

SIDCL/Sect/2024-25/096

December 13, 2024

BSE Limited
P. J. Towers,
Dalal Street, Mumbai-400001
BSE Scrip Code: 511411/955319

The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata - 700001
CSE Scrip Code: 026027

Dear Sir/Madam,

Sub: Discrepancies in Financial Results

With reference to, the captioned subject and your email dated December 12, 2024 regarding submission of Limited Review Report – Consolidated Results for the period ended September 30, 2024. Please find enclosed herewith-updated Limited Review Report as advised by you.

We request you to take the same on record.

Thanking you,

Yours faithfully,
For **Shristi Infrastructure Development Corporation Limited**

KRISHNA
KUMAR PANDEY

Digitally signed by KRISHNA
KUMAR PANDEY
Date: 2024.12.13 16:02:57 +05'30'

Krishna K Pandey
Company Secretary & Compliance Officer

Encl: As above

R Kothari & Co LLP

**CHARTERED ACCOUNTANTS
KOLKATA, NEW DELHI**

INDEPENDENT AUDITOR'S REVIEW REPORT ON UNAUDITED CONSOLIDATED FINANCIAL RESULTS

To
The Board of Directors
M/s. Shristi Infrastructure Development Corporation Limited

Limited Review Report of the Unaudited Consolidated Financial Results for the quarter and half year ended 30th September, 2024

Qualified Conclusion

1. We have reviewed accompanying Statement of Unaudited Consolidated Financial Results of **SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED** ('hereinafter referred to as the Holding Company') and its subsidiaries, associates & joint ventures (the Holding Company and others together referred to as "the Group"), for the quarter and half year ended 30th September, 2024, together with notes thereon attached herewith being submitted by the Company pursuant to the requirement of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS) for Interim Financial Reporting ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with the Listing Regulations. Our responsibility is to issue a report on these Financial Statements based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



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Website : www.rkothari.in Web-mail : kolkata@rkothari.in**

R Kothri & Co (a partnership firm with FRN-307069E) converted into R Kothari & Co LLP. (a Limited Liability Partnership with LLP Identification No.AAS-5294 w.e.f 3rd June, 2020)

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Consolidated Financial Result includes the results of the following entities:

Sl	Name	Relation	Proportion of ownership interest
1	Shristi Urban Infrastructure Development Limited	Subsidiary	59.99%
2	Sarga Udaipur Hotels & Resorts Private Limited	Subsidiary	39.39%
3	Border Transport Infrastructure Development Limited	Subsidiary	100.00%
4	East Kolkata Infrastructure Development Private Limited	Subsidiary	100.00%
5	Finetune Engineering Services Private Limited	Subsidiary	100.00%
6	Vipani Hotels & Resorts Limited	Subsidiary	100.00%
7	Vindhyachal Attivo Food Park Private Limited	Subsidiary	89.31%
8	Haldia Water Services Private Limited	Associate	34.23%
9	Bengal Shristi Infrastructure Development Limited	Joint Venture	33.24%

5. Based on our review conducted as above, except for the possible effects of the matter described in the paragraph 6 below "Basis for qualified conclusion" and read with our comments in paragraph 7 below "Material Uncertainty Relating to Going Concern" and paragraph 8 "Emphasis of Matter", and paragraph 9 "Other Matter", nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the applicable Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Basis for qualified conclusion

- a) We draw your attention to Note 10 to the accompanying financial results regarding non-provision of interest expense of Rs. 648.20 lakhs & Rs. 1289.50 lakhs on the borrowings from Srei Equipment Finance Limited for the quarter & half year ended 30th September, 2024 respectively (Cumulative non-provisioning of interest w.e.f 1st April, 2023 to 30th September, 2024 for Rs. 3868.78 lakhs) which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments.

This has resulted understatement of finance cost to the extent with consequential impact on other reported financials along with non-provision of Cumulative TDS liability in this regard of Rs. 272.10 lakhs as on 30th September, 2024.

Had the aforesaid interest expense been recognized, the finance cost for the quarter & half year ended 30th September, 2024 would have been Rs. 1161.80 lakhs & Rs. 2127.64 lakhs instead of Rs. 513.60 lakhs & Rs. 838.14 lakhs respectively.



The total expenses for the quarter & half year ended 30th September, 2024 would have been Rs. 2865.83 & Rs. 5211.84 lakhs instead of Rs. 2217.63 lakhs & Rs. 3922.34 lakhs respectively.

The Net Profit /(loss) after tax for the quarter & half year ended 30th September, 2024 would have been Rs. (1639.92 lakhs) & Rs. (3117.46 lakhs) instead of Rs. (991.72 lakhs) & Rs. (1827.96 lakhs) respectively.

Total comprehensive Profit /(Loss) for the quarter & half year ended 30th September, 2024 would have been Rs. (1636.67 lakhs) & Rs. (3110.96 lakhs) instead of reported amount of Rs. (988.47 lakhs) & Rs. (1821.46 lakhs) respectively.

Other Equity as on 30th September, 2024 would have been Rs. (19241.28) lakhs instead of reported amount of Rs. (15372.50) lakhs and Other current financial liability as on 30th September, 2024 would have been Rs. 13118.41 lakhs instead of reported amount of Rs. 9521.73 Lakhs. Other Current Liability as on 30th September, 2024 would have been Rs. 20983.90 lakhs instead of Rs. 20711.80 lakhs.

- b) In the matter of Sarga Udaipur Hotels & Resorts Private Limited, a subsidiary of the company, as stated in Note 6 to the financial result, that the Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 (IBC) against Sarga Udaipur Hotels & Resorts Private Limited and CIRP is initiated vide order dated 29th April, 2022.

In view of the admission of the above subsidiary in NCLT and CIRP process, we are unable to comment on the extent of realisability of its value of investment of Rs. 195.00 lakh and interest free loan of Rs. 1,865.79 lakhs receivable from above subsidiary.

Similarly, we are also unable to comment on the extent of realisability of investment of Rs. 300.00 lakh and loan of Rs. 731.35 lakh (including interest) receivable from Shristi Urban Infrastructure Development Limited, being subsidiary of the company (which is the holding company of Sarga Udaipur Hotels & Resorts Private Limited, a company under CIRP as mentioned above), The consequential effect of the above, on the financial results for the quarter ended 30th September, 2024 is not ascertainable.

7. Material Uncertainty Related to Going Concern

We draw your attention to Note No. 14 to the financial results regarding preparation of the financial statements on going concern basis, for the reason mentioned therein. The company has incurred losses for the quarter ended 30th September, 2024 and also incurred losses for more than three consecutive years and net worth as on 30th September, 2024 has been fully eroded. This indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern. The appropriateness of assumption of going concern is critically dependent upon the management view and projected future cash flows of the company.

Our opinion is not modified in respect of this matter.

8. Emphasis of Matter

- a) With reference to Note 5 to the financial results, Sarga Hotel Private Limited, an erstwhile material subsidiary of the company, an order from Hon'ble National Company Law Tribunal (NCLT), Kolkata was pronounced on 4th January 2024, wherein the resolution plan was approved.

Further, against the above order, an appeal was filed with National Company Law Appellate Tribunal (NCLAT), New Delhi which on 4th of April 2024 passed an order upholding the aforesaid NCLT-Kolkata order and disposed off the appeal.

To the above NCLAT-New Delhi order, the company has filed Civil Appeal in the Hon'ble Supreme Court of India and the matter is sub judice. Accordingly, adjustment of balances appearing in books w.r.t. Sarga Hotel Pvt Ltd, has not made in the financial result for the quarter ended 30th September, 2024 which might have consequential impact on reported financials.



- b) Refer Note 8 of the financial result regarding an arbitration w.r.t dispute between Rishima SA Investments LLC, Mauritius ("Claimant") and the Company in respect of which the Arbitration Tribunal has issued an Final award in favour of the Claimant for payment of an amount of Rs.76,100 lakh with interest calculated till 30.04.2019 amounting to Rs.1,390 lakh and in case the same cannot be enforced in any Court or Tribunal a sum of Rs. 16,020 lakhs with interest calculated till 30th April, 2019 amounting to Rs. 2,621 lakhs towards the value of their investment in Sarga Hotel Pvt. Ltd, a subsidiary of the Company together with aggregate costs, damages, etc. of Rs. 1,808 lakhs. Pending outcome of the enforcement proceedings before Hon'ble High Court of Delhi and based on the legal opinion obtained by the Company, the management does not consider necessary any provision in this respect.
- c) With reference to Note 10 to the financial result, the company has defaulted in payment of interest on Term Loan amounting to Rs. 4707.94 Lakhs to Financial Institution for the period till 31st March 2023 which was duly been provided for in books. Further non - provisioning of interest of Rs. 3868.78 lakhs (TDS of Rs. 272.10 lakhs) for the period from 1st April, 2023 to 30th September, 2024 is also in default.
- d) As referred in Note 13 to the financial result, certain balances of Trade Receivables, Trade payables, borrowings etc. are subject to confirmation/reconciliation. The reported financials might have consequential impact which remains unascertained.
- e) As stated in Note 7 to the financial results regarding Corporate guarantee of Rs. 72,522.05 lakh was given by the Company for loan granted by the lenders to its erstwhile Subsidiary, Sarga Hotel Private Limited and Rs. 25,355.63 lakh for its erstwhile associate, Suasth Health Care Foundation. The lenders have filed an application under Sec 7 of IBC for the corporate guarantee extended by the Company for the debt of Sarga Hotel Private Ltd. Subsequent to such application the Resolution Plan in respect of Sarga Hotel Private Limited has already been approved by Hon'ble NCLT, Kolkata and implemented. Further, Hon'ble NCLT, Kolkata has approved Resolution Plan in respect of Suasth Health Care Foundation vide Order dated 18.12.2023 and implemented.

Our opinion is not modified in respect of this matter.

9. Other Matter

- a. We did not review financial result of an associate namely Haldia Water Services Pvt Ltd. whose financial statements reflect Group's share of net profit of Rs. 165.20 lakhs for the half year ended 30th September, 2024, as considered in the consolidated financial result. These interim financial results have not been reviewed by its auditors and our conclusion in so far as it relates to the amounts and disclosures included in respect of aforesaid associate is based solely on the results provided by the management.
- b. We did not review financial result of joint venture namely, Bengal Shristi Infrastructure Development Limited whose financial statements reflect Group's share of net loss of Rs. 1203.62 lakhs for the half year ended 30th September, 2024, as considered in the consolidated financial result. The financial statement/information of this joint venture is not reviewed by its auditors and our conclusion in so far as it relates to the amounts and disclosures included in respect of aforesaid joint venture, is based solely on the results provided by the management.



- c. The financial results of seven (7) subsidiaries which have not been reviewed by its auditor, whose interim financial results reflect total revenue of Rs. Nil & total comprehensive loss of Rs. 0.40 lakhs for the half year ended 30th September, 2024 and total assets of Rs. 5110.65 lakhs as on 30.09.2024 is considered in the consolidated financial results and our conclusion on the financial result, in so far as it relates to the amounts and disclosures in the respect of aforesaid subsidiaries are based solely on such unaudited financial result provided by the management.
Our conclusion on the Statement is not modified in respect of this matter.



For R Kothari & Co LLP
Chartered Accountants
FRN: 307069E/E300266

A handwritten signature in blue ink, appearing to read "Manoj Kumar Sethia".

CA. Manoj Kumar Sethia
Partner
Membership No: 064308

Date: 12th November, 2024
Place: Kolkata
UDIN: 24064308BKCFZ4323