**Basis for qualification**

We draw attention to the following:

1. As per "**Indian Accounting Standard 36**" which talks about impairment of asset, if the carrying amount of the asset is more than recoverable amount then asset need to be impaired and as per "**Indian Accounting Standard 109**" on financial instruments which also contains provisions of impairment of financials assets through expected credit loss method basis these provisions we were required to seek for any impairment obligations from management but since the corporate debtors is still under the process CIRP and resolution professional and committee of creditors are in the process of finalization successful resolution applicant and the management has not determined value in use thus impairment of Fixed Assets including Capital Work In Progress (Rs. 491454.97 Lacs), advances given to related parties (Rs. 55161.17 Lacs) and Trade Receivables (Rs. 12087 Lacs). Accordingly we are unable to ascertain the effect of the same on the financial statements.
2. As per "**Indian Accounting Standard 36**" company was required to get the Investment (Rs. 56416.67 Lacs) at fair value but the same has not been done by the company, accordingly we are unable to ascertain the effect of the same on the Financial statements.
3. Considering the current operating levels of the company, and the ongoing corporate insolvency resolution process company has not made any impairment in the value of tools and dies amounts to Rs. 23515.50 Lakhs. Moreover company is showing such tool and dies as inventory. Physical verification has not been done by the management and by third party that have been appointed. Accordingly, we are unable to comment upon the effect of the same on the Financial Statements.
4. We have relied upon the report of External agency (VCAN & Co. Dated 01.07.2019) for the valuation of Inventory. The report of external agency is subject to qualifications which still persist. We have not physically verified the same. Accordingly we are unable to comment upon the effect of the same on the Financial Statements.







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### **Conclusion**

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1. In our opinion and to best of our information and according to the explanations given to us, and based on the information provided to us by the management the statement:

- a) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016: and
- b) gives a true and fair view except for the matters described in Basis for qualified opinion as given herein above, in conformity with the aforesaid Indian Accounting Standards and other principles generally accepted in India of the total comprehensive income and other information of the company for the year ended June 30, 2019.

### **2. Emphasis of Matter**

We draw attention to the following matters:-

- a) Note No. 1 regarding Corporate Insolvency Resolution Process (CIRP) initiated under Insolvency and Bankruptcy Code, 2016 ('the Code') and the outcome of the CIRP is subject to decision of APEX Court / NCLT.
- b) The Company has been continuously making losses, consequently its net worth is negative and the Company's total liabilities exceeded its total assets. This indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, in view of the CIRP in respect of the Company, which is in progress, the accounts have been prepared on a going concern basis [Refer Note No. 2 of financial results];
- c) Considering the ongoing corporate insolvency resolution process (as mentioned in Note No 1 & 2) the certainty as to the realisation of unused tax losses and MAT credit available cannot be ascertained at this stage. Consequently, adjustment to deferred tax (net) and MAT credit available have not been given effect to. (Refer Note 4 to financial results)







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- d) As per the code RP has to receive, collate all the claims submitted by the creditors of the company. The RP has verified and admitted the claims submitted by the creditors against the company as per the code. Pending finalization of resolution plan, the impact of such claims if any that also has not been considered in the preparation of the financial statements. Further interest on the financial debt from the date of commencement of CIRP (i.e. from 20<sup>th</sup> December 2017 till 30<sup>th</sup> June 2019) has not been provided in the books of accounts and charged to profit or loss account.
- e) Stock held at Nalagarh and Palwal unit not physically verified by the third agency.
- f) Trade receivables are subject to confirmation.

Place: New Delhi  
Dated: 14.08.2019

For Raj Gupta & Co.  
Chartered Accountants

— Partner  
Membership No. 017039

UDIN - 19017039 AAAAD B 5196