

ENESTEE ENGINEERING LIMITED  
(IN LIQUIDATION)

**BALANCE - SHEET**

AS AT  
MARCH 31, 2021



*Khatri & Iyer*

CHARTERED ACCOUNTANTS

117, Zal Complex, Residency Road, Sadar, Nagpur - 01

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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF ENESTEE ENGINEERING LIMITED**  
**(IN LIQUIDATION)**

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The Honorable National Company Law Tribunal, Mumbai Bench, by an order dated 17.09.2019 admitted the Corporate Insolvency Resolution Process (CIRP) in the matter of the Company and appointed Mr. Atul Rajwadkar as Interim Resolution professional (IRP), who was later appointed as Resolution Professional (RP). In view of this, the Management of affairs of the company are being exercised by Mr. Atul Rajwadkar w.e.f. September 17, 2019. Further, Company's liquidation process has been recommended by the Committee of Creditors and approved by Hon'ble NCLT vide its Order dated 16.09.2020 and Mr Atul Rajwadkar has been appointed as Liquidator.

**Report on the audit of the financial statements:**

**Opinion**

We have audited the accompanying financial statements of ENESTEE ENGINEERING LIMITED, which comprise the balance sheet as at March 31, 2021 and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss and cash flows for the year ended on that date, subject to comments that,



01. Balances of Sundry Debtors and Creditors are subject to confirmation.
02. Work-in-progress (being a technical matter) and stock of materials at the year end, as taken, valued and certified by the Management is taken and accepted as correct.
03. As the Company is under liquidation and claims received from creditors are finalized by Liquidator, as per details given in Significant Accounting Policies and Notes on Accounts, no provision for interest payable to banks/ financial institutions is made.
04. Accounts of the Company are prepared on going concern and on historical cost method though it is under process of liquidation.

#### **Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

#### **Material Uncertainty Related to Going Concern**

The Company's net worth is negative and the borrowings from banks and financial institutions have been classified by the lenders as non-performing assets. After Corporate Insolvency Resolution Process (CIRP), the Committee of Creditors recommended for Liquidation, which was duly approved by Hon'ble NCLT vide its order 16.09.2020. The Liquidator has continued the affairs of the company as going concern to preserve the value of assets. However, the above factors cast a significant uncertainty on the Company's ability to continue as a going concern. The Resolution Professional has commenced proceedings for recovery and has accepted claims which are disclosed in notes to accounts. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

#### **Key audit matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in



forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

#### **Information other than the financial statements and auditors' report thereon:**

Resolution professional/ Liquidator are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's responsibility for the financial statements:**

The Management of the Company responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



The Company's Management is also responsible for overseeing the Company's financial reporting process.

#### Auditor's responsibilities for the audit of the financial statements:

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements:

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

#### As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.



(e) In terms of section 17(1)(b) of the Insolvency and Bankruptcy code, 2016, the power of the Board of Directors has been suspended and is exercised by the Resolution professional up to 15.09.2020 and by Liquidator after that date. Hence disqualification of Directors in terms of Section 164(2) of the Companies Act, 2013, is not relevant for the Company..

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- a. The Resolution professional/ Liquidator has called for claims of creditors and has also commenced process of realization of assets. These will have substantial impact on financial position of the company.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Khatri & Iyer  
Chartered Accountants



JAGDISH KHATRI  
Partner  
M.No. 035495  
Firm Reg. No. 113433W  
UDIN : 21035494AAAADT5371

NAGPUR  
September 09, 2021

## **“A” to the Independent Auditor’s Report:**

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of **ENESTEE ENGINEERING LIMITED (In Liquidation)** (of September 09, 2021) for financial statements for the year ended on March, 31, 2021

1.	In respect of the Company’s fixed assets:	
	(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets during the period of CIRP & Liquidation process. However, these records are not duly updated due to shortcomings in some of previous records; the same might not be fully updated.
	(b)	The fixed assets of the Company were physically verified in full by the Management during the year. According to the information and explanations given to us and as examined by us, discrepancies noticed on such verification are duly accounted for and these assets are shown as other current assets.
	(c)	According to the information and explanations given to us, the records examined by us, based on conveyance deeds provided to us, we report that the title deeds in respect of all land and building are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
2.	As explained to us, the inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no discrepancies were noticed on such verification, were considered and duly provided for in the financial statements.	
3.	According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.	
4.	In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.	
5.	In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.	
6.	As per information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.	



7.	In respect of statutory dues:																								
(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax (VAT), service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have not been generally regularly deposited during the year by the company with the appropriate authorities.																								
	According to the information and explanations given to us, details of undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable are furnished below :																								
	<table><tr><th>Particulars</th><th>Amount ₹</th></tr><tr><td>1. ESIC</td><td>7,95,919</td></tr><tr><td>2. Provident Fund</td><td>31,88,959</td></tr><tr><td>3. Service Tax</td><td>30,30,119</td></tr><tr><td>4. Profession Tax</td><td>7,58,900</td></tr><tr><td>5. Income tax deducted at source</td><td>69,92,392</td></tr><tr><td>6. Goods and Services tax</td><td>88,46,212</td></tr></table>	Particulars	Amount ₹	1. ESIC	7,95,919	2. Provident Fund	31,88,959	3. Service Tax	30,30,119	4. Profession Tax	7,58,900	5. Income tax deducted at source	69,92,392	6. Goods and Services tax	88,46,212										
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(b)	According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax, which have not been deposited on account of any dispute .																								



8.	<p>In our opinion and according to the information and explanations given to us, the company has defaulted in payment of dues to financial institutions or banks or any government or any debenture holders during the year. Relevant details are furnished below :</p> <p style="text-align: right;">₹</p> <table> <tr> <td>1. Cash Credit –Punjab National Bank</td><td>78,37,52,247</td></tr> <tr> <td>2. Cash Credit –IDBI Bank Ltd</td><td>21,24,07,772</td></tr> <tr> <td>3. Overdraft – IDBI Bank Ltd.</td><td>1,97,226</td></tr> <tr> <td>4. Term Loan – South India Bank Ltd</td><td>2,97,14,761</td></tr> <tr> <td>5. Term Loan – Punjab National Bank</td><td>19,34,83,201</td></tr> <tr> <td>6. Vehicle Loans Overdue from Banks</td><td>4,84,782</td></tr> <tr> <td>7. Vehicle Loans Overdue from NBFC's</td><td>73,39,687</td></tr> <tr> <td>8. Unsecured Business loans overdue from Banks</td><td>5,90,071</td></tr> </table>	1. Cash Credit –Punjab National Bank	78,37,52,247	2. Cash Credit –IDBI Bank Ltd	21,24,07,772	3. Overdraft – IDBI Bank Ltd.	1,97,226	4. Term Loan – South India Bank Ltd	2,97,14,761	5. Term Loan – Punjab National Bank	19,34,83,201	6. Vehicle Loans Overdue from Banks	4,84,782	7. Vehicle Loans Overdue from NBFC's	73,39,687	8. Unsecured Business loans overdue from Banks	5,90,071
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9.	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).																
10.	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.																
11.	No managerial remuneration has been paid during the year. Hence, provisions of Section 197 read with Schedule V , of the Companies Act , 2013 are not applicable to the Company for the year.																
12.	The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.																
13.	According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.																
14.	According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.																
15.	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.																
16.	According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.																

**For Khatri & Iyer  
Chartered Accountants**



*Khatri*

**JAGDISH KHATRI**  
Partner  
M.No. 0335495  
Firm Reg. No. 113433W  
UDIN: 21035495AAAADT5371

**NAGPUR**  
**September 09, 2021**

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of **ENESTEE ENGINEERING LIMITED** (in Liquidation) of September 09, 2021)

### **Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013.**

We have audited the internal financial controls over financial reporting of **ENESTEE ENGINEERING LIMITED** as at March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s responsibility for internal financial controls:**

The Management of the Company (Liquidator) is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ responsibility:**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

### **Meaning of internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of internal financial controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



**NAGPUR**  
**September 09, 2021**

**For Khatri & Iyer**  
**Chartered Accountants**

**JAGDISH KHATRI**  
**Partner**  
**M. No. 035495**  
**Firm Reg. No. 113433W**  
**UDIN : 21035495AAAA**

**ENESTEE ENGINEERING LIMITED, NAGPUR ( IN LIQUIDATION)**

**BALANCE-SHEET AS AT MARCH 31,2021**

<b><u>EQUITY AND LIABILITIES</u></b>	<b><u>NOTE REF.</u></b>	<b><u>AS AT MARCH 31, 2021</u></b>		<b><u>AS AT MARCH 31, 2020</u></b>	
		₹	₹	₹	₹
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	01	106672800		106672800	
Reserves & Surplus	02	(1124144635)	(1017471835)	(999828580)	(893155780)
<b>Share Application Money pending allotment</b>			0		0
<b>NON CURRENT LIABILITIES</b>					
Long Term Borrowings	03	103341343		103341343	
Deferred tax		0		0	
Other Long term liabilities	04	183796150	287137493	183796150	287137493
<b>CURRENT LIABILITIES</b>	05				
Short Term Borrowings		996357245		996357245	
Trade Payables		456693775		454180341	
Other Current Liabilities		375598801		310668054	
Short term Provisions		0	1828649821	0	1761205640
<b>TOTAL</b>			<b>1098315479</b>		<b>1155187353</b>
<b>ASSETS</b>					
<b>NON CURRENT ASSETS</b>					
<b>Property, Plant and Equipment</b>					
Tangible Assets	06	388684203		417578901	
Intangible Assets		0		0	
Capital Work-in-Progress		0		0	
		388684203		417578901	
<b>Long Term Loans &amp; Advances</b>	07	55052934		101243077	
<b>Deferred tax Assets</b>		1742449	445479586	802571	519624548
<b>CURRENT ASSETS</b>	08				
Inventories		12108034		10509811	
Trade Receivables		502176642		507461686	
Cash & Cash Equivalents		21322009		629239	
Short Term Loans & Advances		117229208	652835893	116962068	635562804
<b>TOTAL</b>			<b>1098315479</b>		<b>1155187353</b>

**Significant Accounting Policies  
Notes on Financial Statements**

1 to 21

This is the Balance-sheet referred to in our Audit Report of even date attached.

The Notes referred to above form an integral Part part of the accounts.

**ENESTEE ENGINEERING LIMITED ( In Liquidation)**

*Jagdish Khatri*  
Jagdish Khatri  
Partner  
Membership No 035495  
For & on behalf of  
Khatri & Iyer  
Chartered Accountants  
Firm Registration No 113433W



NAGPUR  
September 09,2021

*Atul Rajwadkar*  
Atul Rajwadkar  
Liquidator

NAGPUR  
September 09,2021

**ENESTEE ENGINEERING LIMITED, NAGPUR ( IN LIQUIDATION)**  
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2021**

	NOTE REF	This year ₹	Last year ₹
<b>INCOME :</b>			
Revenue from Operations	09	7395480	111560903
Other Income	10	980930	224667
<b>Total Revenue</b>		<b>8376410</b>	<b>111785570</b>
<b>EXPENDITURE :</b>			
Cost of Materials Consumed	11	2393762	59513123
Changes in Inventories of Finished Stock	12	(2147965)	41694751
Employees Benefits Expenses	13	8333494	17098479
Finance Costs	14	0	107819335
Depreciation & Amortisation	05	28894698	28894699
Other Expenses	15	13114192	59711161
<b>Total Expenses</b>		<b>50588182</b>	<b>314731548</b>
<b>Loss before Exceptional &amp; Extraordinary items before tax</b>		<b>(42211772)</b>	<b>(202945978)</b>
Prior period Expenses	16	79234094	27665580
<b>Loss before Exceptional items before tax</b>		<b>(121445866)</b>	<b>(230611558)</b>
Prior period Income-tax		3810067	0
<b>Loss before Tax</b>		<b>(125255933)</b>	<b>(230611558)</b>
<b>Tax Expenses:</b>			
Current tax		0	0
Deferred tax		939878	1952922
<b>Loss after Tax</b>		<b>(124316055)</b>	<b>(228658636)</b>
<b>Earning per Equity Share of Face Value of ₹ 10 each</b>	17	<b>0.00</b>	<b>0.00</b>
<b>Significant Accounting Policies Notes on Financial Statements</b>	1 to 21		

This is the Profit & Loss Account referred to in our Audit Report of even date attached

The Notes referred to above form an integral Part of the Profit & Loss Account

**ENESTEE ENGINEERING LIMITED ( In Liquidation)**

*Atul*  
**Jagdish Khatri**  
**Partner**  
**Membership No 035495**  
**For & on behalf of**  
**Khatri & Iyer**  
**Chartered Accountants**  
**Firm Registration No 113433W**



**NAGPUR**  
**September 09,2021**

*Atul*  
**Atul Rajwadkar**  
**Liquidator**

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**September 09,2021**

**ENESTEE ENGINEERING LIMITED, NAGPUR ( IN LIQUIDATION)**

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE-SHEET FOR THE PERIOD FROM  
APRIL 01,2020 TO MARCH 31,2021**

	₹
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Loss as per Statement of Profit & Loss	(124316055)
Less Depeciation	28894698
Add Interest Income	(980930)
Add Defrred tax Asset	(939878)
Add Interest Paid	0
<b>Operating Loss before capital changes in working capital</b>	<b>(97342165)</b>
Increase in Inventories	(1598223)
Decrease in Receivables	5285044
Increase in Trade Payables	2513434
Increase in other current liabilities	64930747
Increase in Long Term Liabilities	0
<b>Net Decrease in working capital</b>	<b>71131002</b>
<b>Cash flow from operating activities</b>	<b>(26211163)</b>
<b>B.Cash flow from Investing Activities</b>	
Net increase in Tangible fixed assets	0
Interest Income	980930
Decrease in Long Term Advances	46190143
Increase in other current assets	(267139)
<b>Cash flow from Investing Activities</b>	<b>46903934</b>
<b>C. Cash flow from Financing Activities</b>	
Interest Paid	0
<b>Cash flow from financing activities</b>	<b>0</b>
<b>Increase in cash &amp; cash equivalent</b>	<b>20692771</b>
<b>Opening cash &amp; cash equivalents</b>	<b>629239</b>
<b>Closing cash &amp; cash equivalents</b>	<b>21322009</b>

As per our audit report of even date

  
Jagdish Khatri  
Partner  
Membership No 035495  
For & on behalf of  
Khatri & Iyer  
Chartered Accountants  
Firm Registration No 113433W



NAGPUR  
September 09,2021

ENESTEE ENGINEERING LIMITED ( In Liquidation)

  
Atul Rajwadkar  
Liquidator

NAGPUR  
September 09,2021

**ENESTEE ENGINEERING LIMITED, NAGPUR ( IN LIQUIDATION)**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2021**

The Previous years figures have been regrouped / reclassified, wherever necessary to confirm to the current year's presentation.

	<u>As at March 31,2021</u>	<u>As at March 31,2020</u>
	₹	₹
<b>NOTE - 01</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
10000000 Equity Shares of ₹ 10 each	100000000	100000000
10000000 Preference Shares of ₹ 10 each	<u>100000000</u>	<u>100000000</u>
<b>ISSUED,SUBSCRIBED AND PAID-UP :</b>		
8232088 Equity Shares of ₹ 10 each fully paid up	82320880	82320880
2435192 Preference Shares of ₹ 10 each fully paid up	<u>24351920</u>	<u>24351920</u>
	<u>106672800</u>	<u>106672800</u>

**List of Shareholders holding more than 5% equity shares**

		<u>No. of equityShares held</u>	
<u>Shareholders</u>	<u>Percentage of holding</u>	<u>As at March 31,2021</u>	<u>As at March 31,2020</u>
Ambili Madhu Nair	16.71%	1375700	1375700
Apama Madhu Nair	6.64%	546667	546667
Chitra Madhu Nair	8.06%	663333	663333
Madhu K. Nair	30.86%	2540337	2540337
Oxide Tie-Up Pet. Ltd.	10.80%	889473	889473
Sandeep Madhu Nair	16.69%	1374000	1374000
Shruti Vinimay Pvt. Ltd.	5.49%	451754	451754
		<u>7841264</u>	<u>7841264</u>

**The Reconciliation of the number of shares outstanding is set out as below:**

	<u>As at March 31,2021</u>	<u>No. of Shares</u>	<u>As at March 31,2020</u>
<u>Particulars</u>			
Equity Shares at the beginning of the year	8232088		8232088
Add : Shares issued during the year	0		0
Less Shares bought back during the year	0		0
Equity Shares at the end of the year	<u>8232088</u>		<u>8232088</u>

**NOTE - 02**

**RESERVES AND SURPLUS**

<b>Securities Premium Reserve</b>	147358942	147358942
<b>Profit and Loss Account</b>		
Balance brought forward from -		
previous balance-sheet	(1147187522)	(918528886)
Add Loss for the year	<u>(124316055)</u>	<u>(228658636)</u>
	<u>(1124144635)</u>	<u>(999828580)</u>



**NOTE - 03**

**NON CURRENT LIABILITIES  
LONG TERM BORROWINGS**

**1. Secured Loans**

**a) Short term loans from  
Oriental Bank of Commerce  
(Punjab Bational Bank)**

Corporate Term Loan

Current Maturities	As at March 31,2021	Current Maturities	As at March 31,2020
	₹		₹
193483201	0	193483201	0

The above loans are secured against first charge over Factory land & shed of the Company Office Premises and residential premises of in the name a Director Directors, and second Pari Passu charge over property at Tarsa Road, Nagpur, owned by the Company and Personal Guarantees of three Directors of the Company)

Repayment terms :

(Repayable in 60 monthly instalments up to Dec 2021)

(Amount overdue for repayment ₹ 193483201 (Last year ₹ 193483201))

**South India Bank Ltd**

29714761	0	29714761	0
----------	---	----------	---

The above loans are secured against first charge over Factory land & shed of the Company Office Premises and residential premises of in the name a Director Directors, and second Pari Passu charge over property at Tarsa Road, Nagpur, owned by the Company and Personal Guarantees of three Directors of the Company)

(Amount overdue for repayment 29714761 year 29714761)

223197962	0	223197962	0
-----------	---	-----------	---

**b) Short term loans against hypothecation  
of Vehicles/Machinery**

**I. From Banks**

i) Kotak Mahindra Bank Ltd. (Top up Loan)  
(Secured against construction Equipments)  
(Repayable in 35 instalments of 83000 each payable up to October 2019)  
(Amount overdue for repayment ₹ 484782)

484782	0	484782	0
484782	0	484782	0

**II. From Non-banking Finance Companies :**

i) Hinduja Leyland Finance Ltd - CRNGNG00493  
(Secured against Vehicle )  
(Repayable in 35 EMI of 387829 up to April 19)  
(Amount overdue for repayment ₹ 1638144)

1638144	0	1638144	0
---------	---	---------	---



	Current Maturities	As at March 31,2021	Current Maturities	As at March 31,2020
ii)Hinduja Leyland Finance Ltd - CRNGNG00894 (Secured against Vehicle ) (Repayable in 36 EMI of 143617 up to Feb 21) (Amount overdue for repayment ₹ 2952222)	2952222	0	2952222	0
iii)Hinduja Leyland Finance Ltd - CRNGNG00926 (Secured against Vehicle ) (Repayable in 36 EMI of 132935 up to Feb 21) (Amount overdue for repayment ₹ 2749321)	2749321	0	2749321	0
	7339687	0	7339687	0
	231022431	0	231022431	0
<b>Total Secured Loans</b>				
<b>2. Unsecured Loans</b>				
<b>From Banks</b>				
i)HDFC Bank Limited (Business Loan) (Repayable in 36 EMI of 300000 each) (Repayable up to March 2019) (Amount overdue for repayment ₹ 383186)	383186	0	383186	0
ii)RBL Bank Limited-809000614404 (Repayable in 37 EMI of 252859 each payable up to February 2019) (Amount overdue for repayment ₹ 153122)	153122	0	153122	0
iii)Fullerton Ltd.	53763	0	53763	0
	590071	0	590071	0
<b>From Others</b>				
Directors & Other Concerns	0	22314225	0	22314225
From Associate Concerns (Repayable on demand)	0	81027118	0	81027118
<b>Total</b>	0	103341343	0	103341343
<b>Grand Total</b>	231612501	103341343	231612501	103341343

The above Unsecured Loans include:  
From Body Corporates

81027118	81027118
----------	----------

#### NOTE - 04

#### OTHER LONGTERM BORROWINGS

Retention Money from Sub contractors  
Security Deposits

54144545	54144545
129651605	129651605
183796150	183796150



## NOTE - 05

## CURRENT LIABILITIES :

As at March

31,2021

₹

As at March

31,2020

₹

## a) SHORT TERM BORROWINGS

Loans Repayable on Demand

From Banks - Secured

- i) Cash Credit in Oriental Bank of Commerce  
(Punjab National Bank)

783752247

783752247

(The above loan is secured against hypothecation of stock of materials, stock-in-process, finished goods, stores & spares and receivables on pari passu basis with IDBI Bank and South India Bank and charge over fixed assets as mortgaged for term loans mentioned above)

- ii) Cash Credit in IDBI Bank Ltd

212407772

212407772

- iii) Overdraft at IDBI Bank Ltd

197226

197226

(The above loan is secured against hypothecation of stock of materials, stock-in-process, finished goods, stores & spares and receivables on pari passu basis with Oriental Bank of Commerce and South India Bank Ltd and First charge over property at Tarsa Road, Nagpur owned by the Company and second pari passu charge over other fixed assets mortgaged for term loans from Oriental Bank of Commerce mentioned above)

## b) From Others

0

0

996357245

996357245

## b) TRADE PAYABLES

456693775

454180341

## c) OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debts

231612501

231612501

Creditors for Capital Expenditure

0

0

Other Payables\*

143986300

79055553

375598801

310668054

\* Other Payables includes Advances from customers, Payables for statutory dues & other expenses

Out of the above :

Loans &amp; Advances to Directors/Related Parties

0

0

## d) SHORT TERM PROVISIONS

Provision for Income-tax

0

0

0

0



NOTE 06  
PROPERTY, PLANT AND EQUIPMENT

₹

PARTICULARS	Gross Block As on 31.03.2020	Purchases/ Additions	Sales/ Deductions	Gross Block As on 31.03.2021	Depreciation up to 31.03.2020	Depreciation for the year	Depreciation Adjustment	Depreciation up to 31.03.2021	NET BLOCK AS ON 31.03.2021	NET BLOCK AS ON 31.03.2020
<b>Tangible Assets</b>										
Land	98179584	0	0	98179584	0	0	0	0	98179584	98179584
Buildings	135036274	0	0	135036274	28684826	4280650	0	32965476	102070798	106351448
Plant and Equipments	359172697	0	0	359172697	151665293	22735632	0	174400925	184771772	207507404
Furniture and Fixtures	12647910	0	0	12647910	8777620	1201551	0	9979171	2668739	3870290
Computers	5095712	0	0	5095712	5045349	34909	0	5080258	15454	50363
Temporay Hutmment	6341830	0	0	6341830	6341830	0	0	6341830	0	0
Vehicles	6757436	0	0	6757436	5137624	641956	0	5779580	977856	1619812
	623231443	0	0	623231443	205652543	28894698	0	234547241	388684203	417578901
<b>Intangible assets</b>										
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	623231443	0	0	623231443	205652543	28894698	0	234547241	388684203	417578901
Previous Year	658723890	0 (35492447)	623231443	202294508	28894699	(25536664)	205652543	417578901	456429382	
Capital Work in Progress	0	0	0	0	0	0	0	0	0	0



## NOTE - 07

## LONG TERM LOANS &amp; ADVANCES

## Unsecured, considered good

	As at March 31,2021 ₹	As at March 31,2020 ₹
Advances for Capital Goods	0	0
Loans & Advances	0	0
Other Advances	33916708	79595863
Deposits for Power & Other Utilities	21136227	21647214
	<u>55052934</u>	<u>101243077</u>

## Out of the above :

Loans & advances to  
Directors/Related Parties

Nil	Nil
-----	-----

NOTE - 08  
CURRENT ASSETS

## i) INVENTORIES :

As taken, valued and certified by the Management  
Valued at lower of cost or net realisable value

Raw Materials & Components	4627093	4761850
Work-in-progress	4730400	2582435
Finished Goods	0	0
Stores , Spares & Consumables	2750540	3165526
	<u>12108034</u>	<u>10509811</u>

## ii) TRADE RECEIVABLES :

a.Outstanding for a period exceeding six months

I) Unsecured considered good

II) Unsecured considered doubtful-not provided for

b.Others

	0	0
	499691003	484242457
	2485639	23219230
	<u>502176642</u>	<u>507461686</u>

Out of the above :

Debts due from Directors

From Companies & Concerns under the same Management  
considered good, outstanding for a period :

not exceeding six months

exceeding six months

	0	0
	0	0
	<u>0</u>	<u>0</u>

## iii) CASH AND CASH EQUIVALENTS

Cash-in-hand

Balances with Scheduled Banks :

In Current Accounts

In Fixed Deposits

Others

	11032	26729
	1042670	602510
	20268308	0
	0	0
	<u>21322009</u>	<u>629239</u>

## iv) SHORT TERM LOANS &amp; ADVANCES :

Trade Advances

Other Advances & Deposits

	117229208	116962068
	0	0
	<u>117229208</u>	<u>116962068</u>

Out of the above advances :

Advances to the Directors

Advances to Associate Concern against Purchases

	0	0
	0	0
	<u>0</u>	<u>0</u>
	<u>117229208</u>	<u>116962068</u>



	For the period ended <u>March 31, 2021</u> ₹	For the year ended <u>March 31, 2020</u> ₹
<b>NOTE-09</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products & Services	7395480	111560903
	<u>7395480</u>	<u>111560903</u>
<b>NOTE- 10</b>		
<b>OTHER INCOME</b>		
Interest Income	980930	184200
Other non-operating Revenue	0	40467
	<u>980930</u>	<u>224667</u>
<b>NOTE- 11</b>		
<b>COST OF MATERIALS CONSUMED :</b>		
Imported	0	0
Indigenous	2393762	59513123
	<u>2393762</u>	<u>59513123</u>
<b>Particulars of major materials consumed:</b>		
Steel Sheets, Welding Rod.	2393762	59513123
	<u>2393762</u>	<u>59513123</u>
<b>NOTE - 12</b>		
<b>INCREASE/DECREASE IN STOCK :</b>		
<b>Opening Stock :</b>		
Finished Goods	0	0
Work-in-progress	2582435	44277186
	<u>2582435</u>	<u>44277186</u>
<b>Closing Stock :</b>		
Finished Goods	0	0
Work-in-progress	4730400	2582435
	<u>4730400</u>	<u>2582435</u>
<b>(INCREASE)/DECREASE IN STOCK</b>	<u>(2147965)</u>	<u>41694751</u>
<b>NOTE - 13</b>		
<b>EMPLOYEES BENEFIT EXPENSES :</b>		
Salaries & Bonus	7525817	15870438
Employer's Contributions to Provident Fund	390848	774880
Employee's Contributions to ESIC	138151	265127
Staff Welfare Expenses	278678	188034
	<u>8333494</u>	<u>17098479</u>
<b>NOTE - 14</b>		
<b>FINANCE COSTS :</b>		
<b>Interest Expenses</b>		
Interest on term Loans to Banks	0	23832435
Interest on Vehicle Finance	0	9961
Interest on working capital loans	0	83887984
<b>Other Interest</b>	0	88955
	<u>0</u>	<u>107819335</u>



**NOTE -15****OTHER EXPENSES****Manufacturing & Operating Expenses**

Power Charges	2146000		3814620	
Diesel & Other Fuel Expenses	158245		882168.92	
Loading Unloading Expenses	0		1143691	
Labour Expenses	0		20740	
Contractor & PF & ESIC	0		162992	
Contract Labour Charges	1845755		40118869	
Machining & Job work charges	0		36500	
Machinery Repairs & Maintenance	37745		238061	
Hire Charges	673980		960471	
Testing Charges	8000		122168	
Sundry Site Expenses	0		1715519	
Other Manufacturing Expenses	308401	5178126	747981	49963781

**Selling & Distribution Expenses**

Advertisements	280320		172640	
		280320		172640

**Establishment Expenses**

Bank Charges	8428		1593519	
Insurance	371454		80855	
Repairs & Maintenance	97224		270766	
Legal & Professional Expenses	4614640		502000	
Professional & Consultancy Fees	330000		716580	
Travelling & Conveyance Expenses	266409		811780	
Miscellaneous Expenses	197627		1587303	
Postage & courier Expenses	34067		19394	
Rent, Rates & Taxes	749405		2361010	
Printing & Stationery	59917		128373	
Electricity	74710		203692	
Security Charges	676865		1124468	
Auditor's Remuneration :				
As Audit Fee	150000		150000	
For Taxation Matters	25000	7655747	25000	9574740
		13114192		59711161

**NOTE 16****PRIOR PERIOD EXPENSES**

Sales Tax payable on assessments	79234094		0	
Contract Labour Charges	0		27665580	
	79234094		27665580	

**NOTE - 17****EARNINGS PER EQUITY SHARES**

i) Net Loss after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(124316055)	(228658636)
ii) Number of Equity Shares	82320880	82320880
iii) Earnings Per Share	0.00	0.00



**NOTE - 18**  
**FOREIGN CURRENCY TRANSACTIONS**

Expenditure:

Import of Raw Materials

Nil

Nil

Earnings:

Nil

Nil

**NOTE - 19**

**RELATED PARTY DISCLOSURES**

The following transactions entered into with related parties :

	<u>For F Y 2020-21</u>	<u>For F Y 2019-20</u>
	₹	₹
a) Office Rent paid to relatives of Directors :		
ii) Ms . Aishwarya Nair	504000	700000
b) Outstanding Balances		
i) Sundry Creditors	40205157	39751557
ii) Unsecured Loans received	103341343	103341343

**NOTE - 20**  
**CONTINGENT LIABILITIES**

	<u>As at March</u>	<u>As at March</u>
	<u>31,2021</u>	<u>31,2020</u>
	₹	₹
a) Counter Guarantees issued for bank guarantees	Nil	Nil
b) Claims against company not acknowledged as debt: Sales tax payable on assessment disputed in Appeal	227575066	73337980
c) Contracts remaining to be executed on Capital Accounts	Nil	Nil

**AS PER AUDIT REPORT OF EVEN DATE**

*Jagdish Khatri*  
Jagdish Khatri  
Partner  
Membership No 035495  
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NAGPUR  
September 09,2021

**ENESTEE ENGINEERING LIMITED ( In Liquidation)**

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September 09,2021

# **ENESTEE ENGINEERING LIMITED (IN LIQUIDATION)**

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

### **A. Basis of Preparation of Financial Statements:**

Company's liquidation process was recommended by the Committee of Creditors and approved by Hon'ble NCLT vide its Order dated 16.09.2020 and Company is in the process of Liquidation as on March 31, 2021. The financial statements are prepared under the historical cost convention and on accrual basis. Though claims have been received under the Corporate Insolvency Resolution Process (CIRP) and Liquidation, no effect has been given to these claims in the books of accounts of the company. Most of the debts of the company are not realizable. However, no effect has been given to these, while preparing the financial statements.

The statement of Claims made and accepted during Liquidation is as under:

Sr. No	Creditor Type	Amount Claimed			Amount Admitted as per approved List of Creditors dated 21.11.2020		
		Basic	Interest	Total	Basic	Interest	Total
1	Financial Creditor	1,10,51,17,193.82	36,63,14,500.25	1,47,14,31,694.07	1,10,51,17,193.82	35,66,81,006.25	1,46,17,98,200.07
2	Operational Creditor	14,24,65,359.00	2,33,18,418.00	16,57,83,777.00	13,62,13,891.16	94,26,847.58	14,56,40,738.74
3	Workmen & Employees	1,39,38,990.00	-	1,39,38,990.00	1,15,66,041.09	-	1,15,66,041.09
	Total	1,26,15,21,542.82	38,96,32,918.25	1,65,11,54,461.07	1,25,28,97,126.07	6,61,07,853.83	1,61,90,04,979.89

### **B. Fixed Assets:**

- Fixed assets are stated at cost, along with costs directly attributable to bring the asset to their working condition.
- Depreciation has been provided in the manner and at the rates calculated as per remaining useful life of tangible assets, as stipulated in the Schedule II of the Companies Act, 2013, on straight line method.
- There are certain fixed assets which were missing or sold by the erstwhile management of the company for which necessary application has been made by the then Resolution Professional; now Liquidator. Such assets have been reduced from the Gross Block and shown in suspense account.



C. **Inventories:**

Inventories comprising of raw materials, stores & consumables work-in- process and finished products have been valued at lower of cost or net realisable value.

During the year the Management has reviewed the position of stock as to the quality, suitability and net revealable value. On the basis of such review, the stock has been suitably valued taking into account, the net realizable value.

D. **Deferred tax Liability:**

A Provision of Deferred Tax Assets of ₹ 1742449 (Last year deferred tax Assets ₹ 8,02,571), has been made (as per Accounting Standard 22), arising due to timing differences in the depreciation charged under the Income-tax Act, 1961 and that charged under the Companies Act, 1956. No provision has been made for deferred tax assets on account of Unabsorbed loss or depreciation brought forward as per Income tax Act, 1961, as the Company is under liquidation and considering its profitability trend and its income tax liability in near future.

E. **Revenue Recognition:**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

F. **Segment Reporting :**

As the Company operates in a single segment, segment-wise reporting is not applicable.

G. **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



H General:

Other accounting policies of the Company are consistent with generally accepted accounting policies.

For Khatri & Iyer  
Chartered Accountants  
Firm Reg. No. 113433W



JAGDISH KHATRI  
Partner  
M. No. 035495

NAGPUR  
September 09 ,2021



For ENESTEE ENGINEERING LIMITED  
( In Liquidation)



Atul Rajwadkar  
Liquidator

NAGPUR  
September 09 , 2021