

PROJECTED LOSSES TO BE CARRIED FORWARD TO FUTURE YEARS (BASED ON THE BALANCE SHEETS)

As per the intimation under Section 143(1) of the Income Tax Act for the Assessment Year 2021-22. For subsequent assessment years i.e., from Assessment Years 2022-23, 2023-24, 2024-25 & 2025-26 the company has not filed any Income Tax Returns even though for each year, the company has incurred losses.

Details of losses to be carried forward to future years

Assessment Year	Brought Forward Business Loss	Amount as adjusted on account of opting for taxation u/s. 115BAA	Brought forward Business Loss available for set off during the Assessment Year 2021-22	Loss under other heads of Income	Loss eligible to be carried forward (for 8 assessment years) in AY 2026-27 as confirmed by the statutory auditor of the company
2015-16	31,99,733	0	31,99,733	0	0
2016-17	1,74,39,86,257	0	1,74,39,86,257	0	0
2017-18	6,43,43,395	0	6,43,43,395	0	6,43,43,395
2018-19	14,69,89,129	0	14,69,89,129	0	14,69,89,129
2019-20	17,20,06,651	0	17,20,06,651	0	17,20,06,651
2020-21	19,55,08,597	0	19,55,08,597	0	19,55,08,597
2021-22	1,90,920	0	1,90,920	0	1,90,920
Total	2,32,62,24,682	0	2,32,62,24,682	0	57,90,38,692

Unabsorbed depreciation and allowance under section 35(4)

Assessment Year	Amount of brought forward unabsorbed depreciation	Amount as adjusted on account of opting for taxation section 115BAA	Balance carried forward to the next year		
2021-22			NIL		

Note. The above information is provided and confirmed by the statutory auditor of the company. The company has not filed income tax returns from the financial years 2021-22 onwards. The last audited financial statements of the company is for the financial year 2020-21.

The Company has filed its Income Tax Return only up to Assessment Year 2021–22, which has been processed under Section 143(1) of the Income-tax Act, 1961 (**Annexure VIII**). The total business loss up to Assessment Year 2021–22, as per the income tax return acknowledgement (**Annexure VII**) provided by the Company, amounts to Rs. 232.62 crores, as detailed above.

As the Company has not filed its Income Tax Returns from Assessment Year 2022–23 onwards, it remains to be examined whether the business losses pertaining to the earlier assessment years 2017–18 to 2021–22 can be carried forward by the Successful Resolution Applicant. However, in view of the statutory limitation of eight years for carrying forward business losses under the Income-tax Act, only the business loss from the Assessment Year 2017–18 remains eligible for set-off, amounting to Rs. 57.90 crores, as detailed above.

The Company has informed that, as per the Income Tax Portal, there is an outstanding tax demand for various assessment years (upto 2017) aggregating to Rs. 55,08,28,237. In respect of certain demands, appeals have been filed and are presently pending adjudication. In respect of certain other demands, the liability has been confirmed. It is further informed by the company that the confirmed demands will be appropriately reflected in the audited balance sheet upon its finalization, which is expected within the next few days. No claim has been received from the Income Tax Department by the Resolution Professional (RP) under the CIRP process till date.

Prospective Resolution Applicants are required to undertake their own due diligence, based on the information set out in the Information Memorandum (IM), to assess the eligibility for claiming such carry forward losses. Any additional details, if required for the purpose of such due diligence, shall be provided by the Resolution Professional (RP) based on the information available from, or to be obtained from, the Company and/or its Statutory Auditor.