

May 17, 2021

To,
BSE Limited
Listing Department
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai – 400 001

Scrip Code – 504008
ISIN - INE078A01026

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

Symbol - EMCO
ISIN - INE078A01026

Subject: Outcome of the Meeting of Resolution Professional held on Monday, 17th May 2021 at 11.30 A.M. IST.

Dear Sir / Madam,

This is to inform you, pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Resolution Professional ('RP') on 17th May 2021 has considered and approved the:

1. Unaudited Financial Results for the quarter ended 30th June 2020; and
2. Unaudited Financial Results for the quarter and half year ended 30th September 2020;

The Unaudited Financial Results for the quarter ended 30th June 2020, and Unaudited Financial Results for the quarter and half year ended 30th September 2020 is enclosed herewith.

The above Statement of Standalone unaudited results for the Quarter ended June 30, 2020 ("the Statement") has been reviewed by the Insolvency Resolution Professional Mr. Sundaresh Bhat (IBBI Registration no. IBBI/IPA-001/IPP00077/2017-18/10162) based on data provided by the Accounts Department and supervised by Mr. Ganesh Tawari (CFO) of EMCO Limited. It is pertinent to note that the Resolution Professional made all practicable and reasonable efforts from time to time to facilitate information/data from the officials of the Company in relation to the preparation of the statements of the company and also the information required by the auditors for the purpose of carrying out the audit of the results of the company. It is to be noted that any data pertaining to the financial statements up to the half year ended 30 September 2019 provided to the auditors for the purpose of audit, pertain to the period prior to the appointment of the Resolution Professional and therefore, while facilitating the collection and dissemination of the said information, the Resolution Professional has relied upon and

EMCO LIMITED
CIN: L31102MH1964PLC013011

Transformer Division
Power Transformer SBU
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Wagle Industrial Estate, Thane - 400 604
Maharashtra, India

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Registered Office

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Jalgaon - 425 003
Maharashtra, India

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assumed the accuracy/veracity of the data/information provided by the officials of the company, suspended directors, and the records of the company made available to the Resolution Professional, which the Resolution Professional has assumed are in conformity with the applicable law and present a true and fair view of the position of the company as of the dates and for the year indicated therein. The RP has not personally verified the information provided by the officials of the company and has placed confidence in the data/information provided to him of the previous years. Accordingly, the Resolution Professional shall be absolved from the accuracy, veracity and sufficiency or completeness of such information. Readers and users of these statements/statements are advised to do their due diligence before arriving at any conclusions. The Resolution Professional has signed the results to facilitate the CIRP Process and facilitate the statutory requirements without any liability of the same.

The above Statement of Standalone unaudited results for the Quarter and period ended 30 September 2020 ("the Statement") has been reviewed by the Insolvency Resolution Professional Mr. Sundares Bhat (IBBI Registration no. IBBI/IPA-001/IPP00077/2017-18/10162) based on data provided by the Accounts Department and supervised by Mr. Ganesh Tawari (CFO) of EMCO Limited. It is pertinent to note that the Resolution Professional made all practicable and reasonable efforts from time to time to facilitate information/data from the officials of the Company in relation to the preparation of the statements of the company and also the information required by the auditors for the purpose of carrying out the audit of the results of the company. It is to be noted that any data pertaining to the financial statements up to the half year ended 30 September 2019 provided to the auditors for the purpose of audit, pertain to the year prior to the appointment of the Resolution Professional and therefore, while facilitating the collection and dissemination of the said information, the Resolution Professional has relied upon and assumed the accuracy/veracity of the data/information provided by the officials of the company, suspended directors, and the records of the company made available to the Resolution Professional, which the Resolution Professional has assumed are in conformity with the applicable law and present a true and fair view of the position of the company as of the dates and for the year indicated therein. The RP has not personally verified the information provided by the officials of the company and has placed confidence in the data/information provided to him of the previous years. Accordingly, the Resolution Professional shall be absolved from the accuracy, veracity and sufficiency or completeness of such information. Readers and users of these statements/statements are advised to do their due diligence before arriving at any conclusions. The Resolution Professional has signed the results to facilitate the CIRP Process and facilitate the statutory requirements without any liability of the same.

The Company has not prepared and presented Consolidated Ind AS Statement for the period ended June 30, 2020, and September 30, 2020 as required under Section 129 sub-section 3 of the Companies Act, 2013 due to non-availability of financial information of subsidiaries.

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The meeting was commenced at 11.30 a.m. and concluded at 5.45 p.m.

You are requested to take the same on record.

Thank You,

Yours Sincerely,

SUNDARESH BHAT

Digitally signed by SUNDARESH BHAT
DN: c=IN, o=Personal, title=3680,
pseudonym=bd994a598999e2d1591e7887a5
822e0e0531aee00c762c90fcb4815df7d,
postalCode=396210, st=Daman and Diu,
serialNumber=9aa3dcd5c30f02b3b639bb7763c
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cn=SUNDARESH BHAT
Date: 2021.05.17 17:23:57 +05'30'

SUNDARESH BHAT

Resolution Professional in the matter of CIRP of EMCO Limited

Communications Email Address: rpemco@bdo.in; sundareshbhat@bdo.in

IBBI Registration no. IBBI/IPA-001/IP-P00077/2017-18/10162

IBBI Registered Email: sundareshbhat@bdo.in

IBBI Registered Address and Insolvency Profesional Entity: BDO Restructuring Advisory LLP, Level 9, The Ruby, North West Wing, Senapati Bapat Road, Dadar (W), Mumbai 400028, INDIA

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INDEPENDENT AUDITORS' REVIEW REPORT ON STANDALONE UNAUDITED FINANCIAL RESULTS FOR QUARTER AND PERIOD ENDED 30 JUNE 2020 OF EMCO LTD PURSUANT TO REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Insolvency Professional
EMCO Ltd.

Introduction

1. We have reviewed the accompanying statement of standalone unaudited financial results of **EMCO LTD ("the Company")**, for the quarter and period ended June 30, 2020 ("**the Statement**"), being submitted by the Company pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The Honorable National Company Law Tribunal, Mumbai ('NCLT') on July 22, 2019 admitted the Corporate Insolvency Resolution Process ('CIRP') application filed against the Company and appointed Mr. Kedarram Ramratan Laddhas the Interim Resolution Professional ('IRP') in terms of the Insolvency and Bankruptcy Code, 2016 ('the Code'). Further, the committee of creditors constituted during the CIRP in its first meeting held on September 16, 2019, has appointed Mr. Sundaresh Bhat as the RP to manage the affairs of the Company. In accordance with Section 22(b) of IBC, an application for confirmation of Mr. Sundaresh Bhat as the RP of Company was filed with the Hon'ble NCLT Mumbai. The Hon'ble NCLT Mumbai vide its order dated 14 October 2019 (written order made available on 11 November 2019) ('RP Confirmation Order'), confirmed the appointment of Mr. Sundaresh Bhat as the Resolution Professional of Company. In view, of the pendency of the CIRP, the power and responsibilities of the Board of Directors shall vest with the RP under the provision of the Code.
3. This statement is the responsibility of the Company's Management and have been endorsed by the Chief Financial Officer, confirming that financial results do not contain any material misstatements and thereafter provided to the Resolution Professional for his signing on 17 May 2021 and for further filing with stock exchanges; has been prepared 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 thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.
4. For the purpose of this review, we have relied upon the standalone financial results provided to us by the RP. It is noteworthy that the RP has inserted a note, as part of notes to accounts, set out in Note No. 10, as per which he has assumed that the data/ information provided by the officials of the Company and the records of the Company made available to him are in conformity with the applicable laws and present a true and fair view of the position of the Company and has not personally verified such information; and that he should be absolved from the accuracy, veracity and sufficiency or completeness of information provided to him by the officials of the Company basis which the standalone financial results have been prepared. As per the said note, the RP has signed the standalone unaudited financial results only to facilitate the CIRP process without any liability of the same. To the extent the RP has disclaimed his liability with respect to accuracy, veracity and sufficiency or completeness of information provided to him by the officials of the Company, the standalone unaudited financial results may suffer from issues of accuracy, veracity, sufficiency, completeness or reliability. [Relevant observations upon the extent of veracity of the

standalone unaudited financial results have been made in the below paragraphs 6 & 7 of this Section.]

Scope of Review

5. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to “Review of Interim Financial Information performed by 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 financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing 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 and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Opinion

6. Input Tax credit on Goods and Services tax has been accounted as receivable. However, no periodic reconciliation of books and returns are maintained by the company for the pre–Corporate Insolvency Resolution Process (CIRP) period. GST input tax credit at the quarter end is stated as per the input tax credit available on the GST portal. In the absence of adequate records and reconciliation between books and returns up to the CIRP date, we are not able to comment on the accuracy of the amount pertaining to the pre CIRP date and included in the GST receivable as at 30 June 2020.
7. the company is not in compliance with various laws and regulations even before the CIRP started, including certain requirement of the Companies Act, 2013, FEMA, Factories Act, 1948 etc. Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine the impact/consequences, including financial and operational impact, of such non compliances on the company. Pending final determination and assessment thereof, no adjustments have been made to these results. Refer note No. 33 of the standalone unaudited financial results.

Qualified Conclusion:

Based on our review conducted as above, ***except for the effects/possible effects of our observation stated in para 6 & 7 above (including the non-quantification for the reasons stated therein)***, nothing has come to our attention that causes us to believe that the standalone unaudited financial results prepared in all material respects in accordance with the applicable Indian Accounting Standards prescribed under section 133 of Companies Act 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 Of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMD/44/2019 dated March 29, 2019.

Emphasis Matter

We draw attention to the following matters in the standalone unaudited financial results:

8. Going Concern:

As depicted in note No. 6 of the standalone unaudited financial results, all the manufacturing activities of all the plants of the Company have been discontinued due to Non availability of funds. Also, since there has been no improvement in the position of the funds it casts material uncertainty about the functionality of all the plants in the foreseeable future.

The Company has accumulated losses of INR 2,08,901.66 Lakhs and the Company has registered net loss of INR 6,514.67 Lakhs during the quarter ended 30 June 2020 and of INR 1,59,290.62 Lakhs for the previous year ended 31 March 2020 (including provision for finance cost and depreciation).

The Resolution Professional and the COC have attempted to find an acceptable resolution plan to continue the company as a going concern. However, in view of no resolution plans being received, the COC have resolved on 19th October 2020 to liquidate the company. Consequently, an application for the liquidation of the company has been filed with the NCLT on 21 October 2020 and the matter is sub judice.

The Company also has accumulated losses resulting in substantial erosion of its net worth and has incurred net cash losses in the current quarter and in preceding financial years. The current liabilities of the Company exceeded its current assets as at the balance sheet date and with suspension of operations at all the Plants since March 2019, while no resolution plans have been received for any kind of revival under Corporate Insolvency Resolution Process, the company is non-operational and is not a going concern.

All the above events cast significant uncertainty on the ability of the company to continue as a going concern in the foreseeable future and hence the financial results of the company are prepared on a non-going concern basis.

- 9.** The Company has not prepared and presented condensed consolidated financial results for the quarter ended 30 June 2020 as required under Section 129 sub-section 3 of the Companies Act, 2013 due to non-availability of financial information of subsidiaries and associates. Refer note No. 13 of the standalone unaudited financial results.

10. Employee cost other than CIRP employees i.e. employee cost not considered as CIRP cost, is not provided in the books of accounts for the quarter ended 30 June 2020 due to Covid 19 related ongoing lock down. Refer note No. 22 of the standalone unaudited financial results.
11. The Company has not calculated and provided for defined benefits such as Leave encashment and Gratuity for the quarter ended 30 June 2020 and the same will be provided at the year-end 31 March 2021. Refer note No. 26 of the standalone unaudited financial results.
12. Statutory dues pertaining to employees and workmen other than those employees whose cost is treated as CIRP cost is not discharged by the company. Further the impact for such non-compliance in the form of interest and penalty is currently not quantified by the company and hence we are not able to comment on the financial implication of these delays in payment of statutory dues. Refer note No. 24 of the standalone unaudited financial results.
13. The company has not calculated and provided for contribution to provident fund based on the supreme court ruling to include all fixed components to derive the amount of contribution to the fund. The company has not conducted an impact study on account of the retrospective application of the said ruling. Impact of these non-compliance and their respective interest and penalties are not quantified and provided for in the books of accounts. Refer note No. 24 of the standalone unaudited financial results
14. As a part of CIRP, creditors of the company were called upon to submit their claims to the RP in terms of the applicable provisions of Insolvency and Bankruptcy Code, 2016. Trade payables and employees and workers payable are not reinstated on the basis of the Operational Claims and Worker and employee claims received under Corporate Insolvency Resolution Process due to certain practical difficulties. However, Financials claims have been reinstated in the books to the extent they are fund based as on 16th August 2020. Refer note No. 12 of the standalone unaudited financial results.

15. Interest

On account of loans being reclassified as Non-Performing Assets (NPA) by all lenders, interest has been provided for in the books of accounts:

Pre CIRP date interest is calculated on the basis of actual claim received from the financial creditors and included in the respective facility.

Post CIRP date interest is calculated at the rates charged by banks on actual basis and where interest is not charged by the bank, the same is provided at the rates used by the banks prior to CIRP date including penal interest as applicable for each facility availed by the company. Refer note No. 27 of the standalone unaudited financial results.

16. Expected credit loss (ECL) for trade receivables:

The management has assessed all its trade receivables on quantitative parameters like age of the receivables, past default trends, etc. and on the qualitative parameters like the financial health of the customer, sectoral performance, etc.

Trade receivable are outstanding and standing at INR 3,599.25 Lakhs. The management is in the process of assessing the recoverability of these advances and necessary impact of such assessment will be provided for at the year end. Refer note no. 20 of the standalone unaudited financial results.

17. The management is in the processes of testing all its assets like, Property Plant & Equipment, Intangibles, Capital Work in Progress, Capital Advances, Investments, Loans and Advances, Indirect Tax receivable and all the other assets like Security Deposit etc. for further impairment. Provision for impairment, if any, for any item will be created at the year-end 31 March 2021. Refer note No. 18 of the standalone unaudited financial results.

18. Company has foreign trade receivable of INR 1,728.29 Lakhs and foreign trade payables of INR 249.16 Lakhs outstanding for more than 180 days. This is in violation of the provision of Foreign Exchange Management Act ('FEMA'). The compounding fees that may devolve on the company on account of this non-compliance is currently not quantifiable. Refer note No. 34 of the standalone unaudited financial results.

19. Following are the summary of transactions falling with the meaning of section 43 to section 66 of the Insolvency and Bankruptcy Code, 2016. Refer note No. 31 of the standalone unaudited financial results.

| Sr No. | EMCO Funds Transferred to | Relevant Time Period | Amount Involved (In Crs) |
|--------|--|----------------------|--------------------------|
| 1 | Yuson's Investment Pvt. Ltd. | 2010-11 to 2017-18 | 10.65 |
| 2 | EMCO Overseas Pte Ltd. | 2007-08 to 2018-19 | 126.00 |
| 3 | EMCO Power Ltd. | 2009-10 to 2017-18 | 101.00 |
| 4 | EMCO Global DMCC | Mar-19 | 5.33 |
| 5 | Various parties through LC devolvement | 2015-16 to 2017-18 | 212.9 |
| | Total | | 455.17 |

20. In view of uncertain nature of projects, complex situations, performance issues, deterioration in client relationship, delays in contracts execution, probability of liquidated damages likely to devolve, unsettled or unaccepted claims, BG invocations, arbitrations, pending legal disputes, non-availability of balance confirmation from customers and vendors, penalties levied by

various governmental authorities, outcome of the CIRP. etc., there is a high probability of substantial write down in the amount's receivables and other current assets. The management, will assess the situation at the close year end and will give impact of any further impairment, as may be required. Refer note No. 7 of the standalone unaudited financial results.

- 21.** The management has not identified MSME vendors pertaining to the CIRP period and accordingly no interest has been paid/ provided for any delay in payments made to MSME vendors during the quarter or on outstanding balances payable to MSME vendors as per the MSME Act. Refer note No. 35 of the standalone unaudited financial results.

For **JHS Associates LLP**
Chartered Accountants
Firm Registration No: 133288W / W100099

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Taher A Pepermintwala
Partner
Membership No: 135507

Date: 17th May 2021
Place: Mumbai

UDIN: 21135507AAAABE3977

EMCO LIMITED

Registered Office : N-104, MIDC Area, Village - Mehrun, Jalgaon - 425 003, Maharashtra, India.

Tel- 257 2272 462, Email - emco.corporate@emco.co.in

Corporate Office : Plot No-F5, Road No.28, Wagale Industrial Estate, Thane (W).400604, Maharashtra.India.

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS**FOR THE QUARTER ENDED 30TH JUNE 2020****CIN:L31102MH1964PLC013011****(INR in Lakhs)**

| Sr. No. | PARTICULARS | STANDALONE | | | |
|---------|---|---------------|-------------|-------------|---------------|
| | | Quarter ended | | | Year ended |
| | | 30-Jun-2020 | 31-Mar-2020 | 30-Jun-2019 | 31-Mar-2020 |
| | | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | |
| | (a) Gross Sales/ Income from Operations | - | 437.62 | 1,460.33 | 2,769.77 |
| | (b) Other Income | 4.54 | - | - | 148.22 |
| | Total Income (a + b) | 4.54 | 437.62 | 1,460.33 | 2,917.99 |
| 2 | Expenses | | | | |
| | (a) Cost of materials consumed | - | 2,017.82 | 1,032.46 | 9,704.75 |
| | (b) Purchases of Stock in Trade | - | - | - | - |
| | (c) Changes in inventories of finished goods and work-in-progress | - | 1,206.41 | 16.12 | 1,195.24 |
| | (d) Excise duty recovered | - | - | - | - |
| | (e) Employee benefits expense | 53.17 | 429.36 | 632.60 | 1,557.95 |
| | (f) Finance costs (Net) | 6,349.39 | 9,579.00 | 5,883.61 | 24,773.60 |
| | (g) Impairment Allowance | - | 52,431.85 | | 52,431.85 |
| | (h) Depreciation and amortisation expense | - | 294.64 | 334.94 | 1,246.78 |
| | (i) Other expenses | 116.65 | (1,826.29) | 6,768.51 | 44,677.94 |
| | Total Expenses (a) to (h) | 6,519.21 | 64,132.79 | 14,668.24 | 1,35,588.11 |
| 3 | Profit / (Loss) before exceptional item and tax(1-2) | (6,514.67) | (63,695.17) | (13,207.91) | (1,32,670.12) |
| 4 | Exceptional Items | | - | 1,709.10 | 1,709.10 |
| 5 | Profit / (Loss) before tax | (6,514.67) | (63,695.17) | (14,917.01) | (1,34,379.22) |
| 6 | Tax Expenses | | (2,557.11) | 26,967.43 | 24,410.32 |
| 7 | Mat Credit Expenses | | | 501.08 | 501.08 |
| 8 | Net Profit / (Loss) for the period | (6,514.67) | (61,138.06) | (42,385.52) | (1,59,290.62) |
| 9 | Other Comprehensive Income (OCI) (Net of tax) | - | - | - | - |
| 10 | Total Comprehensive Income (TCI) | (6,514.67) | (61,138.06) | (42,385.52) | (1,59,290.62) |
| 11 | Paid-up Equity Share Capital (Face value of `2 each) | 1,358.19 | 1,358.19 | 1,358.19 | 1,358.19 |
| 12 | Other Equity | | | | |
| 13 | Earnings Per Share (EPS)* | | | | |
| | 1. Basic EPS after exceptional items (INR/share) | (9.59) | (90.03) | (62.41) | (234.56) |
| | 2. Diluted EPS after exceptional items (INR/share) | (9.59) | (90.03) | (62.41) | (234.56) |
| | (* Not Annualized for the Quarter) | | | | |

For **JHS Associates LLP**

Chartered Accountants

Firm Registration No: 133288W / W100099

Taher A Pepermintwala

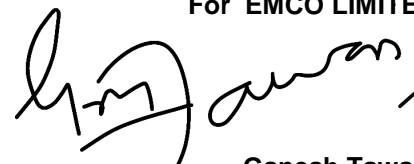
Partner

Membership No: 135507

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Date: 2021.05.17
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Place : Mumbai

Date : 17-05-2021

For **EMCO LIMITED**

Ganesh Tawari

Chief Financial Officer

& Company Secretary

ICSI. M.No. A12896

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SH BHATDigitally signed by SUNDARESH BHAT
DN: c=IN, o=Personal, title=3680,
pseudonym=db944a598fa99e2d1591
e7887a5822e0e531aee00c762c90fcb
4815df76, postalCode=396210,
st=Daman and Diu,
serialNumber=9aa3dc5c30f02b3b639
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ab0c7f80cc0, cn=SUNDARESH BHAT
Date: 2021.05.17 15:24:04 +05'30'**SUNDARESH BHAT****Resolution Professional of EMCO Limited (in CIRP)**

IBBI Registration no. IBBI/IPA-001/IP-P00077/2017-18/10162

Signed without any liability for administration purpose only, read

with Note no. 10

EMCO LIMITED

NOTES TO THE STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

1. The unaudited standalone financial results have been prepared, reviewed, and approved by the CFO and thereafter taken on record by the Insolvency Resolution Professional at their meetings held on 17 May 2021. The Statutory Auditors of the Company have carried out a Limited Review of the results for the quarter ended 30 June 2020.
2. The Honourable National Company Law Tribunal, Mumbai ('NCLT') on 22 July 2019 admitted the Corporate Insolvency Resolution Process ('CIRP') application filed against the Company and appointed Mr. Kedarram Ramratan Laddha as the Interim Resolution Professional ('IRP') in terms of the Insolvency and Bankruptcy Code, 2016 ('the Code'). Further, the committee of creditors constituted during the CIRP in its first meeting held on 16 September 2019, has appointed Mr. Sundaresh Bhat as the RP to manage the affairs of the Company. In view, of the pendency of the CIRP, the power and responsibilities of the Board of Directors shall vest with the RP under the provision of the Code.
3. The Company adopted Indian Accounting Standards ('Ind AS') from 01 April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34. "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India.
4. The Company is in the business of manufacturing Transformers and execution of projects related to power transmission and as such there are no separate reportable operating segments as defined by Ind AS 108- "Operating Segments. For management purposes the Company has only one reportable segment as follows: **Transmission and Distribution Segment within Power Sector.**

5. **Initiation of Corporate Insolvency Resolution Process (CIRP):**

Jet Roadlines (India) Pvt Ltd., in its capacity as the operational creditor of EMCO Limited ('EMCOL' or 'Corporate Debtor'), filed an application under Section 9 of the Insolvency and Bankruptcy Code ('IBC'), 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the Hon'ble Adjudicating Authority, i.e. National Company Law Tribunal, at Mumbai ('Hon'ble NCLT Mumbai') for initiation of Corporate Insolvency Resolution Process ('CIRP') for the Corporate Debtor under the provisions of the Insolvency and Bankruptcy Code 2016. The said Application of Jet Roadlines has since been admitted by the Hon'ble NCLT Mumbai vide its order dated 22 July 2019 ("Order") and the CIRP has commenced from the date of the order.

The Hon'ble NCLT Mumbai vide its order dated 22 July 2019 ('CIRP Commencement Order') inter alia appointed, Mr. Kedarram Ramratan Laddha having registration number IBBI/IPA-001/TPP00586/2017-18/11115 as the Interim Resolution Professional ("IRP") of the Corporate Debtor to conduct the CIRP and to exercise all powers and subject and carry out all duties as envisaged under the provisions of the IBC.

Further, NCLT vide order dated 02 January 2020, excluded the period of time between 22 July 2019 to 15 August 2019 and pronounced new date of commencement of CIRP of the Company as 16 August 2019 ("ICD")

The Committee of Creditors constituted by the IRP, at its first meeting convened on 16 September 2019, resolved with requisite majority to replace the IRP with Mr. Sundaresh Bhat, Insolvency Professional having IBBI registration no. IBBI/IPA-001 /IP-N00077/2017-18/10162 as the Resolution Professional of EMCOL. In accordance with Section 22(b) of IBC, an application for confirmation of Mr. Sundaresh Bhat as the RP of EMCOL was filed with the Hon'ble NCLT Mumbai. The Hon'ble NCLT Mumbai vide its order dated 14 October 2019 (written order made available on 11 November 2019) ('RP Confirmation Order'), confirmed the appointment of Mr. Sundaresh Bhat as the Resolution Professional of EMCOL.

However, in view of resolution plans not being received, the COC has resolved on 19th October, 2020 to liquidate the company. Consequently, an application for the liquidation of the company has been filed with the NCLT on 21 October 2020 and the matter is sub judice.

6. Going Concern:

All the manufacturing activities of all the plants of the Company have been discontinued due to Non availability of funds. Also, since there has been no improvement in the position of the funds it casts material uncertainty about the functionality of all the plants.

The Company has accumulated losses of INR 2,08,901.66 Lakhs and the Company has registered net loss of INR 6,514.67 Lakhs during the quarter ended 30 June 2020 and of INR 1,59,290.62 Lakhs for the previous year ended 31 March 2020 (including provision for finance cost and depreciation).

The Resolution Professional and the COC have attempted to find an acceptable resolution plan to continue the company as a going concern. However, in view of no resolution plans being received, the COC have resolved on 19th October 2020 to liquidate the company. Consequently, an application for the liquidation of the company has been filed with the NCLT on 21 October 2020 and the matter is sub judice.

The Company also has accumulated losses resulting in substantial erosion of its net worth and has incurred net cash losses in the current quarter and in preceding financial years. The current liabilities of the Company exceeded its current assets as at the balance sheet date and with suspension of operations at all the Plants since March 2019, while no resolution plans have been received for any kind of revival under Corporate Insolvency Resolution Process, the company is non-operational and is not a going concern.

All the above events cast significant uncertainty on the ability of the company to continue as a going concern in the foreseeable future and hence the unaudited financial results of the company are prepared on a non - going concern basis.

7. In view of uncertain nature of projects, complex situations, performance issues, deterioration in client relationship, delays in contracts execution, probability of liquidated damages likely to devolve, unsettled or unaccepted claims, BG invocations, arbitrations, pending legal disputes, non-availability of balance confirmation from customers and vendors, penalties levied by various governmental authorities, outcome of the CIRP. etc., there is a high probability of substantial write down in the amount's receivables and other current assets. The management, will assess the situation at the close year end and will give impact of any further impairment, as may be required.

8. Basis of preparation

The results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by

the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act").

The results are not prepared on going concern assumption as the liquidation application is filed per decision of COC meeting dated 19th October 2020.

9. As the financial results of the company are prepared on the non-going concern assumption, all the leases existing as on 1 April 2019 are treated as short term leases by the company. Accordingly, the company has availed exemption as per para 5 of Ind AS 116 'Leases'. Rent if any, paid on this short-term lease is accounted as an expense on straight line basis in the statement of profit and loss. As the company is not a going concern, the advance rentals shown above under the heading 'Leasehold land' is currently transferred and shown as asset held for sale. The leasehold land can be assigned to third party with the prior approval of Lessor.
10. The above Statement of Standalone unaudited results for the Quarter ended June 30, 2020 ("the Statement") has been reviewed by the Insolvency Resolution Professional Mr. Sundaresh Bhat (IBBI Registration no. IBBI/IPA-001/IPP00077/2017-18/10162) based on data provided by the Accounts Department and supervised by Mr. Ganesh Tawari (CFO) of EMCO Limited. It is pertinent to note that the Resolution Professional made all practicable and reasonable efforts from time to time to facilitate information/data from the officials of the Company in relation to the preparation of the statements of the company and also the information required by the auditors for the purpose of carrying out the audit of the results of the company. It is to be noted that any data pertaining to the financial statements up to the half year ended 30 September 2019 provided to the auditors for the purpose of audit, pertain to the period prior to the appointment of the Resolution Professional and therefore, while facilitating the collection and dissemination of the said information, the Resolution Professional has relied upon and assumed the accuracy/veracity of the data/information provided by the officials of the company, suspended directors, and the records of the company made available to the Resolution Professional, which the Resolution Professional has assumed are in conformity with the applicable law and present a true and fair view of the position of the company as of the dates and for the year indicated therein. The RP has not personally verified the information provided by the officials of the company and has placed confidence in the data/information provided to him of the previous years. Accordingly, the Resolution Professional shall be absolved from the accuracy, veracity and sufficiency or completeness of such information. Readers and users of these statements/statements are advised to do their due diligence before arriving at any conclusions. The Resolution Professional has signed the results to facilitate the CIRP Process and facilitate the statutory requirements without any liability of the same.
11. In respect of Company's Bank balances & Borrowings from banks and financial institutions balance confirmation as of 30 June 2020 has been received from all the banks except for few fixed deposits, dormant and inactive accounts.
12. As a part of CIRP, creditors of the company were called upon to submit their claims to the RP in terms of the applicable provisions of Insolvency and Bankruptcy Code, 2016. Trade payables and employees and workers payable are not reinstated on the basis of the Operational Claims and Worker and employee claims received under Corporate Insolvency Resolution Process due to certain practical difficulties. However, Financials claims have been reinstated in the books to the extent they are fund based as on 16th August 2020. The final amount accepted under Insolvency and Bankruptcy Code, 2016 is available on the company's website and summarised as below.

Amount in INR Lakhs

| Particulars | Amount Claimed | Amount Admitted | Amount Rejected |
|------------------------------|--------------------|--------------------|------------------|
| Financial Creditors | 1,58,808.96 | 1,56,040.46 | 2,768.50 |
| Operational Creditors | 26,779.14 | 10,598.30 | 16,180.56 |
| Workmen and employees claims | 4,526.40 | 1,180.67 | 3,345.72 |
| TOTAL | 1,90,114.49 | 1,67,819.43 | 22,294.78 |

13. Consolidation

The Company has not prepared and presented Consolidated Ind AS Statement for the quarter ended 30 June 2020 as required under Section 129 sub-section 3 of the Companies Act, 2013 due to non-availability of financial information of subsidiaries.

14. Due to preparation of financial results on a non- going concern basis all the assets and liabilities are classified as current except, amount receivable from statutory authorities.
15. During the quarter ended 30 June 2020, MAT credit entitlement of INR NIL (previous year ended 31 March 2020 INR 501.08 Lakhs) was written off as it was not probable that taxable profit will be available during the specified year against which the credit can be utilized.
16. During the quarter ended 30 June 2020, Deferred tax assets amounting to INR NIL (previous year ended 31 March 2020 INR 34,232.78 Lakhs) was written off in the absence of reasonable certainty that future taxable profits will be available against which this asset can be used.
17. During the quarter ended 30 June 2020, Basis its assessment of unbilled revenue and Lack of certainty on collectability of the amount, unbilled revenue to the extent of INR NIL (previous year ended 31 March 2020 INR 5,419.85 Lakhs) Lakhs was written off by the management.

18. Impairment of Assets

The Management had tested its assets for impairment in previous year and impairment provision was created in the books for the year ended 31 March 2020. The management is in the process of testing all its assets like, Property Plant & Equipment, Intangibles, Capital Work in Progress, Capital Advances, Investments, Loans and Advances, Indirect Tax receivable and all the other assets like Security Deposit etc. for further impairment. Further, provision for impairment, if any, based on the assessment of the management will be created at the year-end 31 March 2021.

Below is the summary of impairment provision created during the year ended 31 March 2020 for various assets:

| Sr No. | Particulars | Book value as at 31 March, 2020 (Before Impairment) | Impairment during the year | Book value as at 31 March, 2020 (Post Impairment) |
|----------|-----------------------------------|---|----------------------------|---|
| 1 | Property, Plant & Equipment | 15,223.29 | 8,038.74 | 7,184.54 |
| 2 | Capital Work-in-Progress | 142.02 | 142.02 | - |
| 3 | Intangible Assets | 412.12 | 412.12 | - |
| 4 | Investment in Subsidiaries | | | |
| a) | Emco Overseas Pte Limited | 9,190.93 | 9,190.93 | - |
| b) | Emco Power Limited | 537.87 | 537.87 | - |

| | | | | |
|----------|---|------------------|------------------|------------------|
| c) | Emco Renewable Energy Limited | 5.00 | 5.00 | - |
| d) | Emco Infrastructure Limited | 5.00 | 5.00 | - |
| e) | Shekhawati Transmission Services Company Limited | 180.01 | 180.01 | - |
| f) | Emco Global DMCC | 18.48 | 18.48 | - |
| | | | | |
| 5 | Other Investments | | | |
| a) | Morarka Finance Limited | 0.87 | 0.26 | 0.61 |
| b) | Cozy Properties limited | 712.42 | 36.42 | 676.00 |
| | | | | |
| 6 | Loans & Advances (including related parties) | 22,939.88 | 22,605.13 | 334.75 |
| 7 | Security deposits & Rent Deposits and Earnest Money Deposit | 320.38 | 91.05 | 229.33 |
| 8 | Advance to suppliers & Employee Advances | 4,384.70 | 4,384.70 | - |
| 9 | Other Assets | 69.44 | 62.38 | 7.06 |
| 10 | Tax Assets | 2,799.60 | 2,381.56 | 418.04 |
| 11 | Indirect Tax Receivable | 5,644.07 | 3,870.33 | 1,773.75 |
| 12 | Other amounts recoverable in cash or kind for value to be received. | 471.98 | 469.85 | 2.13 |
| | Total | 63,058.06 | 52,431.85 | 10,626.21 |

19. During the quarter ended 30 June 2020, basis the management estimates of contract liabilities (Billing in excess of Revenues), the amount of INR NIL (previous year ended 31 March 2020 INR 89.16 Lakhs) was not payable and hence the liabilities was written-back and credited to the statement of profit and loss. Provision for contract liabilities was created in the earlier years for certain ongoing sub-station projects.

20. Expected credit loss (ECL) for trade receivables:

The management has assessed all its trade receivables on quantitative parameters like age of the receivables, past default trends, etc. and on the qualitative parameters like the financial health of the customer, sectoral performance, etc.

Trade receivable are outstanding and standing at INR 3,599.25 Lakhs during the period ended 30 June 2020. The management is in the process of assessing the recoverability of these advances and necessary impact of such assessment will be provided for at the year end.

During the year ended 31 March 2020, based on this analysis management has created a provision of INR 32,718.80 Lakhs towards ECL on trade receivables.

21. Employee Stock Option Plan (ESOP)

The Company had granted stock options under the following employee stock option scheme:

30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.

30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year NIL Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

Each option when exercised would be converted into one fully paid-up equity share of ₹ 2 each of the Company. The options granted under ESOP 2011 and options granted under the ESOP 2015 scheme carry no rights to dividends and no voting rights till the date of exercise.

The COC have resolved on 19th October, 2020 to liquidate the company. Consequently, an application for the liquidation of the company has been filed with the NCLT and the matter is sub judice. Also, the existing employees to whom the ESOP option was allotted have given up their right vide letter dated 31st March 2020. Considering the above scenario, the management has decided to forfeit the ESOP options and reverse the ESOP outstanding as on the 31 March 2020 and the liability for the same has been transferred to General reserve in the statement of equity.

22. Employee Provisions:

Employee/workmen dues recorded in the books of accounts are based on the company policy and after considering their attendance and leave records.

Employee cost other than CIRP employees i. e. employee cost not considered as CIRP cost, is not provided in the books of accounts for the quarter ended 30 June 2020 due to Covid 19 related ongoing lock down.

Only COC approved salaries of CIRP critical employees form part of CIRP Cost. During the CIRP period, all dues pertaining to employees whose salary is treated as CIRP cost like employee's share of Provident Fund, Employees State Insurance Scheme, Profession Tax and TDS has been deducted and paid as applicable.

All claims for outstanding salaries and wages pertaining to employees/workmen whose salary/wages is not treated as CIRP cost will be dealt with in accordance with the provision of Insolvency and Bankruptcy Code, 2016.

23. Inventory

Stock of Raw Materials & Components, Work-in-progress and Store, Spares and Packing Material amounting to INR 672.23 Lakhs as on 30 June 2020 is stated at realisable value as assessed by the management as on 31 March 2020. The management believes that there is no significant change in the realisable value of the inventory as on 30 June 2020 and hence no impact of any further diminution in the value of inventory is required. The management will assess the carrying value of inventory as at the year-end 31 March 2021 and will provide impact of such assessment, if any, at the year end.

Since the company has filed liquidation application post approval from COC in the meeting dated 19th October 2020, the going concern assumption cease to exist. Accordingly, inventories were valued net realisable value based on the Management estimate during the year ended 31 March 2020.

During the year 31 March 2020, following adjustments were made in the value Inventories:

Physical verification of stock of Raw Materials & Components, Work-in-progress and Store, Spares and Packing Material was conducted by the management during the year ended 31 March 2020 and shortage amounting to INR 6,333.61 Lakhs is written off in the books of accounts during the year ended 31 March 2020.

Stock of Raw Materials & Components, Work-in-progress and Store, Spares and Packing Material as per books of accounts, as on 31 March 2020 was INR 3,463.73 Lakhs. Inventories have been valued at net realisable value based on the Management estimate. Diminution in the value of stock on account of valuation at net realisable value is Rs.2,791.51 Lakhs

Details of diminution in the value of inventory is as detailed below:

- a) Decrease in value of closing stock of Raw Materials & Components: INR 1,579.25 Lakhs
- b) Decrease in value of closing stock of Work-in-progress: INR 1,206.41 Lakhs
- c) Decrease in value of closing stock of Store, Spares and Packing Material: INR 5.84 Lakhs

The management had not conducted physical verification of stock for few locations. The value of stock present at these locations as per the books of accounts is INR 253.52 Lakhs. Out of this stock amounting to INR 117.11 Lakhs is valued at net realisable value, resulting in diminution in value by INR 117.11. Stock amounting to INR 136.41 Lakhs is carried in the books at book value as the same pertains to ongoing project.

The management has not carried out any physical verification of inventory for the quarter ended 30 June 2020 and the same will be done at the year-end 31 March 2021.

24. Statutory Dues

The company has provided interest on outstanding Provident Fund, Employee State Insurance Scheme, Labour Welfare Fund & Profession Tax only to the extent of notices received from respective authorities.

Interest on TDS defaults was provided only for post CIRP period and not for dues outstanding prior to that date.

The company has not fully paid Statutory dues pertaining to provident fund, ESIC & other material statutory dues relating to employees and workmen who have not been paid their salary and wages.

The company has not calculated and provided for contribution to provident fund based on the supreme court ruling to include all fixed components to derive the amount of contribution to the fund. The company has not conducted an impact study on account of the retrospective application of the said ruling. Impact of these non-compliance and their respective interest and penalties are not quantified and provided for in the books of accounts. All the outstanding statutory dues prior to the CIRP date will be dealt with in accordance with the provision of the IBC, 2016

25. Sale of Solar power plant in the previous year ended 31 March 2020

For the purpose of setting up the Solar Power plant, Company obtained ECB facility of USD 6.50 million from Axis Bank in 2011. The terms and conditions were reviewed/modified/renewed from time to time. Axis Bank had created charge on assets of Project (Power Plant), whose yearly revenue was in the range of INR 6-8 Crs, to secure due repayment of outstanding dues. Charge was created on all movable fixed assets installed and lying at the power plant and immovable property (Land).

Company committed default in payment of amount and as a result Company was classified as Non- Performing Asset (NPA) in the books of Bank from April 2018.

Owing to continuous defaults, bank initiated legal action for recovery of its dues against Company and issued demand notice dated 15 January 2019 under SARFAESI Act calling upon the borrower to repay outstanding amount of INR 1,462.45 Lakhs as on 31st December 2018 within a year of 60 days.

Company could not repay the amount within 60 days of notice and hence Bank proceeded with the provisions of the act and put the secured assets for sale through E-Auction Notice dated 28 March 2019 at Reserve price of INR 1,710.00 Lakhs. It was based on the valuation report submitted by BKC Advisors Pvt Ltd. dated 22nd March 2019 which gave the Fair Value of the entire plant at INR 1,962.17 Lakhs, Realisable value at INR 1710.14 Lakhs. and Distress Value at 1,534.11 Lakhs. E-Auction date of assets was kept at 30 April 2019.

E-Auction was conducted on the said date and assets were successfully sold at price of INR 1,715.00 Lakhs as against the book value of INR 3,424.10 Lakhs (Net of Creditors).

Since all assets and liabilities has been transferred in relation to Solar Power Plant, the sale is treated as Slump Sale as per provisions of Income Tax Act, 1961.

As per Ind AS 105, 'Non-current assets held for sale and discontinued operations'

A discontinued operation is a component of an entity that can be distinguished operationally and financially for financial reporting purposes from the rest of the entity and:

- Represents a separate major line of business or geographical area of operation
- Is part of a single coordinated plan to dispose of a separate major line of business or major geographical area of operation
- Is a subsidiary acquired exclusively with a view for resale

Though the plant is a component which can be distinguished separately for operation and financial purposes, the Solar Power Plant cannot be classified as major line of business because it is not a substantial component of the Profit and Loss statement of the Company. This can be further substantiated as the turnover from the Solar Power Plant for the year March 31, 2019 is INR 684.01 Lakhs which is less than 10% of the total turnover (INR 21,300.76 Lakhs) of the Company.

Since Solar Power Plant is not considered as discontinuing operation, disclosures pertaining to Ind AS 105 are not required.

The loss on sale of the Asset INR 1709.10 Lakhs has been shown as an exceptional item on the face of Profit and Loss statement for the previous year ended 31 March 2020 and quarter ended 30 June 2019.

26. Gratuity and Leave Encashment

The company makes provision for defined benefits plans like gratuity and compensated absences. These provisions are done by the company on annually on actual basis as the financial results are not prepared on a going concern basis as the company has filed a liquidation application and the same will be payable as per the provisions of Insolvency and Bankruptcy Code, 2016.

No provision for these benefits is made for the quarter ended 30 June 2020.

27. Interest

On account of loans being reclassified as Non-Performing Assets (NPA) by all lenders, interest has been provided for in the books of accounts:

Pre CIRP date interest is calculated on the basis of actual claim received from the financial creditors and included in the respective facility.

Post CIRP date interest is calculated at the rates charged by banks on actual basis and where interest is not charged by the bank, the same is provided at the rates used by the banks prior to CIRP date including penal interest as applicable for each facility availed by the company.

28. Bank Guarantees

During the quarter ended 30 June 2020, there are no adjustments on account of advance and performance bank guarantee.

During the year ended 31 March 2020, Advance Bank Guarantee invoked during the year ended was INR 6,346.50 Lakhs. Out of this, INR 311.16 Lakhs is charged to Statement of Profit and Loss, amount of INR 4,618.62 Lakhs has been adjusted against the advances and balance amount of INR 1,260.39 Lakhs is retained as receivable based on management assessment of these amounts.

Performance Bank Guarantee invoked during the year ended 31 March 2020 was INR 8,143.23 Lakhs. Out of this INR 4,979.76 Lakhs is charged to statement of profit and loss, INR 3,004.83 Lakhs is retained as receivable based on management assessment of these amounts and balance amount of INR 158.64 Lakhs is recovered from the customer.

29. Write off of Trade Receivable pertaining to Bank Guarantee:

Basis the assessment of management and lack of certainty on collectability of this amount, trade receivables pertaining to Bank guarantee invoked of INR NIL (previous year ended 31 March 2020 INR 499.93 Lakhs) have been written off during the period.

30. Contingent Liabilities and Commitments (to the extent not provided for) ****

| I) | Contingent Liabilities | 30-Jun-20 | 31-Mar-20 |
|----|---|-----------|-----------|
| | (to the extent not provided for) | | |
| a) | Bank Guarantees outstanding as at the year-end (gross) –(Secured) | 6,868.49 | 8,656.58 |
| b) | Guarantee for Subsidiary Company* | - | - |

| | | | |
|------------|---|---------------------------------|---------------------------------|
| c) | TDS Defaults** | 128.26 | 129.44 |
| II) | Legal Disputes | | |
| a) | Disputed amount of Sales Tax. | 1,711.17 | 2,304.74 |
| b) | Claim made by workmen for re-instatement. Matter Subjudice. | Amount not ascertainable | Amount not ascertainable |
| c) | Disputed amount of Custom Duty. | 89.86 | 89.86 |
| d) | Disputed amount of Excise duty | 1,493.91 | 1,493.91 |
| e) | Disputed amount of Service tax. | 182.31 | 182.31 |
| f) | Claims against Company not acknowledged as debt*** | 11,273.29 | 12,913.90 |
| | Total | 21,747.30 | 25,770.74 |

*Corporate guarantee provided for EMCO Overseas Pte Ltd has been invoked due to non-payment of dues by subsidiary and outstanding amount USD 89.24 lacs has been claimed by PNB International at the time of submission of claims to Resolution Professional and the same has been accepted by RP. Hence, provision to the extent of USD 89.24 lacs has been created in the books, however subsequent interest has not been provided.

**TDS Prosecution notices has been served on the Company u/s 276B/276BB of Income Tax Act, 1961, during the financial year 2019-20 after the Company went in to CIRP (Corporate Insolvency Resolution Process) on account of failure to pay TDS to the Central Government as required under the provisions of Chapter XVII B within stipulated period as prescribed under Income Tax Act, 1961 and IT Act Rules, 1962 for various previous Assessment years.

***Includes claims against Company not acknowledged as debt includes claims received from operational creditors/debtors during the CIRP which are not recorded in the financial results.

**** All amount pertaining to litigations prior to the CIRP date will be dealt with as per the provision of the IBC, 2016

31. Summary of transactions falling within the meaning of section 43 to section 66 of the Insolvency and Bankruptcy Code, 2016:

| Sr no | EMCO Funds Transferred To | Relevant Time Period | Amount Involved (INR Crs.) |
|-------|--|----------------------|----------------------------|
| 1 | Yuson's Investment Pvt Ltd. | 2010-11 to 2017-18 | 10.65 |
| 2 | EMCO Overseas Pte Ltd. | 2007-08 to 2018-19 | 126.00 |
| 3 | EMCO Power Ltd. | 2009-10 to 2017-18 | 101.00 |
| 4 | EMCO Global DMCC | March 2019 | 5.33 |
| 5 | Various parties through LC devolvement | 2015-16 to 2017-18 | 212.19 |
| | Total | | 455.17 |

32. As the company has filed liquidation application with the honourable NCLT and the financial results are prepared on a non-going concern basis, entire amount of unclaimed dividend is to be transferred to Investor Education and Protection Fund (IEPF). IEPF return has not been filed for the current year.

33. Non-Compliance of applicable laws and regulations:

As a consequence of the matters described above and various other matters discussed in these results, the company is not in compliance with various laws and regulations even before the CIRP started, including certain requirement of the Companies Act, 2013, FEMA, Factories Act, 1948 etc. Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine the impact/consequences, including financial and operational impact, of such non compliances on the company. Pending final determination and assessment thereof, no adjustments have been made to these results.

34. Company has foreign trade receivable of INR 1,728.29 Lakhs and foreign trade payables of INR 249.16 Lakhs outstanding for more than 180 days. This is in violation of the provision of Foreign Exchange Management Act ('FEMA'). The compounding fees that may devolve on the company on account of this non-compliance is currently not quantifiable.
35. For the quarter ended 30 June 2020, the management has not identified MSME vendors pertaining to the CIRP period and accordingly no interest has been paid/ provided for any delay in payments made to MSME vendors during the quarter or on outstanding balances payable to MSME vendors as per the MSME Act.
36. Figures of the previous period have been regrouped and reclassified, wherever required.

**For JHS Associates LLP
LIMITED**

Chartered Accountants

Firm Registration No: 133288W / W100099

Taher A Pepermintwala

Partner

Membership No: 135507

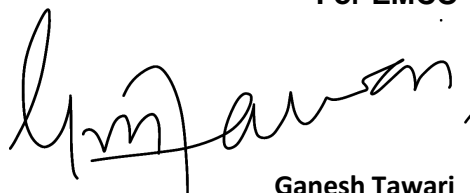
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Place: Mumbai

Date: 17-05-2021

For EMCO



Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M. No. A12896

**SUNDARE
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Date: 2021.05.17 15:28:31 +05'30'

SUNDARESH BHAT

Resolution Professional of EMCO Limited (in CIRP)

IBBI Registration no. IBBI/IPA-001/IP-P00077/2017-18/10162

Signed without any liability for administration purpose only,
read with note no. 10

INDEPENDENT AUDITORS' REVIEW REPORT ON STANDALONE UNAUDITED FINANCIAL RESULTS FOR QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020 OF EMCO LTD PURSUANT TO REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Insolvency Professional
EMCO Ltd.

Introduction

1. We have reviewed the accompanying statement of standalone unaudited financial results of **EMCO LTD ("the Company")**, for the quarter and period ended 30 September 2020 ("**the Statement**"), being submitted by the Company pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The Honorable National Company Law Tribunal, Mumbai ('NCLT') on July 22, 2019 admitted the Corporate Insolvency Resolution Process ('CIRP') application filed against the Company and appointed Mr. Kedarram Ramratan Laddhas the Interim Resolution Professional ('IRP') in terms of the Insolvency and Bankruptcy Code, 2016 ('the Code'). Further, the committee of creditors constituted during the CIRP in its first meeting held on September 16, 2019, has appointed Mr. Sundaresh Bhat as the RP to manage the affairs of the Company. In accordance with Section 22(b) of IBC, an application for confirmation of Mr. Sundaresh Bhat as the RP of Company was filed with the Hon'ble NCLT Mumbai. The Hon'ble NCLT Mumbai vide its order dated 14 October 2019 (written order made available on 11 November 2019) ('RP Confirmation Order'), confirmed the appointment of Mr. Sundaresh Bhat as the Resolution Professional of Company. In view, of the pendency of the CIRP, the power and responsibilities of the Board of Directors shall vest with the RP under the provision of the Code.
3. This statement is the responsibility of the Company's Management and have been endorsed by the Chief Financial Officer, confirming that financial results do not contain any material misstatements and thereafter provided to the Resolution Professional for his signing on 17 May 2021 and for further filing with stock exchanges; has been prepared 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 thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.
4. For the purpose of this review, we have relied upon the standalone financial results provided to us by the RP. It is noteworthy that the RP has inserted a note, as part of notes to accounts, set out in Note No. 10, as per which he has assumed that the data/ information provided by the officials of the Company and the records of the Company made available to him are in conformity with the applicable laws and present a true and fair view of the position of the Company and has not personally verified such information; and that he should be absolved from the accuracy, veracity and sufficiency or completeness of information provided to him by the officials of the Company basis which the standalone financial results have been prepared. As per the said note, the RP has signed the standalone unaudited financial results only to facilitate the CIRP process without any liability of the same. To the extent the RP has disclaimed his liability with respect to accuracy, veracity and sufficiency or completeness of information provided to him by the officials of the Company, the standalone unaudited financial results may suffer from issues of accuracy, veracity, sufficiency, completeness or reliability. [Relevant observations upon the extent of veracity of the

standalone unaudited financial results have been made in the below paragraphs 6 & 7 of this Section.]

Scope of Review

5. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to “Review of Interim Financial Information performed by 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 financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing 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 and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Opinion

6. Input Tax credit on Goods and Services tax has been accounted as receivable. However, no periodic reconciliation of books and returns are maintained by the company for the pre Corporate Insolvency Resolution Process (CIRP) period. GST input tax credit at the period end is stated as per the input tax credit available on the GST portal. In the absence of adequate records and reconciliation between books and returns up to the CIRP date, we are not able to comment on the accuracy of the amount pertaining to the pre CIRP date and included in the GST receivable as at 30 September 2020.
7. The company is not in compliance with various laws and regulations even before the CIRP started, including certain requirement of the Companies Act, 2013, FEMA, Factories Act, 1948 etc. Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine the impact/consequences, including financial and operational impact, of such non compliances on the company. Pending final determination and assessment thereof, no adjustments have been made to these results. Refer note No. 33 of the standalone unaudited financial results.

Qualified Conclusion:

Based on our review conducted as above, ***except for the effects/possible effects of our observation stated in para 6 & 7 above (including the non-quantification for the reasons stated therein)***, nothing has come to our attention that causes us to believe that the standalone unaudited financial results prepared in all material respects in accordance with the applicable Indian Accounting Standards prescribed under section 133 of Companies Act 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 Of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMD/44/2019 dated March 29, 2019.

Emphasis Matter

We draw attention to the following matters in the standalone unaudited financial results:

8. Going Concern:

As depicted in note No. 6 of the standalone unaudited financial results, all the manufacturing activities of all the plants of the Company have been discontinued due to Non availability of funds. Also, since there has been no improvement in the position of the funds it casts material uncertainty about the functionality of all the plants in the foreseeable future.

The Company has accumulated losses of INR 2,15,133.26 Lakhs and the Company has registered net loss of INR 12,746.26 Lakhs during the period ended 30 September 2020 and of INR 1,59,290.62 Lakhs for the previous year ended 31 March 2020 (including provision for finance cost and depreciation).

The Resolution Professional and the COC have attempted to find an acceptable resolution plan to continue the company as a going concern. However, in view of no resolution plans being received, the COC have resolved on 19th October 2020 to liquidate the company. Consequently, an application for the liquidation of the company has been filed with the NCLT on 21 October 2020 and the matter is sub judice.

The Company also has accumulated losses resulting in substantial erosion of its net worth and has incurred net cash losses in the current period ended and in preceding financial years. The current liabilities of the Company exceeded its current assets as at the balance sheet date and with suspension of operations at all the Plants since March 2019, while no resolution plans have been received for any kind of revival under Corporate Insolvency Resolution Process, the company is non-operational and is not a going concern.

All the above events cast significant uncertainty on the ability of the company to continue as a going concern in the foreseeable future and hence the financial statements of the company are prepared on a non-going concern basis.

9. The Company has not prepared and presented condensed consolidated financial results for the quarter and period ended 30 September 2020 as required under Section 129 sub-section 3 of the Companies Act, 2013 due to non-availability of financial information of subsidiaries and associates. Refer note No. 13 of the standalone unaudited financial results.
10. Employee cost for other than CIRP employees i.e. employee cost not considered as CIRP cost, is not provided in the books of accounts for the period ended 30 September 2020 due to Covid 19 related ongoing lock down. Refer note No. 22 of the standalone unaudited financial results.
11. The Company has not calculated and provided for defined benefits such as Leave encashment and Gratuity for the period ended 30 September 2020 and the same will be provided at the year-end 31 March 2021. Refer note No. 26 of the standalone unaudited financial results.

12. Statutory dues pertaining to employees and workmen other than those employees whose cost is treated as CIRP cost is not discharged by the company. Further the impact for such non-compliance in the form of interest and penalty is currently not quantified by the company and hence we are not able to comment on the financial implication of these delays in payment of statutory dues. Refer note No. 24 of the standalone unaudited financial results.
13. The company has not calculated and provided for contribution to provident fund based on the supreme court ruling to include all fixed components to derive the amount of contribution to the fund. The company has not conducted an impact study on account of the retrospective application of the said ruling. Impact of these non-compliance and their respective interest and penalties are not quantified and provided for in the books of accounts. Refer note No. 24 of the standalone unaudited financial results
14. As a part of CIRP, creditors of the company were called upon to submit their claims to the RP in terms of the applicable provisions of Insolvency and Bankruptcy Code, 2016. Trade payables and employees and workers payable are not reinstated on the basis of the Operational Claims and Worker and employee claims received under Corporate Insolvency Resolution Process due to certain practical difficulties. However, Financials claims have been reinstated in the books to the extent they are fund based as on 16th August 2020. Refer note No. 12 of the standalone unaudited financial results.

15. Interest

On account of loans being reclassified as Non-Performing Assets (NPA) by all lenders, interest has been provided for in the books of accounts:

Pre CIRP date interest is calculated on the basis of actual claim received from the financial creditors and included in the respective facility.

Post CIRP date interest is calculated at the rates charged by banks on actual basis and where interest is not charged by the bank, the same is provided at the rates used by the banks prior to CIRP date including penal interest as applicable for each facility availed by the company. Refer note No. 27 of the standalone unaudited financial results.

16. Expected credit loss (ECL) for trade receivables:

The management has assessed all its trade receivables on quantitative parameters like age of the receivables, past default trends, etc. and on the qualitative parameters like the financial health of the customer, sectoral performance, etc.

Trade receivable are outstanding and standing at INR 3,512.48 Lakhs. The management is in the process of assessing the recoverability of these advances and necessary impact of such assessment will be provided for at the year end. Refer note no. 20 of the standalone unaudited financial results.

- 17.** The management is in the processes of testing all its assets like, Property Plant & Equipment, Intangibles, Capital Work in Progress, Capital Advances, Investments, Loans and Advances, Indirect Tax receivable and all the other assets like Security Deposit etc. for further impairment. Provision for impairment, if any, for any item will be created at the year-end 31 March 2021. Refer note No. 18 of the standalone unaudited financial results.
- 18.** Company has foreign trade receivable of INR 1,728.29 Lakhs and foreign trade payables of INR 249.16 Lakhs outstanding for more than 180 days. This is in violation of the provision of Foreign Exchange Management Act ('FEMA'). The compounding fees that may devolve on the company on account of this non-compliance is currently not quantifiable. Refer note No. 34 of the standalone unaudited financial results.
- 19.** Following are the summary of transactions falling with the meaning of section 43 to section 66 of the Insolvency and Bankruptcy Code, 2016. Refer note No. 31 of the standalone unaudited financial results.

| Sr No. | EMCO Funds Transferred to | Relevant Time Period | Amount Involved (In Crs) |
|--------|--|----------------------|--------------------------|
| 1 | Yuson's Investment Pvt. Ltd. | 2010-11 to 2017-18 | 10.65 |
| 2 | EMCO Overseas Pte Ltd. | 2007-08 to 2018-19 | 126.00 |
| 3 | EMCO Power Ltd. | 2009-10 to 2017-18 | 101.00 |
| 4 | EMCO Global DMCC | Mar-19 | 5.33 |
| 5 | Various parties through LC devolvement | 2015-16 to 2017-18 | 212.9 |
| | Total | | 455.17 |

- 20.** In view of uncertain nature of projects, complex situations, performance issues, deterioration in client relationship, delays in contracts execution, probability of liquidated damages likely to devolve, unsettled or unaccepted claims, BG invocations, arbitrations, pending legal disputes, non-availability of balance confirmation from customers and vendors, penalties levied by various governmental authorities, outcome of the CIRP. etc., there is a high probability of substantial write down in the amount's receivables and other current assets. The management, will assess the situation at the close year end and will give impact of any further impairment, as may be required. Refer note No. 7 of the standalone unaudited financial results.
- 21.** The management has not identified MSME vendors pertaining to the CIRP period and accordingly no interest has been paid/ provided for any delay in payments made to MSME vendors during the period ended 30 September or on outstanding balances payable to MSME vendors as per the MSME Act. Refer note No. 35 of the standalone unaudited financial results.

For **JHS Associates LLP**

Chartered Accountants

Firm Registration No: 133288W / W100099

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Taher A Pepermintwala

Partner

Membership No: 135507

Date: 17-May-2021

Place: Mumbai

UDIN: 21135507AAAABD8960

EMCO LIMITED

Registered Office : N-104, MIDC Area, Village - Mehrun, Jalgaon - 425 003, Maharashtra, India.

Tel- 257 2272 462, Email - emco.corporate@emco.co.in

Corporate Office : Plot No-F5, Road No.28, Wagale Industrial Estate, Thane (W).400604, Maharashtra,India.

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2020 CIN:L31102MH1964PLC013011

(INR in Lakhs)

| Sr. No. | PARTICULARS | STANDALONE | | | | | |
|---------|---|---------------|-------------|-------------|-----------------|-------------|---------------|
| | | Quarter ended | | | Half Year Ended | | Year ended |
| | | 30-Sep-2020 | 30-Jun-2020 | 30-Sep-2019 | 30-Sep-2020 | 30-Sep-2019 | 31-Mar-2020 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | | | |
| | (a) Gross Sales/ Income from Operations | 120.26 | - | 791.04 | 120.26 | 2,251.37 | 2,769.77 |
| | (b) Other Income | 3.30 | 4.54 | - | 7.84 | | 148.22 |
| | Total Income (a + b) | 123.56 | 4.54 | 791.04 | 128.10 | 2,251.37 | 2,917.99 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 76.68 | - | 1,190.68 | 76.68 | 2,223.14 | 9,704.75 |
| | (b) Purchases of Stock in Trade | - | - | - | - | - | - |
| | (c) Changes in inventories of finished goods and work-in-progress | - | - | (32.34) | - | (16.22) | 1,195.24 |
| | (d) Excise duty recovered | - | - | - | - | - | - |
| | (e) Employee benefits expense | 39.47 | 53.17 | 288.44 | 92.64 | 921.04 | 1,557.95 |
| | (f) Finance costs (Net) | 6,249.95 | 6,349.39 | 4,664.80 | 12,599.34 | 10,548.41 | 24,773.60 |
| | (g) Impairment Allowance | - | - | - | - | - | 52,431.85 |
| | (h) Depreciation and amortisation expense | - | - | 313.15 | - | 648.09 | 1,246.78 |
| | (i) Other expenses | (10.94) | 116.65 | 2,833.99 | 105.70 | 9,602.50 | 44,677.94 |
| | Total Expenses (a) to (h) | 6,355.16 | 6,519.21 | 9,258.72 | 12,874.36 | 23,926.96 | 1,35,588.11 |
| 3 | Profit / (Loss) before exceptional item and tax(1-2) | (6,231.60) | (6,514.67) | (8,467.68) | (12,746.26) | (21,675.59) | (1,32,670.12) |
| 4 | Exceptional Items | - | - | - | - | 1,709.10 | 1,709.10 |
| 5 | Profit / (Loss) before tax | (6,231.60) | (6,514.67) | (8,467.68) | (12,746.26) | (23,384.69) | (1,34,379.22) |
| 6 | Tax Expenses | - | - | - | - | 26,967.43 | 24,410.32 |
| 7 | Mat Credit Expenses | - | - | - | - | 501.08 | 501.08 |
| 8 | Net Profit / (Loss) for the period | (6,231.60) | (6,514.67) | (8,467.68) | (12,746.26) | (50,853.20) | (1,59,290.62) |
| 9 | Other Comprehensive Income (OCI) (Net of tax) | - | - | - | - | - | - |
| 10 | Total Comprehensive Income (TCI) | (6,231.60) | (6,514.67) | (8,467.68) | (12,746.26) | (50,853.20) | (1,59,290.62) |
| 11 | Paid-up Equity Share Capital (Face value of `2 each) | 1,358.19 | 1,358.19 | 1,358.19 | 1,358.19 | 1,358.19 | 1,358.19 |
| 12 | Other Equity | - | - | - | - | - | - |
| 13 | Earnings Per Share (EPS)* | | | | | | |
| | 1. Basic EPS after exceptional items (INR/share) | (9.18) | (9.59) | (12.47) | (18.77) | (74.88) | (234.56) |
| | 2. Diluted EPS after exceptional items (INR/share) | (9.18) | (9.59) | (12.47) | (18.77) | (74.88) | (234.56) |
| | (* Not Annualized for the Quarter) | | | | | | |

Standalone Statement of Assets & Liabilities as on
(INR in Lakhs)

| Particulars | Standalone 30-Sep-20 | Standalone 31-Mar-20 |
|--|-------------------------|-------------------------|
| | Unaudited | Audited |
| A. ASSETS | | |
| 1 Non-Current Assets | | |
| (a) Property Plant & Equipment | - | - |
| (b) Capital work in progress | - | - |
| (c) Other intangible assets | - | - |
| (d) Investment in Subsidiaries | - | - |
| (e) Financial Assets | | |
| (i) Investments | - | - |
| (ii) Loans | - | - |
| (iii) Others | - | - |
| (f) Deferred Tax Asset(Net) | - | - |
| (g) Tax Asset | 270.43 | 418.04 |
| (h) Other Assets | 1,821.42 | 1,773.74 |
| Sub-Total of Non Current Assets | 2,091.85 | 2,191.78 |
| 2 Current assets | | |
| (a) Assets held for sale | 7,184.54 | 7,184.54 |
| (b) Inventories | 672.23 | 672.22 |
| (c) Financial Assets | | |
| (i) Other Investments | 676.61 | 676.61 |
| (ii) Trade receivables | 3,512.48 | 3,720.42 |
| (iv) Cash & Cash equivalents | 246.90 | 88.77 |
| (v) Other bank balances | 61.01 | 237.12 |
| (vi) Loans | 334.75 | 334.75 |
| (vii) Others | 537.91 | 236.40 |
| (d) Other Assets | 161.97 | 2.13 |
| Sub-Total Current Assets | 13,388.39 | 13,152.95 |
| Total - ASSETS | 15,480.24 | 15,344.73 |
| B. EQUITY AND LIABILITIES | | |
| 1 EQUITY | | |
| (a) Equity Share Capital | 1,358.19 | 1,358.19 |
| (b) Other Equity | (1,79,346.65) | (1,66,600.39) |
| Sub-Total Equity | (1,77,988.46) | (1,65,242.20) |
| 2 Non-Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | - | - |
| (ii) Other Financial liabilities | - | - |
| (b) Provisions | - | - |
| (c) Other liabilities | - | - |
| Sub-Total Non Current Liabilities | - | - |
| 3 Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 1,41,662.90 | 1,39,501.72 |
| (ii) Trade Payables | | |
| Dues to micro and small enterprises | 2,921.48 | 3,019.15 |
| Others | 11,494.69 | 11,363.94 |
| (iii) Other Financial liabilities | 31,906.82 | 21,268.33 |
| (b) Deferred Tax Liabilities | 3.09 | 3.09 |
| (c) Other Current Liabilities | 5,019.24 | 4,970.23 |
| (d) Provisions | 460.47 | 460.47 |
| Sub-Total Current Liabilities | 1,93,468.70 | 1,80,586.93 |
| Total - EQUITY AND LIABILITIES | 15,480.24 | 15,344.73 |

For **JHS Associates LLP**
Chartered Accountants
Firm Registration No: 133288W / W100099

Taher A Pepermintwala
Partner
Membership No: 135507

TAHER ABIZER PEPERMI NTWALA
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Date: 2021.05.17 16:34:26 +05'30'

Place : Mumbai
Date : 17-05-2021

For **EMCO LIMITED**


Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

SUNDARESH BHAT
Digitally signed by SUNDARESH BHAT
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serialNumber=9a334c0535072b3d6396b7763743446699a40
c=IN, email=bsundaresbhat@gmail.com, postalCode=396210, st=Daman
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SUNDARESH BHAT
Resolution Professional of EMCO Limited (in CIRP)

IBBI Registration no. IBBI/PA-001/IP-P00077/2017-18/10162
Signed without any liability for administration purpose only, read
with Note no. 10

CASH FLOW STATEMENT for the year ended 30 September, 2020

(All amounts in INR Lakhs, unless otherwise stated)

| | As at 30 th September 2020 | As at 31 st March 2020 |
|---|-------------------------------|---------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Profit before tax | (12,746.26) | (1,34,379.22) |
| Adjustments for | | |
| Depreciation and amortisation | - | 1,246.78 |
| Unrealised foreign exchange Loss /(Gain) | (157.02) | (1,416.96) |
| Interest expenses | 12,600.49 | 24,795.71 |
| Interest Income | (1.15) | (22.11) |
| Sundry balance written-off / (back) (net) | 0.05 | 5,442.34 |
| Provision for doubtful debts | - | - |
| Changes in fair value of investment | - | - |
| Provision for diminution in fair value of Assets (impairment) | - | 52,431.84 |
| Provision for Warranty | - | (133.55) |
| Employee stock compensation expense | - | - |
| Actuarial (Gain)/loss on post employment benefit obligations | - | - |
| Exceptional item | - | - |
| Fair valuation of Investments | - | - |
| (Gain)/Loss on sale of fixed assets (net) | - | 21.08 |
| Operating Profit before Working Capital Changes | (303.90) | (50,304.98) |
| Adjustments for | | |
| Trade and other payables | 51.15 | (4,091.22) |
| Trade and other receivables | (281.73) | 22,137.07 |
| Inventory | - | 9,716.66 |
| Cash generated from Operations | (534.48) | (22,542.47) |
| Direct taxes paid | 147.61 | (27.07) |
| Net Cash Inflow / (Outflow) from Operating Activities | (386.87) | (22,569.54) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Acquisition of PPE | - | - |
| Sale proceeds of fixed assets | - | 1,744.11 |
| Movement in other bank balances | 177.26 | 239.29 |
| Purchase of Investments | - | - |
| Purchase of Investments in subsidiaries | - | - |
| Sale of Investments | - | - |
| Movement in advance to subsidiaries & JV's | - | - |
| Interest income from related parties | - | - |
| Net Cash inflow / (outflow) from Investing Activities | 177.26 | 1,983.40 |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from issue of share | - | - |
| Proceeds from Corpus Fund | 60.20 | 62.67 |
| Repayment of Borrowings/Working capital facilities | - | (1,768.54) |
| Increase/(decrease) in short term borrowings | 2,487.16 | 2,432.18 |
| Interest expense | (2,179.62) | - |
| Bank Gurantee Invoked | - | 19,803.38 |
| Net Cash inflow / (outflow) from Financing Activities | 367.74 | 20,529.69 |
| Net increase in Cash and Cash Equivalents | 158.13 | (56.45) |
| Cash and Cash Equivalents at the beginning of the year | 88.77 | 145.22 |
| Cash and Cash Equivalents at the end of the year | 246.90 | 88.77 |
| Reconciliation of the Cash & Bank | | |
| Cash and cash equivalents (As per Note 10) | 307.91 | 325.89 |
| Less- Margin Money Deposit against Bank Guarantee | 58.35 | 234.46 |
| Less- Unclaimed Dividend Account | 2.66 | 2.66 |
| Cash and Cash Equivalents at the end of the year | 246.90 | 88.77 |

Notes:-

The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.

1. AS) 7.
2. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

For **JHS Associates LLP**
Chartered Accountants
Firm Registration No: 133288W / W100099

Taher A Pepermintwala
Partner
Membership No: 135507

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by TAHER ABIZER
PEPERMINTWALA
Date: 2021.05.17
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Place : Mumbai
Date : 17-05-2021

For EMCO LIMITED .


Ganesh Tawari
Chief Financial Officer
& Company Secretary

Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

SUNDARE
SH BHAT

SUNDARESH BHAT

Resolution Professional of EMCO Limited (in CIRP)

IBBI Registration no. IBBI/PA-001/IP-P00077/2017-18/10162

Signed without any liability for administration purpose only, read with

Note No. 10

www.emco.co.in

EMCO LIMITED

NOTES TO THE STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020

1. The unaudited standalone financial results have been prepared, reviewed, and approved by the CFO and thereafter taken on record by the Insolvency Resolution Professional at their meetings held on 17 May 2021. The Statutory Auditors of the Company have carried out a Limited Review of the results for the quarter and period ended 30 September 2020.
2. The Honourable National Company Law Tribunal, Mumbai ('NCLT') on 22 July 2019 admitted the Corporate Insolvency Resolution Process ('CIRP') application filed against the Company and appointed Mr. Kedarram Ramratan Laddha as the Interim Resolution Professional ('IRP') in terms of the Insolvency and Bankruptcy Code, 2016 ('the Code'). Further, the committee of creditors constituted during the CIRP in its first meeting held on 16 September 2019, has appointed Mr. Sundaresh Bhat as the RP to manage the affairs of the Company. In view, of the pendency of the CIRP, the power and responsibilities of the Board of Directors shall vest with the RP under the provision of the Code.
3. The Company adopted Indian Accounting Standards ('Ind AS') from 01 April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34. "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India.
4. The Company is in the business of manufacturing Transformers and execution of projects related to power transmission and as such there are no separate reportable operating segments as defined by Ind AS 108- "Operating Segments. For management purposes the Company has only one reportable segment as follows: **Transmission and Distribution Segment within Power Sector.**
5. **Initiation of Corporate Insolvency Resolution Process (CIRP):**

Jet Roadlines (India) Pvt Ltd., in its capacity as the operational creditor of EMCO Limited ('EMCOL' or 'Corporate Debtor'), filed an application under Section 9 of the Insolvency and Bankruptcy Code ('IBC'), 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the Hon'ble Adjudicating Authority, i.e. National Company Law Tribunal, at Mumbai ('Hon'ble NCLT Mumbai') for initiation of Corporate Insolvency Resolution Process ('CIRP') for the Corporate Debtor under the provisions of the Insolvency and Bankruptcy Code 2016. The said Application of Jet Roadlines has since been admitted by the Hon'ble NCLT Mumbai vide its order dated 22 July 2019 ("Order") and the CIRP has commenced from the date of the order.

The Hon'ble NCLT Mumbai vide its order dated 22 July 2019 ('CIRP Commencement Order') inter alia appointed, Mr. Kedarram Ramratan Laddha having registration number IBBI/IPA-001/TPP00586/2017-18/11115 as the Interim Resolution Professional ("IRP") of the Corporate Debtor to conduct the CIRP and to exercise all powers and subject and carry out all duties as envisaged under the provisions of the IBC.

Further, NCLT vide order dated 02 January 2020, excluded the period of time between 22 July 2019 to 15 August 2019 and pronounced new date of commencement of CIRP of the Company as 16 August 2019 ("ICD")

The Committee of Creditors constituted by the IRP, at its first meeting convened on 16 September 2019, resolved with requisite majority to replace the IRP with Mr. Sundaresh Bhat, Insolvency Professional having IBBI registration no. IBBI/IPA-001 /IP-N00077/2017-18/10162 as the Resolution Professional of EMCOL. In accordance with Section 22(b) of IBC, an application for confirmation of Mr. Sundaresh Bhat as the RP of EMCOL was filed with the Hon'ble NCLT Mumbai. The Hon'ble NCLT Mumbai vide its order dated 14 October 2019 (written order made available on 11 November 2019) ('RP Confirmation Order'), confirmed the appointment of Mr. Sundaresh Bhat as the Resolution Professional of EMCOL.

However, in view of resolution plans not being received, the COC has resolved on 19th October, 2020 to liquidate the company. Consequently, an application for the liquidation of the company has been filed with the NCLT on 21 October 2020 and the matter is sub judice.

6. Going Concern:

All the manufacturing activities of all the plants of the Company have been discontinued due to Non availability of funds. Also, since there has been no improvement in the position of the funds it casts material uncertainty about the functionality of all the plants soon.

The Company has accumulated losses of INR 2,15,133.26 Lakhs and the Company has registered net loss of INR 12,746.26 Lakhs during the period ended 30 September 2020 and of INR 1,59,290.62 Lakhs for the previous year ended 31 March 2020 (including provision for finance cost and depreciation).

The Resolution Professional and the COC have attempted to find an acceptable resolution plan to continue the company as a going concern. However, in view of no resolution plans being received, the COC have resolved on 19th October 2020 to liquidate the company. Consequently, an application for the liquidation of the company has been filed with the NCLT on 21 October 2020 and the matter is sub judice.

The Company also has accumulated losses resulting in substantial erosion of its net worth and has incurred net cash losses in the current period ended and in preceding financial years. The current liabilities of the Company exceeded its current assets as at the balance sheet date and with suspension of operations at all the Plants since March 2019, while no resolution plans have been received for any kind of revival under Corporate Insolvency Resolution Process, the company is non-operational and is not a going concern.

All the above events cast significant uncertainty on the ability of the company to continue as a going concern in the foreseeable future and hence the unaudited financial results of the company are prepared on a non - going concern basis.

7. In view of uncertain nature of projects, complex situations, performance issues, deterioration in client relationship, delays in contracts execution, probability of liquidated damages likely to devolve, unsettled or unaccepted claims, BG invocations, arbitrations, pending legal disputes, non-availability of balance confirmation from customers and vendors, penalties levied by various governmental authorities, outcome of the CIRP. etc., there is a high probability of substantial write down in the amount's receivables and other current assets. The management, will assess the situation at the close year end and will give impact of any further impairment, as may be required.

8. Basis of preparation

The results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the

Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act").

The results are not prepared on going concern assumption as the liquidation application is filed per decision of COC meeting dated 19th October 2020.

9. As the financial results of the company are prepared on the non-going concern assumption, all the leases existing as on 1 April 2019 are treated as short term leases by the company. Accordingly, the company has availed exemption as per para 5 of Ind AS 116 'Leases'. Rent if any, paid on this short-term lease is accounted as an expense on straight line basis in the statement of profit and loss. As the company is not a going concern, the advance rentals shown above under the heading 'Leasehold land' is currently transferred and shown as asset held for sale. The leasehold land can be assigned to third party with the prior approval of Lessor.
10. The above Statement of Standalone unaudited results for the Quarter and period ended 30 September 2020 ("the Statement") has been reviewed by the Insolvency Resolution Professional Mr. Sundaresh Bhat (IBBI Registration no. IBBI/IPA-001/IPP00077/2017-18/10162) based on data provided by the Accounts Department and supervised by Mr. Ganesh Tawari (CFO) of EMCO Limited. It is pertinent to note that the Resolution Professional made all practicable and reasonable efforts from time to time to facilitate information/data from the officials of the Company in relation to the preparation of the statements of the company and also the information required by the auditors for the purpose of carrying out the audit of the results of the company. It is to be noted that any data pertaining to the financial statements up to the half year ended 30 September 2019 provided to the auditors for the purpose of audit, pertain to the year prior to the appointment of the Resolution Professional and therefore, while facilitating the collection and dissemination of the said information, the Resolution Professional has relied upon and assumed the accuracy/veracity of the data/information provided by the officials of the company, suspended directors, and the records of the company made available to the Resolution Professional, which the Resolution Professional has assumed are in conformity with the applicable law and present a true and fair view of the position of the company as of the dates and for the year indicated therein. The RP has not personally verified the information provided by the officials of the company and has placed confidence in the data/information provided to him of the previous years. Accordingly, the Resolution Professional shall be absolved from the accuracy, veracity and sufficiency or completeness of such information. Readers and users of these statements/statements are advised to do their due diligence before arriving at any conclusions. The Resolution Professional has signed the results to facilitate the CIRP Process and facilitate the statutory requirements without any liability of the same.
11. In respect of Company's Bank balances & Borrowings from banks and financial institutions balance confirmation as of 30 September 2020 has been received from all the banks except for few fixed deposits, dormant and inactive accounts.
12. As a part of CIRP, creditors of the company were called upon to submit their claims to the RP in terms of the applicable provisions of Insolvency and Bankruptcy Code, 2016. Trade payables and employees and workers payable are not reinstated on the basis of the Operational Claims and Worker and employee claims received under Corporate Insolvency Resolution Process due to certain practical difficulties. However, Financials claims have been reinstated in the books to the extent they are fund based as on 16th August 2020. The final amount accepted under Insolvency and Bankruptcy Code, 2016 is available on the company's website and summarised as below.

Amount in INR Lakhs

| Particulars | Amount Claimed | Amount Admitted | Amount Rejected |
|---------------------|-----------------------|------------------------|------------------------|
| Financial Creditors | 1,58,808.96 | 1,56,040.46 | 2,768.50 |

| | | | |
|------------------------------|--------------------|--------------------|------------------|
| Operational Creditors | 26,779.14 | 10,598.30 | 16,180.56 |
| Workmen and employees claims | 4,526.40 | 1,180.67 | 3,345.72 |
| TOTAL | 1,90,114.49 | 1,67,819.43 | 22,294.78 |

13. Consolidation

The Company has not prepared and presented Consolidated Ind AS Statement for the quarter and period ended 30 September 2020 as required under Section 129 sub-section 3 of the Companies Act, 2013 due to non-availability of financial information of subsidiaries.

14. Due to preparation of financial results on a non- going concern basis all the assets and liabilities are classified as current except, amount receivable from statutory authorities.
15. During the period ended 30 September 2020, MAT credit entitlement of INR NIL (previous year ended 31 March 2020 INR 501.08 Lakhs) was written off as it was not probable that taxable profit will be available during the specified year against which the credit can be utilized.
16. During the period ended 30 September 2020, Deferred tax assets amounting to INR NIL (previous year ended 31 March 2020 INR 34,232.78 Lakhs) was written off in the absence of reasonable certainty that future taxable profits will be available against which this asset can be used.
17. During the period ended 30 September 2020, Basis its assessment of unbilled revenue and Lack of certainty on collectability of the amount, unbilled revenue to the extent of INR NIL (previous year ended 31 March 2020 INR 5,419.85 Lakhs) Lakhs was written off by the management.

18. Impairment of Assets

The Management had tested its assets for impairment in previous year and impairment provision was created in the books for the year ended 31 March 2020. The management is in the process of testing all its assets like, Property Plant & Equipment, Intangibles, Capital Work in Progress, Capital Advances, Investments, Loans and Advances, Indirect Tax receivable and all the other assets like Security Deposit etc. for further impairment. Further, provision for impairment, if any, based on the assessment of the management will be created at the year-end 31 March 2021.

Below is the summary of impairment provision created during the year ended 31 March 2020 for various assets:

| Sr No. | Particulars | Book value as at 31 March, 2020 (Before Impairment) | Impairment during the year | Book value as at 31 March, 2020 (Post Impairment) |
|----------|--|---|----------------------------|---|
| 1 | Property, Plant & Equipment | 15,223.29 | 8,038.74 | 7,184.54 |
| 2 | Capital Work-in-Progress | 142.02 | 142.02 | - |
| 3 | Intangible Assets | 412.12 | 412.12 | - |
| 4 | Investment in Subsidiaries | | | |
| a) | Emco Overseas Pte Limited | 9,190.93 | 9,190.93 | - |
| b) | Emco Power Limited | 537.87 | 537.87 | - |
| c) | Emco Renewable Energy Limited | 5.00 | 5.00 | - |
| d) | Emco Infrastructure Limited | 5.00 | 5.00 | - |
| e) | Shekhawati Transmission Services Company Limited | 180.01 | 180.01 | - |

| | | | | |
|----------|---|------------------|------------------|------------------|
| f) | Emco Global DMCC | 18.48 | 18.48 | - |
| | | | | |
| 5 | Other Investments | | | |
| a) | Morarka Finance Limited | 0.87 | 0.26 | 0.61 |
| b) | Cozy Properties limited | 712.42 | 36.42 | 676.00 |
| | | | | |
| 6 | Loans & Advances (including related parties) | 22,939.88 | 22,605.13 | 334.75 |
| 7 | Security deposits & Rent Deposits and Earnest Money Deposit | 320.38 | 91.05 | 229.33 |
| 8 | Advance to suppliers & Employee Advances | 4,384.70 | 4,384.70 | - |
| 9 | Other Assets | 69.44 | 62.38 | 7.06 |
| 10 | Tax Assets | 2,799.60 | 2,381.56 | 418.04 |
| 11 | Indirect Tax Receivable | 5,644.07 | 3,870.33 | 1,773.75 |
| 12 | Other amounts recoverable in cash or kind for value to be received. | 471.98 | 469.85 | 2.13 |
| | Total | 63,058.06 | 52,431.85 | 10,626.21 |

19. During the period ended 30 September 2020, basis the management estimates of contract liabilities (Billing in excess of Revenues), the amount of INR NIL (previous year ended 31 March 2020 INR 89.16 Lakhs) was not payable and hence the liabilities was written-back and credited to the statement of profit and loss. Provision for contract liabilities was created in the earlier years for certain ongoing sub-station projects.

20. Expected credit loss (ECL) for trade receivables:

The management has assessed all its trade receivables on quantitative parameters like age of the receivables, past default trends, etc. and on the qualitative parameters like the financial health of the customer, sectoral performance, etc.

Trade receivable are outstanding and standing at INR 3,512.48 Lakhs during the period ended 30 September 2020. The management is in the process of assessing the recoverability of these advances and necessary impact of such assessment will be provided for at the year end.

During the year ended 31 March 2020, based on this analysis management has created a provision of INR 32,718.80 Lakhs towards ECL on trade receivables.

21. Employee Stock Option Plan (ESOP)

The Company had granted stock options under the following employee stock option scheme: 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.

30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year NIL Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

Each option when exercised would be converted into one fully paid-up equity share of ₹ 2 each of the Company. The options granted under ESOP 2011 and options granted under the ESOP 2015 scheme carry no rights to dividends and no voting rights till the date of exercise.

The COC have resolved on 19th October, 2020 to liquidate the company. Consequently, an application for the liquidation of the company has been filed with the NCLT and the matter is sub judice. Also, the existing employees to whom the ESOP option was allotted have given up their right vide letter dated 31st March 2020. Considering the above scenario, the management has decided to forfeit the ESOP options and reverse the ESOP outstanding as on the 31 March 2020 and the liability for the same has been transferred to General reserve in the statement of equity.

22. Employee Provisions:

Employee/workmen dues recorded in the books of accounts are based on the company policy and after considering their attendance and leave records.

Employee cost for other than CIRP employees i.e. employee cost not considered as CIRP cost, is not provided in the books of accounts for the quarter and period ended 30 September 2020 due to Covid 19 related ongoing lock down.

Only COC approved salaries of CIRP critical employees form part of CIRP Cost. During the CIRP period, all dues pertaining to employees whose salary is treated as CIRP cost like employee's share of Provident Fund, Employees State Insurance Scheme, Profession Tax and TDS has been deducted and paid as applicable.

All claims for outstanding salaries and wages pertaining to employees/workmen whose salary/wages is not treated as CIRP cost will be dealt with in accordance with the provision of Insolvency and Bankruptcy Code, 2016.

23. Inventory

Stock of Raw Materials & Components, Work-in-progress and Store, Spares and Packing Material amounting to INR 672.23 Lakhs as on 30 September 2020 is stated at realisable value as assessed by the management as on 31 March 2020. The management believes that there is no significant change in the realisable value of the inventory as on 30 September 2020 and hence no impact of any further diminution in the value of inventory is required. The management will assess the carrying value of inventory as at the year-end 31 March 2021 and will provide impact of such assessment, if any, at the year end.

Since the company has filed liquidation application post approval from COC in the meeting dated 19th October 2020, the going concern assumption cease to exist. Accordingly, inventories were valued net realisable value based on the Management estimate during the year ended 31 March 2020.

During the year 31 March 2020, following adjustments were made in the value Inventories:

Physical verification of stock of Raw Materials & Components, Work-in-progress and Store, Spares and Packing Material was conducted by the management during the year ended 31 March 2020 and shortage amounting to INR 6,333.61 Lakhs is written off in the books of accounts during the year ended 31 March 2020.

Stock of Raw Materials & Components, Work-in-progress and Store, Spares and Packing Material as per books of accounts, as on 31 March 2020 was INR 3,463.73 Lakhs. Inventories have been valued at

net realisable value based on the Management estimate. Diminution in the value of stock on account of valuation at net realisable value is Rs.2,791.51 Lakhs

Details of diminution in the value of inventory is as detailed below:

- a) Decrease in value of closing stock of Raw Materials & Components: INR 1,579.25 Lakhs
- b) Decrease in value of closing stock of Work-in-progress: INR 1,206.41 Lakhs
- c) Decrease in value of closing stock of Store, Spares and Packing Material: INR 5.84 Lakhs

The management had not conducted physical verification of stock for few locations. The value of stock present at these locations as per the books of accounts is INR 253.52 Lakhs. Out of this stock amounting to INR 117.11 Lakhs is valued at net realisable value, resulting in diminution in value by INR 117.11. Stock amounting to INR 136.41 Lakhs is carried in the books at book value as the same pertains to ongoing project.

The management has not carried out any physical verification of inventory for the period ended 30 September 2020 and the same will be done at the year-end 31 March 2021.

24. Statutory Dues

The company has provided interest on outstanding Provident Fund, Employee State Insurance Scheme, Labour Welfare Fund & Profession Tax only to the extent of notices received from respective authorities.

Interest on TDS defaults was provided only for post CIRP period and not for dues outstanding prior to that date.

The company has not fully paid Statutory dues pertaining to provident fund, ESIC & other material statutory dues relating to employees and workmen who have not been paid their salary and wages.

The company has not calculated and provided for contribution to provident fund based on the supreme court ruling to include all fixed components to derive the amount of contribution to the fund. The company has not conducted an impact study on account of the retrospective application of the said ruling. Impact of these non-compliance and their respective interest and penalties are not quantified and provided for in the books of accounts. All the outstanding statutory dues prior to the CIRP date will be dealt with in accordance with the provision of the IBC, 2016

25. Sale of Solar power plant in the previous year ended 31 March 2020

For the purpose of setting up the Solar Power plant, Company obtained ECB facility of USD 6.50 million from Axis Bank in 2011. The terms and conditions were reviewed/modified/renewed from time to time. Axis Bank had created charge on assets of Project (Power Plant), whose yearly revenue was in the range of INR 6-8 Crs, to secure due repayment of outstanding dues. Charge was created on all movable fixed assets installed and lying at the power plant and immovable property (Land).

Company committed default in payment of amount and as a result Company was classified as Non-Performing Asset (NPA) in the books of Bank from April 2018.

Owing to continuous defaults, bank initiated legal action for recovery of its dues against Company and issued demand notice dated 15 January 2019 under SARFAESI Act calling upon the borrower to repay outstanding amount of INR 1,462.45 Lakhs as on 31st December 2018 within a year of 60 days.

Company could not repay the amount within 60 days of notice and hence Bank proceeded with the provisions of the act and put the secured assets for sale through E-Auction Notice dated 28 March 2019 at Reserve price of INR 1,710.00 Lakhs. It was based on the valuation report submitted by BKC Advisors Pvt Ltd. dated 22nd March 2019 which gave the Fair Value of the entire plant at INR 1,962.17 Lakhs, Realisable value at INR 1710.14 Lakhs. and Distress Value at 1,534.11 Lakhs. E-Auction date of assets was kept at 30 April 2019.

E-Auction was conducted on the said date and assets were successfully sold at price of INR 1,715.00 Lakhs as against the book value of INR 3,424.10 Lakhs (Net of Creditors).

Since all assets and liabilities has been transferred in relation to Solar Power Plant, the sale is treated as Slump Sale as per provisions of Income Tax Act, 1961.

As per Ind AS 105, 'Non-current assets held for sale and discontinued operations'

A discontinued operation is a component of an entity that can be distinguished operationally and financially for financial reporting purposes from the rest of the entity and:

- Represents a separate major line of business or geographical area of operation
- Is part of a single coordinated plan to dispose of a separate major line of business or major geographical area of operation
- Is a subsidiary acquired exclusively with a view for resale

Though the plant is a component which can be distinguished separately for operation and financial purposes, the Solar Power Plant cannot be classified as major line of business because it is not a substantial component of the Profit and Loss statement of the Company. This can be further substantiated as the turnover from the Solar Power Plant for the year March 31, 2019 is INR 684.01 Lakhs which is less than 10% of the total turnover (INR 21,300.76 Lakhs) of the Company.

Since Solar Power Plant is not considered as discontinuing operation, disclosures pertaining to Ind AS 105 are not required.

The loss on sale of the Asset INR 1709.10 Lakhs has been shown as an exceptional item on the face of Profit and Loss statement for the previous year ended 31 March 2020 and quarter ended 30 June 2019.

26. Gratuity and Leave Encashment

The company makes provision for defined benefits plans like gratuity and compensated absences. These provisions are done by the company annually on actual basis as the financial results are not prepared on a going concern basis as the company has filed a liquidation application and the same will be payable as per the provisions of Insolvency and Bankruptcy Code, 2016.

No provision for these benefits is made for the period ended 30 September 2020.

27. Interest

On account of loans being reclassified as Non-Performing Assets (NPA) by all lenders, interest has been provided for in the books of accounts:

Pre CIRP date interest is calculated on the basis of actual claim received from the financial creditors and included in the respective facility.

Post CIRP date interest is calculated at the rates charged by banks on actual basis and where interest is not charged by the bank, the same is provided at the rates used by the banks prior to CIRP date including penal interest as applicable for each facility availed by the company.

28. Bank Guarantees

During the period ended 30 September 2020, there are no adjustments on account of advance and performance bank guarantee.

During the year ended 31 March 2020, Advance Bank Guarantee invoked during the year ended was INR 6,346.50 Lakhs. Out of this, INR 311.16 Lakhs is charged to Statement of Profit and Loss, amount of INR 4,618.62 Lakhs has been adjusted against the advances and balance amount of INR 1,260.39 Lakhs is retained as receivable based on management assessment of these amounts.

Performance Bank Guarantee invoked during the year ended 31 March 2020 was INR 8,143.23 Lakhs. Out of this INR 4,979.76 Lakhs is charged to statement of profit and loss, INR 3,004.83 Lakhs is retained as receivable based on management assessment of these amounts and balance amount of INR 158.64 Lakhs is recovered from the customer.

29. Write off of Trade Receivable pertaining to Bank Guarantee:

Basis the assessment of management and lack of certainty on collectability of this amount, trade receivables pertaining to Bank guarantee invoked of INR NIL (previous year ended 31 March 2020 INR 499.93 Lakhs) have been written off during the period.

30. Contingent Liabilities and Commitments (to the extent not provided for) ****

| I) | Contingent Liabilities | 30 September 20 | 30 June 2020 | 31 March 20 |
|-----|---|--------------------------|--------------------------|--------------------------|
| | (to the extent not provided for) | | | |
| a) | Bank Guarantees outstanding as at the year-end (gross) –(Secured) | 6,868.49 | 6,868.49 | 8,656.58 |
| b) | Guarantee for Subsidiary Company* | - | - | - |
| c) | TDS Defaults** | 128.26 | 128.26 | 129.44 |
| II) | Legal Disputes | | | |
| a) | Disputed amount of Sales Tax. | 1,711.17 | 1,711.17 | 2,304.74 |
| b) | Claim made by workmen for re-instatement. Matter Subjudice. | Amount not ascertainable | Amount not ascertainable | Amount not ascertainable |
| c) | Disputed amount of Custom Duty. | 89.86 | 89.86 | 89.86 |
| d) | Disputed amount of Excise duty | 1,493.91 | 1,493.91 | 1,493.91 |
| e) | Disputed amount of Service tax. | 182.31 | 182.31 | 182.31 |
| f) | Claims against Company not acknowledged as debt*** | 11,273.29 | 11,273.29 | 12,913.90 |
| | Total | 21,747.30 | 21,747.30 | 25,770.74 |

*Corporate guarantee provided for EMCO Overseas Pte Ltd has been invoked due to non-payment of dues by subsidiary and outstanding amount USD 89.24 lacs has been claimed by PNB International

at the time of submission of claims to Resolution Professional and the same has been accepted by RP. Hence, provision to the extent of USD 89.24 lacs has been created in the books, however subsequent interest has not been provided.

****TDS Prosecution notices** has been served on the Company u/s 276B/276BB of Income Tax Act, 1961, during the financial year 2019-20 after the Company went in to CIRP (Corporate Insolvency Resolution Process) on account of failure to pay TDS to the Central Government as required under the provisions of Chapter XVII B within stipulated period as prescribed under Income Tax Act, 1961 and IT Act Rules, 1962 for various previous Assessment years.

*****Includes claims against Company not acknowledged as debt** includes claims received from operational creditors/debtors during the CIRP which are not recorded in the financial results.

****** All amount pertaining to litigations prior to the CIRP date** will be dealt with as per the provision of the IBC, 2016

31. Summary of transactions falling with the meaning of section 43 to section 66 of the Insolvency and Bankruptcy Code, 2016:

| Sr no | EMCO Funds Transferred To | Relevant Time Period | Amount Involved (INR Crs.) |
|-------|--|----------------------|----------------------------|
| 1 | Yuson's Investment Pvt Ltd. | 2010-11 to 2017-18 | 10.65 |
| 2 | EMCO Overseas Pte Ltd. | 2007-08 to 2018-19 | 126.00 |
| 3 | EMCO Power Ltd. | 2009-10 to 2017-18 | 101.00 |
| 4 | EMCO Global DMCC | March 2019 | 5.33 |
| 5 | Various parties through LC devolvement | 2015-16 to 2017-18 | 212.19 |
| | Total | | 455.17 |

32. As the company has filed liquidation application with the honourable NCLT and the financial results are prepared on a non-going concern basis, entire amount of unclaimed dividend is to be transferred to Investor Education and Protection Fund (IEPF). IEPF return has not been filed for the current year.

33. Non-Compliance of applicable laws and regulations:

As a consequence of the matters described above and various other matters discussed in these results, the company is not in compliance with various laws and regulations even before the CIRP started, including certain requirement of the Companies Act, 2013, FEMA, Factories Act, 1948 etc. Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine the impact/consequences, including financial and operational impact, of such non compliances on the company. Pending final determination and assessment thereof, no adjustments have been made to these results.

34. Company has foreign trade receivable of INR 1,728.29 Lakhs and foreign trade payables of INR 249.16 Lakhs outstanding for more than 180 days. This is in violation of the provision of Foreign Exchange Management Act ('FEMA'). The compounding fees that may devolve on the company on account of this non-compliance is currently not quantifiable.
35. For the period ended 30 September 2020, the management has not identified MSME vendors pertaining to the CIRP period and accordingly no interest has been paid/ provided for any delay in

payments made to MSME vendors during the quarter or on outstanding balances payable to MSME vendors as per the MSME Act.

36. Figures of the previous period have been regrouped and reclassified, wherever required.

For **JHS Associates LLP**
Chartered Accountants
Firm Registration No: 133288W / W100099

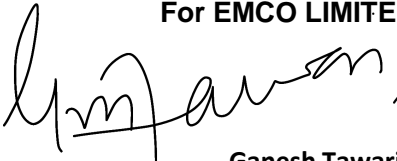
Taher A Pepermintwala
Partner
Membership No: 135507

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Place: Mumbai
Date: 17-05-2021

For **EMCO LIMITED**



Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M. No. A12896

SUNDARE
SH BHAT

Digitally signed by SUNDARESH BHAT
DN: c=IN, o=Personal, title=3680,
pseudonym=ddb944a598fa99fe2d1591e7887a5
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postalCode=396210, st=Daman and Diu,
serialNumber=9aa3dcd5c30f02b3b639bb7763c
7434fa699a40a4def357db0ebcabfc7f80cc0,
cn=SUNDARESH BHAT
Date: 2021.05.17 15:29:17 +05'30'

SUNDARESH BHAT

Resolution Professional of EMCO Limited (in CIRP)
IBBI Registration no. IBBI/IPA-001/IP-P00077/2017-18/10162
Signed without any liability for administration purpose
only, read with Note no. 10