

Ref: JAL:SEC:2021

30th January, 2021

BSE Limited

25th Floor, New Trading Ring,
Rotunda Building,
P J Towers, Dalal Street, Fort,
MUMBAI 400 001

SCRIP CODE: 532532

The Manager

Listing Department

National Stock Exchange of India Ltd

“Exchange Plaza”, C-1, Block G,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

NAME OF SCRIP: JPASSOCIAT

Sub: Intimation regarding receipt of Resignation from Statutory Auditors of the Company

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019

Dear Sirs,

The Company received an e-mail dated 28.01.2021 from SEBI, Mumbai, forwarding a letter dated 22.01.2021 from M/s. Rajendra K. Goel & Co., Chartered Accountants, Statutory Auditors (copy enclosed), which is self-explanatory. SEBI has advised the Company to provide comments on the actions taken by the Company's Audit Committee in terms of SEBI circular No.CIR/CFD/ CMD/1/114/2019 dated 18th October, 2019.

The Company did not receive any letter/Annexure-A from Statutory Auditors in terms of SEBI circular dated 18th October, 2019.

The Company placed the aforesaid e-mail dated 28.01.2021 received from SEBI, Mumbai alongwith SEBI circular dated 18th October, 2019 before the Audit Committee meeting already fixed for 29th January, 2021, as a Supplementary Agenda.

Subsequently, the Company since received a letter dated 29.01.2021 along with Annexure-A from M/s. Rajendra K. Goel & Co., Chartered Accountants, Statutory Auditors, in terms of SEBI circular dated 18th October, 2019 intimating their inability to continue as the Statutory Auditors of the Company (copy enclosed).

We would like to confirm that:-

- That M/s. Rajendra K. Goel & Co., have been the Statutory Auditors of Jaiprakash Associates Ltd. (Company) since 2017-18;



Registered Office : Sector-128, Noida - 201 304, Uttar Pradesh (India)
Phone : +91 (120) 2470800

Corporate Office : JA House, 63, Basant Lok, Vasant Vihar, New Delhi-110057 (India)
Phone : +91 (11) 49828500 Fax : +91 (11) 26145389
CIN : L14106UP1995PLC019017 Website : www.jalindia.com
E-mail : jal.investor@jalindia.co.in

- It is to bring to your kind notice that contents of the letter written by Sh. Rajendra K. Goel & Co., Chartered Accountants are being re-produced for the purpose of transparency.

Quote

29/01/2021

To
The Board of Directors of
Jaiprakash Associates limited
Through,
Audit Committee

Sir,

Resignation as Statutory Auditor Jaiprakash Associates Ltd for Financial Year 2020-21

We are the statutory auditor of Jaiprakash Associates Ltd Since 2017-18 When we accepted the audit of company we were six partners, one of our partners unfortunately died due to heart failure in Sep 2019.

Two of our partners have resigned in December 2020. Now we are left with three partners. The undersigned is 80+ years.

Our two experienced CA employees have been COVID affected however they are now coming to the office but with reduced efficiency and seem to be indifferent for travelling and also not sure they will continue.

As it is well known the onset of pandemic around the globe since Feb., 2020 has caused numerous hardships, and unimaginable development have taken place around the world, which necessitated reorientation of work, we are doing.

It would not be out of place to mention here that our sense of responsibility has allowed us to continue to perform our task thus far in spite of the fact that COVID-19 has been declared as 'Act of God' by Hon'ble Finance Minister of India on 27th August, 2020.

Based on the above developments and inherent limitations which have crept in mobility of the trained and experienced people, we are compelled to write to you that it will not be possible for our firm to undertake the audit of a company which has multi units, multi-location operations and undertake our work justifiably and ethically conduct the audit as per the required auditing standards, statutory guidelines set by Govt. of India.

As per SEBI guideline we are required to complete the audit of fourth quarter also.

However we have written to SEBI for their permission to resign before doing the final audit for 2020-21.



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In view of the above we request you to kindly accept our resignation and intimate SEBI being a genuine & exceptional case.

Thanking you.

For Rajendra K Goel & Co

Sd/-

R.K.Goel

(Partner)

Unquote

We would also like to bring to your kind notice that M/s. Rajendra K. Goel & Co., Chartered Accountants, have also resigned last week as Statutory Auditors of Universal Sompo General Insurance Company Limited, Mumbai before completing the tenure of 5 years.

The Audit Committee comprising of four Independent Directors in its meeting held on 29th January, 2021 considered the item with reference to intended resignation of M/s. Rajendra K. Goel & Co., Chartered Accountants as Statutory Auditors of the Company. The Audit Committee noted that Statutory Auditors have not raised any concerns, as to non-receipt of information or non-cooperation from the management, except for their personal circumstances as enumerated in their resignation letter.

The Audit Committee observed that Clause 6A of SEBI circular dated October 18, 2019, required that since M/s. Rajendra K. Goel & Co. who have signed the Limited review report for the first three quarters of Financial Year 2020-21, before resigning need to issue the limited review/ audit report for the last quarter of FY 2020-21 as well as the audit report for said financial year.

The Audit Committee had extensive discussion on the subject, particularly keeping in view the guidelines of SEBI circular dated 18th October, 2019 and also interacted with Shri R.K. Goel, Partner, M/s. Rajendra K. Goel & Co. and requested him to continue for the next quarter and FY 2020-21.

Shri R.K. Goel, who was present in meeting of the audit committee for limited review for Quarter-3, reiterated that he has considered various aspects and most importantly health and the circumstances because of which firm is not in a position to do justice with the task, therefore, his resignation may be accepted by the Audit Committee as the circumstances are beyond the control of any individual/company.

The Audit Committee after detailed deliberations on the subject and taking cognizance of force majeure situation prevailing in all aspects of life & business, reached to this conclusion that on professional inability and humane considerations resignation of M/s. Rajendra K. Goel & Co. as Statutory Auditors be accepted and necessary recommendation be given to the Board and intimation be sent to SEBI, giving the total picture leading to this.



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The matter was also placed before the Board Meeting held on 29.01.2021 itself. The Board discussed the matter at length and also with the Chairman and Members of Audit Committee. They also inter-acted with Shri R.K. Goel, Partner, M/s.Rajendra K. Goel & Co. The Directors present in the meeting individually and also collectively persuaded Shri R.K. Goel to continue with the Audit for the next quarter and also for FY 2020-21. Shri R.K. Goel expressed his helplessness in view of the circumstances already enumerated. At this stage, the Board decided with reluctance to accept the resignation of M/s. Rajendra K. Goel & Co., Statutory Auditors, from end of Quarter-3, giving intimation to SEBI, giving the total picture.

It is to confirm that the Company shall be making necessary arrangements expeditiously to appoint new Statutory Auditors keeping in view the size of operations and professional competence of the audit firm, within the time prescribed in the Companies Act, 2013.

Thanking you,

Yours faithfully,
For JAIPRAKASH ASSOCIATES LIMITED



(M.M.SIBBAL)
Joint President & Company Secretary

Encl: As above



Letter from Statutory Auditors of Jaiprakash Associates Ltd

Apar Patiyat

to:

mm.sibbal

28-01-2021 11:41 AM

Cc:

AMY MENON

Hide Details

From: Apar Patiyat <aparp@sebi.gov.in>

To: mm.sibbal <mm.sibbal@jalindia.co.in>

Cc: AMY MENON <amydurga@sebi.gov.in>

History: This message has been forwarded.

1 Attachment



LETTER SEBI.pdf

Sir,

This is with reference to the attached letter to SEBI from Rajendra K. Goel & Co., the statutory auditors of Jaiprakash Associates Ltd.

In this regard, you are advised to provide your comments on the actions taken by the Company's Audit Committee in terms of SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

You are advised to provide your response latest by February 02, 2021.

Regards,

Apar Patiyat

Assistant Manager

CMD-1, CFD, SEBI

+91-22-2644-9699

Rajendra K. Goel & Co.

CHARTERED ACCOUNTANTS

Off. : 43108262, 41514296

Mo. : 9810128151

e-mail : rajendrakgoelco@gmail.com

web. : www.carkgoelco.com

J-288, GROUND FLOOR,
SAKET, NEW DELHI- 110017

Shri Pradeep Ramakrishnan
General Manager
Compliance and Monitoring Division-1
Corporation Finance Department
Security and Exchange Board of India,
Plot No.C4-A.G Block,
Bandra-Kurla Complex, Bandra(East),
Mumbai-400051, Maharashtra

Sir,

Statutory Audit of Jaiprakash Associates Ltd- Financial Year 2020-21

We are the statutory auditor of Jaiprakash Associates Ltd Since 2017-18

When we accepted the audit of company we were six partners, one of our partners unfortunately died due to heart failure in Sep 2019.

Two of our partners have resigned in December 2020. Now we are left with three partners. The undersigned is 80+ years.

Our two experienced CA employees have been covid affected however they are now coming to the office but with reduced efficiency and seem to be indifferent for travelling and also not sure they will continue.

It will be difficult for the firm to mobilize the trained staff at this time.

In view of this it will not be possible for our firm to justify and ethically conduct the audit as per required auditing standard, legal requirements and related guidelines.

As such we are left with no option but to resign and request you kindly permit us for the same.

Thanking you.

For Rajendra K Goel & Co


R.K. Goel
(Partner)

Date: 22/01/2021

To,
The Board of Directors of
Jaiprakash Associates limited
Through,
Audit Committee

29/01/2021

Sir,

Resignation as Statutory Auditor Jaiprakash Associates Ltd for Financial Year 2020-21

We are the statutory auditor of Jaiprakash Associates Ltd Since 2017-18
When we accepted the audit of company we were six partners, one of our partners unfortunately died due to heart failure in Sep 2019.

Two of our partners have resigned in December 2020. Now we are left with three partners. The undersigned is 80+ years.

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It would not be out of place to mention here that our sense of responsibility has allowed us to continue to perform our task thus far in spite of the fact that COVID-19 has been declared as 'Act of God' by Hon'ble Finance Minister of India on 27th August, 2020.

Based on the above developments and inherent limitations which have crept in mobility of the trained and experienced people, we are compelled to write to you that it will not be possible for our firm to undertake the audit of a company which has multi units, multi-location operations and undertake our work justifiably and ethically conduct the audit as per the required auditing standards, statutory guidelines set by Govt. of India.

As per SEBI guideline we are required to complete the audit of fourth quarter also.

However we have written to SEBI for their permission to resign before doing the final audit for 2020-21.

In view of the above we request you to kindly accept our resignation and intimate SEBI being a genuine & exceptional case.

Thanking you.

For Rajendra K Goel & Co


R.K. Goel
(Partner)

**Format of information to be obtained from
the statutory auditor upon resignation**

1. Name of the listed entity:

Jaiprakash Associate Limited

2. Details of the statutory auditor:

- a. **Name:** Rajendra K. Goel & Co.
- b. **Address:** J-288 Saket, New Delhi-110017
- c. **Phone number:** 011-43108262, 9810128151
- d. **Email:** rajendrakgoelco@gmail.com

3. Details of association with the listed entity/ material subsidiary:

- a. **Date on which the statutory auditor was appointed:** The statutory auditor was appointed on 23rd September 2017 in 20th AGM of the company.
- b. **Date on which the term of the statutory auditor was scheduled to expire:** In ensuing 25th AGM of the company to be held up to September 2022.
- c. **Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission:** The latest limited review report dated 31/10/2020 is attached.

4. Detailed reasons for resignation:

- When we accepted the audit of company we were six partners, one of our partners unfortunately died due to heart failure in Sep 2019.
- Two of our partners have resigned in December 2020. Now we are left with three partners. The undersigned is 80+ years.
- Our two experienced CA employees have been COVID affected however they are now coming to the office but with reduced efficiency and seem to be indifferent for travelling and also not sure they will continue.
- Based on the above developments and inherent limitations which have crept in mobility of the trained and experienced people, we are compelled to write to you that it will not be possible for our firm to undertake the audit of a company which has multi units, multi-location operations and undertake our work justifiably and ethically conduct the audit as per the required auditing standards, statutory guidelines set by Govt. of India.

5. In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)

No other concern.

6. In case the information requested by the auditor was not provided,

then following shall be disclosed:

a. Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or circumstances beyond the control of the management.

Not Applicable.

b. Whether the lack of information would have significant impact on the financial statements/results.

Not Applicable.

c. Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)

Not Applicable.

d. Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued.

Not Applicable.

7. Any other facts relevant to the resignation:

Not Applicable

Declaration

- 1. We hereby confirm that the information given in this letter and its attachments is correct and complete.*
- 2. We hereby confirm that there is no other material reason other than those provided above for resignation of our firm.*

Signature of the authorized signatory

Rajendra K Goel & Co

Chartered Accountants

R.K. Goel
(Partner)

Date: 29/01/2021

Place: New Delhi

Encl: Limited review report

Independent Auditor's Review Report on Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 as amended

Review Report to
The Board of Directors of
Jaiprakash Associates Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of JAIPRAKASH ASSOCIATES LIMITED ('the Company') for the Quarter and Year to Date from April 01, 2020 to September 30, 2020, being submitted by the Company pursuant to the requirement to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended ('the Listing Regulations').

This statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. **Basis of Qualified Review Conclusion**

Attention is drawn to:

The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited ('JIL') (Subsidiary of the Company) was admitted and Interim Resolution Professional ('IRP') was appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petition/Intervention filed by certain home buyers of JIL and gave various interim directions from time to time including continuation of Corporate Insolvency Resolution Process ('CIRP').

The NCLT, New Delhi Principal Bench approved the Resolution Plan (with modification) of NBCC (India) Limited on March 03, 2020 whereby as per the scheme approved by NCLT the company's investment in equity of JIL be reduced to Nil and also decided that deposit of Rs. 750 crores made by Jaiprakash Associates Limited shall be utilized with



interest for the cause of the creditors of Corporate Debtor, meaning thereby not to be refunded to Company. The Company has filed the appeal on March 12, 2020 before the NCLAT against the inclusion of the deposit with interest as part of the resolution plan. In view of the order of the NCLAT the company should have made the provision of Rs. 849.26 Crores as diminution in value of the investment in equity of JIL and deposit of Rs. 750 Crores. However the company has not made provisions in the books for the amount of said investment and amount of deposit total aggregating to Rs. 1,599.26 crores. Had these provisions been made the Loss would have been increased to that extent.

Matters stated above have also been qualified in our report in preceding quarter ended June 30, 2020, year ended March 31, 2020 and corresponding quarter/half year ended on September 30, 2019.

4. Qualified Conclusion:

Based on our review conducted as above, *except for the effect/possible effect as stated in Basis of Qualified Review Conclusion paragraph above*, nothing has come to our attention that causes us to believe that the accompanying statement prepared in all material respect in accordance with applicable Indian Accounting Standards prescribed u/s 133 of the 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 the Listing Regulations including the manner in which it is to be disclosed, or that it contain any material misstatement.

5. Emphasis of matter:

We draw attention to the following matters:

1.

- a. The Competition Commission of India ('CCI') vide its Order dated August 31, 2016 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 during F.Y. 2009-10 & 2010-11 and inter alia imposed a penalty of Rs. 1,323.60 Crores on the Company. The Company had filed an Appeal against the said Order which was heard on various dates by Hon'ble National Company Law Appellate Tribunal ('NCLAT'). NCLAT vide its Order dated July 25, 2018 has rejected the appeals of all the cement manufacturers including that of the Company without interfering in the penalty, though, if calculated on the basis of profits earned by the Cement business, the same would have been Rs. 237.70 Crores only as against the penalty of Rs. 1,323.60 Crores calculated on the profits for all business segments of the Company. The Company and other affected cement manufacturers have filed appeal with the Hon'ble Supreme Court and the case has since been admitted with the directions that the interim Order passed earlier by NCLAT in the matter will continue in the meantime. The Company's request for rectification of Demand Notice was declined by CCI and the Company has filed a review application before Hon'ble NCLAT against the said rejection by CCI which matter is still pending.
- b. The Competition Commission of India vide its other order dated January 19, 2017 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 in the State of Haryana during F.Y. 2012-13 to F.Y. 2014-15 and inter alia imposed a penalty of Rs. 38.02 Crores on the



Company based on criteria of average turnover of the Company as a whole as against the 'relevant turnover' of 'Cement Division'. The Company had filed an appeal against the said Order before NCLAT which has stayed the operation of impugned order and further proceedings are progressing in the matter.

Based on the advice of the Company's counsels, the Company believes that it has reasons to succeed in appeal in the above cases. Hence no provision is considered necessary in the statement of the company.

2. Yes Bank Limited ('YBL') / Assets Care and Reconstruction Enterprise Limited ('ACRE') invoked entire pledged equity share 28,09,66,000 of Rs. 10/- each of Bhilai Jaypee Cement Limited ('BJCL') (a subsidiary of the company) and also recalled outstanding loan and invoked corporate guarantee and shortfall undertaking given by the company against the loan facility of Rs. 465 Crores and Rs. 45 Crores to Jaypee Cement Corporation Limited ('JCCL') a wholly owned subsidiary of the company. YBL assigned the same in favour of ACRE. The ACRE informed about the transfer of the entire pledged/NDU share of BJCL in its name. However the company is contesting the assignment on the basis of the fact that these facilities has been covered under the Comprehensive Reorganization & Re-structuring Plan ('CRRP') of Company & JCCL duly approved by the consortium of lenders including YBL at its meeting held on June 22, 2017 and subsequently YBL signed Master Restructuring Agreement ('MRA') through deed of accession. Hence, the carrying value of above said equity share of BJCL and 752 Equity Shares held in the name of nominee shareholders continue to be included as part of Non-Current investment of the company in the statement.

BJCL has earned profit in the current quarter but has incurred losses in the past years and its Net worth has been fully eroded. However, based on valuation report from independent Valuer on the assets of BJCL, the management believes that the realizable amount is higher than the carrying value of the Non-Current Investment aggregating to Rs. 407.72 Crores and receivable Rs. 541.81 Crores and as such these are considered good and recoverable.

3. Lender of Jaypee Cement Corporation Limited ('JCCL') (subsidiary company) has invoked the corporate guarantee given by the company for financial assistance being granted to JCCL and asked to make payment for Rs. 438.36 Crores and Rs. 20.79 Crores, being amount outstanding as on September 09, 2018. However the liability has not been considered in the books of accounts, as the loan in question is part of approved Comprehensive Reorganization & Restructuring plan of JCCL and the Company. The company has made Non-Current Investment in equity of JCCL of Rs. 1,454.71 Crores.

JCCL has incurred cash loss in the current quarter as well as in the past years and its Net worth has been fully eroded. However, based on report from independent professional in view of the management, the fair market value of the assets of the JCCL is higher than their carrying value as such no provision for impairment in the carrying value of the investment is required.

4. Non-Current Trade receivables include Rs. 2579.95 Crores, outstanding as at September 30, 2020 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in



respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.

5. The company has made investment in equity shares (Quoted) of Rs. 1,742.62 Crores in Jaiprakash Power Ventures Limited ('JPVL') an associate company (earlier subsidiary) of the company. JPVL has signed a 'Framework Agreement' on April 18, 2019 with the Banks and Financial Institutions for restructuring of the outstanding Loans and Interest. Accordingly JPVL has issued fully paid 0.01% Cumulative Compulsory Convertible Preference Shares amounting to Rs 3,805.53 crores on December 23, 2019 and fully paid 9.50% Cumulative Redeemable Preference Shares for Rs. 34.52 crores to their Lenders in December, 2019. Further, JPVL has issued 49,26,78,462 equity shares of Rs. 10/- each to FCCB Holders at Rs. 12/- per equity share and 35,17,69,546 equity shares of Rs. 10/- each to JSW Energy Limited at par against their outstanding liabilities on January, 2020 as per agreed terms.

Considering the implementation of Debt Resolution Process, valuation of assets of JPVL, conversion of outstanding dues of FCCB holders and JSW Energy Limited and further better prospects no diminution is envisaged by the management in the carrying value in the statement on the basis of quoted share price of JPVL being less than the carrying value.

6. The Company has received Termination Notice for the Mandla North Coal Mine allotted by Nominated Authority, Ministry of Coal on account of not meeting eligibility criteria mentioned in the Coal Mines Development and Production Agreement along with instructions for invocation of the Bank Guarantee submitted by the company in the form of Performance Security. The Hon'ble High Court has granted stay against the Termination Notice and invocation of Performance Guarantee. Since, the matter is now being sub-judice in the High Court, the recoverability of the amount invested aggregating to Rs. 295.80 Crores as on September 30, 2020 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, as such no provision has been considered necessary to be made in the statement by the management.
7. The Company has made payment to its Managerial Personnel in terms of their respective appointments and within the limits prescribed under the Companies Act, 2013 ("the Act"). In view of default in repayment of principal and/or interest to Banks and Financial Institutions, the remuneration paid to Shri Pankaj Gaur, Joint Managing Director (Construction) for the period from April 01, 2019 to June 30, 2019 and Shri Sunny Gaur, Managing Director (Cement) for the period from April 01, 2019 to December 30, 2019 based on the approval of NRC & Board, the approval of lenders has been sought where after the shareholders' approval shall be obtained.

As reported earlier, the appointment and remuneration of Shri Rahul Kumar, the then Whole time director and CFO (for the period from October 31, 2015 to October 30, 2018) was rejected by MCA vide letter dated December 27, 2017 on account of non-recovery of remuneration paid to 8 managerial personnel (for the year 2014-15 and 2015-16 (upto October 31, 2015).



The Company sought clarifications from Ministry of Corporate Affairs ('MCA'). In view of Clarification from MCA, the recovery of remuneration from the said 8 KMPs, is not required who were appointed at a time when the Company was in profits and there were no defaults. Accordingly no further action is required in respect of the remuneration paid to the said 8 KMPs during the year 2014-15 and 2015-16 (upto October 31, 2015).

As regards waiver of recovery of remuneration paid to Shri Rahul Kumar, the then Whole-time Director & CFO, in view of the clarification/ confirmation given by the MCA, the reason for rejection of application for approval of appointment and remuneration of Shri Rahul Kumar, as given by MCA does not survive. In view of amended provisions, the power to approve remuneration/ waiver of recovery of remuneration stands transferred and vested in the shareholders with prior approval of the lenders. Accordingly, the Company has approached the lenders, through their lead lender to accord approval/no-objection for the said waiver of recovery of remuneration, which is awaited, post which the Company shall seek approval of the shareholders.

8. There are certain Entry tax matters under Appeals aggregating to Rs. 297.82 Crores (excluding interest, currently unascertainable) pertaining to the State of Madhya Pradesh and Himachal Pradesh. The Company has challenged these on account of various grounds in Hon'ble High Courts. No provision has been considered of the above in the Statement as management is of the opinion that the Company will succeed in the appeal. The Company has already deposited Rs. 166.79 Crores and also furnished Bank Guarantees of Rs. 125.43 Crores against the above.
9. The Lenders of the company in their Joint Lenders Forum ('JLF') meeting held on June 22, 2017 have approved restructuring / realignment/ reorganization of debt of the Company & its wholly owned subsidiary, Jaypee Cement Corporation Limited ('JCCL') being Restructuring Scheme.

The company has provided interest expenses on the debt portion that will remain with the company in accordance with the Restructuring Scheme approved and Master Re-structuring Agreement ('MRA') signed with the Lenders. Interest for the Quarter ended September 30, 2020 aggregating to Rs. 272.18 crores and Rs. 3509.26 crores till September 30, 2020 on debt portion which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited' ('JIDL') on sanction of the scheme of Arrangement by Hon'ble National Company Law Tribunal ('NCLT'), Allahabad with appointed date of July 01, 2017 has been added to the carrying cost of the Inventory/ Projects under development in respect of SDZ Real Estate Undertaking ('SDZ-RE'), since the same has to be serviced from the assets/development of Assets of SDZ-RE.

However before the order on the above restructuring scheme by the Hon'ble NCLT, ICICI Bank Limited on the direction of RBI had filed an application with Hon'ble NCLT, Allahabad bench U/s 7 of Insolvency & Bankruptcy Code, 2016 ('IBC') against the company which is pending. On restructured loan, the company has also defaulted in the payment of interest and principal for the financial year 2018-2019, 2019-2020 and 2020-21.

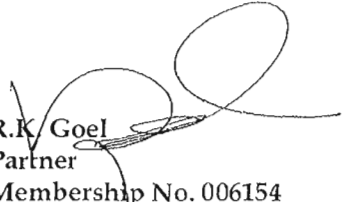
As such till the decision of the Hon'ble NCLT on restructuring and/or application u/s 7 IBC and further action/restructuring by the lenders on this account, there



remains uncertainty and as such its impact on the financials of the company is not ascertainable.

Our conclusion is not modified in respect of above stated matters in para (1) to (9).

For Rajendra K Goel & Co.
Chartered Accountants
Firm's Registration No. 001457N


R.K. Goel
Partner
Membership No. 006154
Place: Greater Noida
Dated: October 31, 2020
UDIN: 20006154AAAFY8491



Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, as amended

Review Report To
The Board of Directors of
Jaiprakash Associates Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Jaiprakash Associates Limited ('the Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') its associates and joint controlled entity for the Quarter and Year to Date from April 01, 2020 to September 30, 2020 ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI the Listing Regulations, to the extent applicable.

3. The Statement includes the results of the following entities:

Subsidiaries

- 1) Himalyan Expressway Limited
- 2) Jaypee Cement Hockey (India) Limited
- 3) Jaypee Infrastructure Development Limited
- 4) Jaypee Ganga Infrastructure Corporation Limited
- 5) Jaypee Agra Vikas Limited
- 6) Yamuna Expressway Tolling Limited



- 7) Gujarat Jaypee Cement and Infrastructure Limited
- 8) Jaypee Assam Cement Limited
- 9) Jaiprakash Agri Initiative Company Limited
- 10) Kanpur Fertilizers & Chemicals Limited (formerly known as Kanpur Fertilizers & Cement Limited)
- 11) Jaypee Fertilizers & Industries Limited
- 12) Jaypee Uttar Bharat Vikas Private Limited
- 13) Himalyaputra Aviation Limited
- 14) Jaypee Cement Corporation Limited
- 15) RPJ Minerals Private Limited
- 16) Sonebhadra Minerals Private Limited
- 17) Sarveshwari Stone Products Private Limited
- 18) Rock Solid Cement Limited
- 19) Bhilai Jaypee Cement Limited
- 20) Jaypee Infratech Limited (Consolidated till December 31, 2019)
- 21) Jaypee Healthcare Limited (Consolidated till December 31, 2019)

Associates

- 1) Prayagraj Power Generation Company Limited(Ceased to be Associate w.e.f. 04.12.2019)
- 2) Madhya Pradesh Jaypee Minerals Limited
- 3) MPJP Coal Limited
- 4) MPJP Coal Fields Limited
- 5) Jaiprakash Power Ventures Limited

Joint Controlled Entity

- 1) JAL-KDSPL-JV

4. Basis of Qualified Review Conclusion:

Attention is drawn to:

The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited ('JIL') (than Subsidiary of the Holding Company) was admitted and Interim Resolution Professional ('IRP') was appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petition/Intervention filed by certain home buyers of JIL and gave various interim directions from time to time including continuation of Corporate Insolvency Resolution Process ('CIRP').

The NCLT, New Delhi Principal Bench approved the Resolution Plan (with modification) of NBCC (India) Limited on March 03, 2020 whereby as per the scheme approved by NCLT the Holding company's investment in equity of JIL be reduced to Nil and also decided that deposit of Rs. 750 crores made by the Holding Company shall be utilized with interest for the cause of the creditors of Corporate Debtor, meaning thereby not to be refunded to Holding Company. Accordingly the Holding Company has lost the control of JIL and consolidated the JIL upto December 31, 2019. The Holding Company has filed the appeal on March 12, 2020 before the NCLAT against the inclusion of the deposit with interest as part of the resolution plan. In view of the order of the NCLT the Holding Company should have made the provision of Rs. 847 Crores as diminution in value of the investment in equity of JIL and deposit of Rs. 750 Crores. However the Holding Company has not made provisions in the books for the amount of said investment and amount of



deposit total aggregating to Rs. 1,597 Crores. Had these provisions been made the loss of group would have been increased to that extent.

Matters stated above have also been qualified in our report in preceding quarter ended on June 30, 2020, year ended March 31, 2020 and corresponding quarter/ half year ended on September 30, 2019.

The Independent Auditors' of Bhilai Jaypee Cement Limited, a component, has issued qualified review conclusion in his Review Report on Unaudited Financial Results for the quarter ended on September 30, 2020 which is reproduced as under:

- [i] The financial statement of Bhilai Jaypee Cement Limited ('BJCL') is prepared on going concern basis. During the quarter and half year ended September 30, 2020, BJCL has earned Net Profit of Rs. 1,426.88 lakhs and Rs. 220.71 lakhs respectively. The Company's net worth as at September 30, 2020 has been completely eroded due to accumulated losses of Rs. 49,856.53 lakhs against equity capital of Rs. 37,968.48 lakhs. Further, BJCL's current liabilities exceed its current assets. These matters require BJCL to generate additional cash flow to fund the operations as well as payments to creditors and the statutory obligations. The appropriateness of assumption of going concern is dependent upon generation of additional cash flow and financial support from the holding company to fund the operations and meet its obligations and implementation of business plan which are critical to BJCL's ability to continue as going concern. These conditions along with matters described below indicate the existence of a material uncertainty that may cast significant doubt on the BJCL's ability to continue as going concern and therefore BJCL may be unable to realize its assets and discharge its liabilities in the normal course of business.
- [ii] Bhilai Jaypee Cement Limited ('BJCL') had not provided compensation for short lifting of annual Agreed Quantity of Granulated Slag of Rs. 6,816.22 lakhs up to September 30, 2020 (including Rs. 4,065.98 lakhs up to September 30, 2018 already demanded by the supplier). BJCL has, however, disputed the claim on various grounds such as deficient/inadequate supply of slag during the financial year 2011-12 to 2013-14, inordinate delay of 9 months on part of the supplier in furnishing bank guarantee for renewable of mining operation at ILQ Satna etc. BJCL also have filed counter claim with the party for contribution loss suffered by BJCL. The same being under negotiation, BJCL has not provided any expenses during the quarter ended and half year ended September 30, 2020. Hence, the extent to which this liability will be settled cannot be ascertained at present.

Matters stated above have also been qualified in auditors' report of BJCL/ our report in preceding quarter/year ended March 31, 2020 and corresponding quarter/half year ended on September 30, 2019.

5. Qualified conclusion:

Based on our review conducted and procedures performed as stated in paragraph 2 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, *except effect/possible effect as stated in Basis of Qualified Review Conclusion paragraph above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in all material respect in accordance with applicable Indian Accounting Standards prescribed u/s 133 of the 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 the Listing Regulations including the manner in which it is to be disclosed, or that it contain any material misstatement.

6. **Emphasis of matter:**

We draw attention to the following matters:

1)

- a. The Competition Commission of India ('CCI') vide its Order dated August 31, 2016 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 during F.Y. 2009-10 & 2010-11 and imposed a penalty of Rs. 1,323.60 Crores on the Holding Company. The Holding Company had filed an Appeal against the said Order which was heard on various dates by Hon'ble National Company Law Appellate Tribunal ('NCLAT'). NCLAT vide its Order dated July 25, 2018 has rejected the appeals of all the cement manufacturers including that of the Holding Company without interfering in the penalty, though, if calculated on the basis of profits earned by the Cement business, the same would have been Rs. 237.70 Crores only as against the penalty of Rs. 1,323.60 Crores calculated on the profits for all business segments of the Holding Company. The Holding Company and other affected cement manufacturers have filed appeal with the Hon'ble Supreme Court and the case has since been admitted with the directions that the interim Order passed earlier by NCLAT in the matter will continue in the meantime. The Holding Company's request for rectification of Demand Notice was declined by CCI and the Holding Company has filed a review application before Hon'ble NCLAT against the said rejection by CCI which matter is still pending.
- b. The Competition Commission of India vide its other order dated January 19, 2017 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 in the State of Haryana during F.Y. 2012-13 to F.Y. 2014-15 and interalia imposed a penalty of Rs. 38.02 Crores on the Holding Company based on criteria of average turnover of the Holding Company as a whole as against the 'relevant turnover' of 'Cement Division'. The Holding Company had filed an appeal against the said Order before NCLAT which has stayed the operation of impugned order and further proceedings are progressing in the matter.

Based on the advice of the Holding Company's counsels, the Holding Company believes that it has reasons to succeed in appeal in the above cases. Hence no provision is considered necessary in the statement.

- 2) Yes Bank Limited ('YBL') / Assets Care and Reconstruction Enterprise Limited ('ACRE') invoked entire pledged equity share 28,09,66,000 of Rs. 10/- each of Bhilai Jaypee Cement Limited ('BJCL') (a subsidiary of the Holding Company) and also recalled outstanding loan and invoked corporate guarantee and shortfall undertaking given by the Holding Company against the loan facility of Rs. 465 Crores and Rs.45 Crores to JCCL a wholly owned subsidiary of the Holding Company. YBL assigned the same in favor of ACRE. ACRE informed about the transfer of the entire pledged/NDU share of BJCL in its name. However the



Holding Company is contesting the assignment on the basis of the fact that these facilities has been covered under the Comprehensive Reorganization & Re-structuring Plan ('CRRP') of the Holding Company & Jaypee Cement Corporation Limited ('JCCL') duly approved by the consortium of lenders including YBL at its meeting held on June 22, 2017 and subsequently YBL signed Master Re-structuring Agreement ('MRA') through deed of accession. Pending settlement with the Lender/ACRE, the Holding Company continues to consolidate BJCL as a subsidiary.

- 3) Lender of Jaypee Cement Corporation Limited ('JCCL') (subsidiary of the Holding Company) has invoked the corporate guarantee given by the Holding Company for financial assistance being granted to JCCL and asked to make payment for Rs. 438.36 Crores and Rs. 20.79 Crores, being amount outstanding as on September 09, 2018. However the liability has not been considered in the books of accounts, as the loan in question is part of approved Comprehensive Reorganization & Restructuring plan of JCCL and the Holding Company.
- 4) Non- Current Trade receivables include Rs. 2579.95 Crores, outstanding as at September 30, 2020 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which the Holding Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.
- 5) The Holding Company has made investment in equity shares (Quoted) of Rs. 1,742.62 Crores in Jaiprakash Power Ventures Limited ('JPVL') an associate of the Holding Company (earlier a subsidiary of the Holding Company). JPVL has signed a 'Framework Agreement' on April 18, 2019 with the Banks and Financial Institutions for restructuring of the outstanding Loans and Interest. Accordingly, JPVL has issued fully paid 0.01% Cumulative Compulsory Convertible Preference Shares amounting to Rs 3,805.53 crores on December 23, 2019 and fully paid 9.50% Cumulative Redeemable Preference Shares for Rs. 34.52 crores to their Lenders in December, 2019. Further, JPVL has issued 49,26,78,462 equity shares of Rs. 10/- each to FCCB Holders at Rs. 12/- per equity share and 35,17,69,546 equity shares of Rs. 10/- each to JSW Energy Limited at par against their outstanding liabilities on January 2020 as per agreed terms.

Considering the implementation of Debt Resolution Process, valuation of assets of JPVL, conversion of outstanding dues of FCCB holders and JSW Energy Limited and further better prospects no diminution is envisaged by the management in the carrying value in the statement on the basis of quoted share price of JPVL being less than the carrying value.

- 6) The Holding Company has received Termination Notice for the Mandla North Coal Mine allotted by Nominated Authority, Ministry of Coal on account of not meeting eligibility criteria mentioned in the Coal Mines Development and Production Agreement along with instructions for invocation of the Bank Guarantee submitted



by the Holding Company in the form of Performance Security. The Hon'ble High Court has granted stay against the Termination Notice and invocation of Performance Guarantee. Since, the matter is now being sub-judice in the High Court, the recoverability of the amount invested aggregating to Rs. 295.80 Crores as on September 30, 2020 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, as such no provision has been considered necessary to be made in the statement by the management.

- 7) The Holding Company has made payment to its Managerial Personnel in terms of their respective appointments and within the limits prescribed under the Companies Act, 2013 ("the Act"). In view of default in repayment of principal and/or interest to Banks and Financial Institutions, the remuneration paid to Shri Pankaj Gaur, Joint Managing Director (Construction) for the period from April 01, 2019 to June 30, 2019 and Shri Sunny Gaur, Managing Director (Cement) for the period from April 01, 2019 to December 30, 2019 based on the approval of NRC & Board, the approval of lenders has been sought whereafter the shareholders' approval shall be obtained.

As reported earlier, the appointment and remuneration of Shri Rahul Kumar, the then Whole time director and CFO (for the period from October 31, 2015 to October 30, 2018) was rejected by MCA vide letter dated December 27, 2017 on account of non-recovery of remuneration paid to 8 managerial personnel for the year 2014-15 and 2015-16 (upto October 31, 2015).

The Holding Company sought clarifications from Ministry of Corporate Affairs (MCA). In view of Clarification from MCA, the recovery of remuneration from the said 8 KMPs, is not required who were appointed at a time when the Holding Company was in profits and there were no defaults. Accordingly no further action is required in respect of the remuneration paid to the said 8 KMPs during the year 2014-15 and 2015-16 (upto October 31, 2015).

As regards waiver of recovery of remuneration paid to Shri Rahul Kumar, the Whole-time Director & CFO, in view of the clarification/ confirmation given by the MCA, the reason for rejection of application for approval of appointment and remuneration of Shri Rahul Kumar, as given by MCA does not survive. In view of amended provisions, the power to approve remuneration/ waiver of recovery of remuneration stands transferred and vested in the shareholders with prior approval of the lenders. Accordingly, the Holding Company has approached the lenders, through their lead lender to accord approval/no-objection for the said waiver of recovery of remuneration, which is awaited, post which the Holding Company shall seek approval of the shareholders.

- 8) There are certain Entry tax matters under Appeals aggregating to Rs. 297.82 Crores (excluding interest, currently unascertainable) pertaining to the State of Madhya Pradesh and Himachal Pradesh. The Holding Company has challenged these on account of various grounds in Hon'ble High Courts. No provision has been considered of the above in the Statement as management is of the opinion that the Holding Company will succeed in the appeal. The Holding Company has already deposited Rs. 166.79 Crores and also furnished Bank Guarantees of Rs. 125.43 Crores against the above.



- 9) The Lenders of the Holding Company in their Joint Lenders Forum ('JLF') meeting held on June 22, 2017 have approved restructuring / realignment/ reorganization of debt of the Holding Company & its wholly owned subsidiary, Jaypee Cement Corporation Limited ('JCCL') being Restructuring Scheme.

The Holding Company has provided interest expenses on the debt portion that will remain with the Holding Company in accordance with the Restructuring Scheme approved and Master Re-structuring Agreement ('MRA') signed with the Lenders. Interest for the quarter ended September 30, 2020 aggregating to Rs. 272.18 crores and Rs. 3509.26 crores till September 30, 2020 on debt portion which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited' ('JIDL') on sanction of the scheme of Arrangement by Hon'ble National Company Law Tribunal ('NCLT'), Allahabad with appointed date of July 01, 2017 has been added to the carrying cost of the Inventory/ Projects under development in respect of SDZ Real Estate Undertaking ('SDZ-RE'), since the same has to be serviced from the assets/development of Assets of SDZ-RE.

However before the order on the above restructuring scheme by the Hon'ble NCLT, ICICI Bank Limited on the direction of RBI had filed an application with Hon'ble NCLT, Allahabad bench U/s 7 of Insolvency & Bankruptcy Code, 2016 against the Holding Company which is pending. On restructured loan, the Holding Company has also defaulted in the payment of interest and principal for the financial year 2018-2019, 2019-2020 and 2020-2021.

As such till the decision of the Hon'ble NCLT on restructuring and/or application u/s 7 of Insolvency & Bankruptcy Code, 2016 and further action/restructuring by the lenders on this account, there remains uncertainty and as such its impact on the financials of the Group is not ascertainable.

Our conclusion is not modified in respect of above stated matters in para (1) to (9).

The Independent Auditors' of certain components in their Review Report on Unaudited Financial Results for the quarter ended on September 30, 2020 have drawn emphasis of matter paragraphs which is reproduced as under:

- 1) Jaiprakash Agri Initiatives Company Limited ('JAICL') has accumulated losses which have fully eroded its Net worth and JAICL has incurred cash loss during the current period and previous year(s) and JAICL current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about JAICL's ability to continue as a going concern. However, the financial statements of JAICL have been prepared on a going concern basis.
- 2) Jaypee Infrastructure Development Limited ('JIDL') has accumulated losses which have fully eroded its Net worth and JIDL has incurred cash loss during the previous year(s). JIDL current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about JIDL's ability to continue as a going concern. However, the financial statements of JIDL have been prepared on a going concern basis.
- 3) Jaypee Cement Hockey (India) Limited ('JCHIL') has accumulated losses which have fully eroded its Net worth and JCHIL has incurred cash loss during the current



period and previous year(s) and JCHIL current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about JCHIL's ability to continue as a going concern. However, the financial statements of JCHIL have been prepared on a going concern basis.

- 4) Himalyaputra Aviation Limited ('HAL') has accumulated losses and its net worth has been fully eroded, HAL has incurred net cash loss during the current 6 month period, but had cash profit during the previous year. These conditions indicate that HAL is dependent upon the continuing financial support of its holding company for its ability to continue as a Going Concern and for discharging its liabilities in the ordinary course of business. However, the financial statements of HAL have been prepared on a going concern basis.
- 5) Yamuna Expressway Tolling Limited ('YETL') has accumulated losses which are more than its Net worth i.e. the net worth has been fully eroded, YETL has incurred net cash loss during the previous year(s). These conditions indicate the existence of a material uncertainty that may cast significant doubt about YETL ability to continue as a going concern. However, the financial statements of YETL have been prepared on a going concern basis.
- 6) Jaypee Ganga Infrastructure Corporation Limited ('JGICL') has accumulated losses which have fully eroded its Net worth and JAICL has incurred cash loss during the previous year(s). JGICL current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about JGICL's ability to continue as a going concern. However, the financial statements of JGICL have been prepared on a going concern basis.
- 7) Jaypee Cement Corporation Limited ('JCCL') has accumulated losses. The JCCL's ability to continue as a going concern is dependent upon the financial support of the holding company. However, the financial statements of the JCCL have been prepared on a going concern basis for the reasons.
- 8) Confirmations/ Reconciliations of balances of certain secured & unsecured loans, balances with banks, trade receivables, trade and other payables (including capital creditors) and loans and advances of Jaypee Cement Corporation Limited ('JCCL') are pending. The management of JCCL is confident that on confirmation/ reconciliation there will not be any material impact on the financial statements.
- 9) Jaiprakash Agri Initiatives Company Limited ('JAICL') has defaulted in repayment of Principal and interest to Banks and Financial institutions "FI's", wherein the period of delay ranges from 16 days to 808 days.

As per information and records produced before the auditor's of JAICL details of overdue interest on the borrowings amounting to Rs. 1288.38 Lacs which was outstanding as at September 30, 2020 as given below:

Name of FI's	Range Period	Amount in Lacs
IFCI Limited	August 2018 to September 2020	1288.38



As per information and records produced before the auditor's of JAICL details of overdue principal repayment of borrowings amounting to Rs. 1750.44 Lacs which was outstanding as at September 30, 2020 as given below:

Name of FI's	Range Period	Amount in Lacs
IFCI Limited	July 2018 to September 2020	1750.44

- 10) Kanpur Fertilizers & Chemicals Limited (formerly known as Kanpur Fertilizers & Cement Ltd.), ('KFCL') has defaulted in repayment of Term Loan installments totaling Rs. 43.63 crores as at September 30, 2020 which became due w.r.t. quarter ended June 2019 to quarter ended September 2020 to Yes Bank Limited. Overdue Interest of Yes Bank Limited as on September 30, 2020 is Rs. 12.88 crores. The account has been reported NPA by the Bank. Working capital demand loan and cash credit facility including interest from Yes Bank Limited with outstanding amount of Rs. 26.53 crores and Rs. 18.41 crores respectively are also classify as NPA.

KFCL has also defaulted in repayment of principal amount of Rs. 2.70 crores in quarter ended September 30, 2020 which has become due for the month of July and August 2020 to SREI Equipment finance Limited. Overdue interest w.r.t. the said lender as on September 30, 2020 is Rs. 0.05 Crores.

The above Matter also included in the auditors' Review report on Unaudited Financial results of the holding company of KFCL i.e. Jaypee Uttar Bharat Vikas Private Limited and the Ultimate holding company of KFCL i.e Jaypee Fertilizers & Industries Limited.

- 11) No provision has been considered necessary by the management of Bhilai Jaypee Cement Limited ('BJCL') against Entry Tax amounting to Rs. 3,408.62 lakhs (including interest) as demanded by the Commercial Tax Department. BJCL has filed the Writ Petition in the Hon'ble High Court of Chhattisgarh against the order of Commercial Tax Department. Further, BJCL had filed for the exemption certificate regarding payment of entry tax which was rejected by the Department of Commerce & Industries, Chhattisgarh. During the earlier year, BJCL has filed an appeal before the State Appellate Forum, Department of Commerce and Industries, (Government of Chhattisgarh) against the order of the Department of Commerce & Industries, Chhattisgarh. The Management of BJCL is confident for favorable outcome in both the above-mentioned cases. Moreover, Rs. 684.35 lakhs have been deposited against the entry tax demand till date and shown as part of other non-current assets which is in the opinion of the management is good and recoverable.

Conclusion of the auditors of the respective components in respect of above stated matters in para (1) to (11) are not modified in their review reports.

Our conclusion is also not modified in respect of above stated matters in para (1) to (11).

7. We did not review financial information/financial results of 12 subsidiaries included in the consolidated unaudited financial results, whose financial information/financial results reflect total assets of Rs. 678,738.53 Lacs as at September 30, 2020 and total revenues of Rs. 67,851.11 Lacs, and Rs.117,998.80 Lacs, total net loss after tax of Rs. 5,784.45 Lacs and Rs. 15,342.47 Lacs and total comprehensive income / (loss) of Rs. (5,785.56) Lacs and



Rs.(15,344.25) Lacs for the quarter ended September 30, 2020, and for period from April 01, 2020 to September 30, 2020 respectively, and net cash outflow of Rs. 383.01 Lacs for the period from April 01, 2020 to September 30, 2020 as considered in the consolidated unaudited financial results whose financial information/financial results have not been reviewed by us. These financial information/financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 2 above.

8. The consolidated unaudited financial results includes financial information/ financial results of 7 subsidiaries and 1 joint controlled entity which have not been reviewed by their auditors, whose financial information/financial results reflect total assets of Rs. 16,528.98 Lacs as at September 30, 2020 and total revenue of Rs. 1.66 Lacs and Rs. 306.91 Lacs, total net loss after tax of Rs. 222.61 Lacs and Rs.434.75 and total comprehensive income/ (loss) of Rs. (222.61) Lacs and Rs. (434.75) Lacs for the quarter ended September 30, 2020 and for the period from April 01, 2020 to September 30, 2020 respectively, and net cash inflow of Rs. 32.40 Lacs for the period from April 01, 2020 to September 30, 2020, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 7.86 Lacs and Rs. 11.15 Lacs and total comprehensive income / (loss) of Rs. 7.86 Lacs and Rs. 11.15 Lacs for the quarter ended September 30, 2020 and for the period from April 01, 2020 to September 30, 2020, respectively, as considered in the consolidated unaudited financial results, in respect of 4 associates, based on their financial information/ financial results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the Management, these financial information/ financial results are not material to the Group.

Our conclusion on the statement in respect of matter stated in para 7 and 8 above is not modified with respect to our reliance on the work done and the reports of other auditors and the and the interim financial statement/financial information/ financial results certified by the Management.

For Rajendra K Goel & Co.
Chartered Accountants
Firm's Registration No. 001457N

R.K. Goel
Partner
Membership No. 006154
Place: Greater Noida
Dated: October 31, 2020
UDIN: 20006154AAAFZ5550



Independent Auditor's Review Report on Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 as amended

Review Report to
The Board of Directors of
Jaiprakash Associates Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of JAIPRAKASH ASSOCIATES LIMITED ('the Company') for the Quarter and Year to Date from April 01, 2020 to December 31, 2020, being submitted by the Company pursuant to the requirement to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended ('the Listing Regulations').

This statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. **Basis of Qualified Review Conclusion**

Attention is drawn to:

The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited ('JIL') (Subsidiary of the Company) was admitted and Interim Resolution Professional ('IRP') was appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petition/Intervention filed by certain home buyers of JIL and gave various interim directions from time to time including continuation of Corporate Insolvency Resolution Process ('CIRP').

The NCLT, New Delhi Principal Bench approved the Resolution Plan (with modification) of NBCC (India) Limited on March 03, 2020 whereby as per the scheme approved by NCLT the company's investment in equity of JIL be reduced to Nil and also decided that deposit of Rs. 750 crores made by Jaiprakash Associates Limited shall be utilized with



interest for the cause of the creditors of Corporate Debtor, meaning thereby not to be refunded to Company. The Company has filed the appeal on March 12, 2020 before the NCLAT against the inclusion of the deposit with interest as part of the resolution plan. In view of the order of the NCLT the company should have made the provision of Rs. 849.26 Crores as diminution in value of the investment in equity of JIL and deposit of Rs. 750 Crores. However the company has not made provisions in the books for the amount of said investment and amount of deposit total aggregating to Rs. 1,599.26 crores. Had these provisions been made the Loss would have been increased to that extent.

Matters stated above have also been qualified in our report in preceding quarter ended September 30, 2020, & year ended March 31, 2020 and corresponding quarter/nine month ended on December 31, 2019.

4. Qualified Conclusion:

Based on our review conducted as above, *except for the effect/possible effect as stated in Basis of Qualified Review Conclusion paragraph above*, nothing has come to our attention that causes us to believe that the accompanying statement prepared in all material respect in accordance with applicable Indian Accounting Standards prescribed u/s 133 of the 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 the Listing Regulations including the manner in which it is to be disclosed, or that it contain any material misstatement.

5. Emphasis of matter:

We draw attention to the following matters:

1.
 - a. The Competition Commission of India ('CCI') vide its Order dated August 31, 2016 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 during F.Y. 2009-10 & 2010-11 and inter alia imposed a penalty of Rs. 1,323.60 Crores on the Company. The Company had filed an Appeal against the said Order which was heard on various dates by Hon'ble National Company Law Appellate Tribunal ('NCLAT'). NCLAT vide its Order dated July 25, 2018 has rejected the appeals of all the cement manufacturers including that of the Company without interfering in the penalty, though, if calculated on the basis of profits earned by the Cement business, the same would have been Rs. 237.70 Crores only as against the penalty of Rs. 1,323.60 Crores calculated on the profits for all business segments of the Company. The Company and other affected cement manufacturers have filed appeal with the Hon'ble Supreme Court and the case has since been admitted with the directions that the interim Order passed earlier by NCLAT in the matter will continue in the meantime. The Company's request for rectification of Demand Notice was declined by CCI and the Company has filed a review application before Hon'ble NCLAT against the said rejection by CCI which matter is still pending.
 - b. The Competition Commission of India vide its other order dated January 19, 2017 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 in the State of Haryana during F.Y. 2012-13 to F.Y. 2014-15 and inter alia imposed a penalty of Rs. 38.02 Crores on the



Company based on criteria of average turnover of the Company as a whole as against the 'relevant turnover' of 'Cement Division'. The Company had filed an appeal against the said Order before NCLAT which has stayed the operation of impugned order and further proceedings are progressing in the matter.

Based on the advice of the Company's counsels, the Company believes that it has reasons to succeed in appeal in the above cases. Hence no provision is considered necessary in the statement of the company.

2. Yes Bank Limited ('YBL') / Assets Care and Reconstruction Enterprise Limited ('ACRE') invoked entire pledged equity share 28,09,66,000 of Rs. 10/- each of Bhilai Jaypee Cement Limited ('BJCL') (a subsidiary of the company) and also recalled outstanding loan and invoked corporate guarantee and shortfall undertaking given by the company against the loan facility of Rs. 465 Crores and Rs. 45 Crores to Jaypee Cement Corporation Limited ('JCCL') a wholly owned subsidiary of the company. YBL assigned the same in favour of ACRE. The ACRE informed about the transfer of the entire pledged/NDU share of BJCL in its name. However the company is contesting the assignment on the basis of the fact that these facilities has been covered under the Comprehensive Reorganization & Re-structuring Plan ('CRRP') of Company & JCCL duly approved by the consortium of lenders including YBL at its meeting held on June 22, 2017 and subsequently YBL signed Master Restructuring Agreement ('MRA') through deed of accession. Hence, the carrying value of above said equity share of BJCL and 752 Equity Shares held in the name of nominee shareholders continue to be included as part of Non-Current investment of the company in the statement.

BJCL has incurred loss in the current quarter as well as in the past years and its Net worth has been fully eroded. However, based on valuation report from independent Valuer on the assets of BJCL, the management believes that the realizable amount is higher than the carrying value of the Non-Current Investment aggregating to Rs. 407.72 Crores and receivable Rs. 534.65 Crores and as such these are considered good and recoverable.

3. Lender of Jaypee Cement Corporation Limited ('JCCL') (subsidiary company) has invoked the corporate guarantee given by the company for financial assistance being granted to JCCL and asked to make payment for Rs. 438.36 Crores and Rs. 20.79 Crores, being amount outstanding as on September 09, 2018. However the liability has not been considered in the books of accounts, as the loan in question is part of approved Comprehensive Reorganization & Restructuring plan of JCCL and the Company. The company has made Non-Current Investment in equity of JCCL of Rs. 1,454.71 Crores.

JCCL has incurred cash loss in the current quarter as well as in the past years and its Net worth has been fully eroded. However, based on report from independent professional in view of the management, the fair market value of the assets of the JCCL is higher than their carrying value as such no provision for impairment in the carrying value of the investment is required.

4. Non-Current Trade receivables include Rs. 2579.95 Crores, outstanding as at December 31, 2020 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in



respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.

5. The company has made investment in equity shares (Quoted) of Rs. 1,742.62 Crores in Jaiprakash Power Ventures Limited ('JPVL') an associate company (earlier subsidiary) of the company. JPVL has signed a 'Framework Agreement' on April 18, 2019 with the Banks and Financial Institutions for restructuring of the outstanding Loans and Interest. Accordingly JPVL has issued fully paid 0.01% Cumulative Compulsory Convertible Preference Shares amounting to Rs 3,805.53 crores on December 23, 2019 and fully paid 9.50% Cumulative Redeemable Preference Shares for Rs. 34.52 crores to their Lenders in December, 2019. Further, JPVL has issued 49,26,78,462 equity shares of Rs. 10/- each to FCCB Holders at Rs. 12/- per equity share and 35,17,69,546 equity shares of Rs. 10/- each to JSW Energy Limited at par against their outstanding liabilities on January, 2020 as per agreed terms.

Considering the implementation of Debt Resolution Process, valuation of assets of JPVL, conversion of outstanding dues of FCCB holders and JSW Energy Limited and further better prospects no diminution is envisaged by the management in the carrying value in the statement on the basis of quoted share price of JPVL being less than the carrying value.

6. The Company has received Termination Notice for the Mandla North Coal Mine allotted by Nominated Authority, Ministry of Coal on account of not meeting eligibility criteria mentioned in the Coal Mines Development and Production Agreement along with instructions for invocation of the Bank Guarantee submitted by the company in the form of Performance Security. The Hon'ble High Court has granted stay against the Termination Notice and invocation of Performance Guarantee. Since, the matter is now being sub-judice in the High Court, the recoverability of the amount invested aggregating to Rs. 295.80 Crores as on December 31, 2020 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, as such no provision has been considered necessary to be made in the statement by the management.
7. There are certain Entry tax matters under Appeals aggregating to Rs. 297.82 Crores (excluding interest, currently unascertainable) pertaining to the State of Madhya Pradesh and Himachal Pradesh. The Company has challenged these on account of various grounds in Hon'ble High Courts. No provision has been considered of the above in the Statement as management is of the opinion that the Company will succeed in the appeal. The Company has already deposited Rs. 166.79 Crores and also furnished Bank Guarantees of Rs. 125.43 Crores against the above.
8. The Lenders of the company in their Joint Lenders Forum ('JLF') meeting held on June 22, 2017 have approved restructuring / realignment/ reorganization of debt of the Company & its wholly owned subsidiary, Jaypee Cement Corporation Limited ('JCCL') being Restructuring Scheme.



The company has provided interest expenses on the debt portion that will remain with the company in accordance with the Restructuring Scheme approved and Master Re-structuring Agreement ('MRA') signed with the Lenders. Interest for the Quarter ended December 31, 2020 aggregating to Rs. 269.67 crores and Rs. 3778.90 crores till December 31, 2020 on debt portion which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited' ('JIDL') on sanction of the scheme of Arrangement by Hon'ble National Company Law Tribunal ('NCLT'), Allahabad with appointed date of July 01, 2017 has been added to the carrying cost of the Inventory/ Projects under development in respect of SDZ Real Estate Undertaking ('SDZ-RE'), since the same has to be serviced from the assets/development of Assets of SDZ-RE.

However before the order on the above restructuring scheme by the Hon'ble NCLT, ICICI Bank Limited on the direction of RBI had filed an application with Hon'ble NCLT, Allahabad bench U/s 7 of Insolvency & Bankruptcy Code, 2016 ('IBC') against the company which is pending. On restructured loan, the company has also defaulted in the payment of interest and principal for the financial year 2018-2019, 2019-2020 and 2020-21.

As such till the decision of the Hon'ble NCLT on restructuring and/or application u/s 7 IBC and further action/restructuring by the lenders on this account, there remains uncertainty and as such its impact on the financials of the company is not ascertainable.

Our conclusion is not modified in respect of above stated matters in para (1) to (8).

For Rajendra K Goel & Co.
Chartered Accountants
Firm's Registration No. 001457N

R.K. Goel
Partner
Membership No. 006154



Place: New Delhi
Dated: January 29, 2020
UDIN: 21006154AAAABA5955

Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, as amended

Review Report To
The Board of Directors of
Jaiprakash Associates Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Jaiprakash Associates Limited ('the Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') its associates and joint controlled entity for the Quarter and Year to Date from April 01, 2020 to December 31, 2020 ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI the Listing Regulations, to the extent applicable.

3. The Statement includes the results of the following entities:

Subsidiaries

- 1) Himalyan Expressway Limited
- 2) Jaypee Cement Hockey (India) Limited
- 3) Jaypee Infrastructure Development Limited
- 4) Jaypee Ganga Infrastructure Corporation Limited
- 5) Jaypee Agra Vikas Limited
- 6) Yamuna Expressway Tolling Limited



- 7) Gujarat Jaypee Cement and Infrastructure Limited
- 8) Jaypee Assam Cement Limited
- 9) Jaiprakash Agri Initiative Company Limited
- 10) Kanpur Fertilizers & Chemicals Limited (formerly known as Kanpur Fertilizers & Cement Limited)
- 11) Jaypee Fertilizers & Industries Limited
- 12) Jaypee Uttar Bharat Vikas Private Limited
- 13) Himalyaputra Aviation Limited
- 14) Jaypee Cement Corporation Limited
- 15) RPJ Minerals Private Limited
- 16) Sonebhadra Minerals Private Limited
- 17) Sarveshwari Stone Products Private Limited
- 18) Rock Solid Cement Limited
- 19) Bhilai Jaypee Cement Limited
- 20) Jaypee Infratech Limited (Consolidated till December 31, 2019)
- 21) Jaypee Healthcare Limited (Consolidated till December 31, 2019)

Associates

- 1) Prayagraj Power Generation Company Limited (Ceased to be Associate w.e.f. 04.12.2019)
- 2) Madhya Pradesh Jaypee Minerals Limited
- 3) MPJP Coal Limited
- 4) MPJP Coal Fields Limited
- 5) Jaiprakash Power Ventures Limited

Joint Controlled Entity

- 1) JAL-KDSPL-JV

4. Basis of Qualified Review Conclusion:

Attention is drawn to:

The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited ('JIL') (than Subsidiary of the Holding Company) was admitted and Interim Resolution Professional ('IRP') was appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petition/Intervention filed by certain home buyers of JIL and gave various interim directions from time to time including continuation of Corporate Insolvency Resolution Process ('CIRP').

The NCLT, New Delhi Principal Bench approved the Resolution Plan (with modification) of NBCC (India) Limited on March 03, 2020 whereby as per the scheme approved by NCLT the Holding company's investment in equity of JIL be reduced to Nil and also decided that deposit of Rs. 750 crores made by the Holding Company shall be utilized with interest for the cause of the creditors of Corporate Debtor, meaning thereby not to be refunded to Holding Company. Accordingly the Holding Company has lost the control of JIL and consolidated the JIL upto December 31, 2019. The Holding Company has filed the appeal on March 12, 2020 before the NCLAT against the inclusion of the deposit with interest as part of the resolution plan. In view of the order of the NCLT the Holding Company should have made the provision of Rs. 847 Crores as diminution in value of the investment in equity of JIL and deposit of Rs. 750 Crores. However the Holding Company has not made provisions in the books for the amount of said investment and amount of



deposit total aggregating to Rs. 1,597 Crores. Had these provisions been made the loss of group would have been increased to that extent.

Matters stated above have also been qualified in our report in preceding quarter ended on September 30, 2020, year ended March 31, 2020 and corresponding quarter/ nine months ended on December 31, 2019.

The Independent Auditors' of Bhilai Jaypee Cement Limited, a component, has issued qualified review conclusion in his Review Report on Unaudited Financial Results for the quarter and nine month ended on December 31, 2020 which is reproduced as under:

- [i] The financial statement of Bhilai Jaypee Cement Limited ('BJCL') is prepared on going concern basis. During the quarter and nine month ended December 31, 2020, BJCL has incurred Net loss of Rs. 855.30 lakhs and Rs. 634.59 lakhs respectively. The Company's net worth as at December 31, 2020 has been completely eroded due to accumulated losses of Rs. 50,711.83 lakhs against equity capital of Rs. 37,968.48 lakhs. Further, BJCL's current liabilities exceed its current assets. These matters require BJCL to generate additional cash flow to fund the operations as well as payments to creditors and the statutory obligations. The appropriateness of assumption of going concern is dependent upon generation of additional cash flow and financial support from the holding company to fund the operations and meet its obligations and implementation of business plan which are critical to BJCL's ability to continue as going concern. These conditions along with matters described below indicate the existence of a material uncertainty that may cast significant doubt on the BJCL's ability to continue as going concern and therefore BJCL may be unable to realize its assets and discharge its liabilities in the normal course of business.
- [ii] Bhilai Jaypee Cement Limited ('BJCL') had not provided compensation for short lifting of annual Agreed Quantity of Granulated Slag of Rs. 6,992.12 lakhs upto December 31, 2020 (including Rs. 6,914.56 lakhs upto September 30, 2020 already demanded by the supplier). BJCL has, however, disputed the claim on various grounds such as deficient/inadequate supply of slag during the financial year 2011-12 to 2013-14, inordinate delay of 9 months on part of the supplier in furnishing bank guarantee for renewable of mining operation at ILQ Santa etc. BJCL has also filed counter claim with the party for contribution loss suffered by BJCL. The Company has also not provided interest of Rs. 107.75 lakhs upto financial year ended March 31, 2020 demanded by the supplier for late payments (amount of interest for subsequent period yet to be ascertained). The same being under dispute/negotiation, the extent to which these liabilities will be settled and its impact on the loss for the quarter and nine months ended December 31, 2020 cannot be ascertained at present.

Matters stated above have also been qualified in auditors' report of BJCL/ our report in preceding quarter ended on September 30, 2020, year ended March 31, 2020 and corresponding quarter/ nine months ended on December 31, 2019.

5. Qualified conclusion:

Based on our review conducted and procedures performed as stated in paragraph 2 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, *except effect/possible effect as stated in Basis of Qualified Review Conclusion paragraph above*, nothing has come to our attention that causes us to believe that the



accompanying Statement, prepared in all material respect in accordance with applicable Indian Accounting Standards prescribed u/s 133 of the 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 the Listing Regulations including the manner in which it is to be disclosed, or that it contain any material misstatement.

6. Emphasis of matter:

We draw attention to the following matters:

- 1)
 - a. The Competition Commission of India ('CCI') vide its Order dated August 31, 2016 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 during F.Y. 2009-10 & 2010-11 and imposed a penalty of Rs. 1,323.60 Crores on the Holding Company. The Holding Company had filed an Appeal against the said Order which was heard on various dates by Hon'ble National Company Law Appellate Tribunal ('NCLAT'). NCLAT vide its Order dated July 25, 2018 has rejected the appeals of all the cement manufacturers including that of the Holding Company without interfering in the penalty, though, if calculated on the basis of profits earned by the Cement business, the same would have been Rs. 237.70 Crores only as against the penalty of Rs. 1,323.60 Crores calculated on the profits for all business segments of the Holding Company. The Holding Company and other affected cement manufacturers have filed appeal with the Hon'ble Supreme Court and the case has since been admitted with the directions that the interim Order passed earlier by NCLAT in the matter will continue in the meantime. The Holding Company's request for rectification of Demand Notice was declined by CCI and the Holding Company has filed a review application before Hon'ble NCLAT against the said rejection by CCI which matter is still pending.
 - b. The Competition Commission of India vide its other order dated January 19, 2017 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 in the State of Haryana during F.Y. 2012-13 to F.Y. 2014-15 and interalia imposed a penalty of Rs. 38.02 Crores on the Holding Company based on criteria of average turnover of the Holding Company as a whole as against the 'relevant turnover' of 'Cement Division'. The Holding Company had filed an appeal against the said Order before NCLAT which has stayed the operation of impugned order and further proceedings are progressing in the matter.

Based on the advice of the Holding Company's counsels, the Holding Company believes that it has reasons to succeed in appeal in the above cases. Hence no provision is considered necessary in the statement.

- 2) Yes Bank Limited ('YBL') / Assets Care and Reconstruction Enterprise Limited ('ACRE') invoked entire pledged equity share 28,09,66,000 of Rs. 10/- each of Bhilai Jaypee Cement Limited ('BJCL') (a subsidiary of the Holding Company) and also recalled outstanding loan and invoked corporate guarantee and shortfall undertaking given by the Holding Company against the loan facility of Rs. 465 Crores and Rs. 45 Crores to JCCL a wholly owned subsidiary of the Holding



Company. YBL assigned the same in favor of ACRE. ACRE informed about the transfer of the entire pledged/NDU share of BJCL in its name. However the Holding Company is contesting the assignment on the basis of the fact that these facilities has been covered under the Comprehensive Reorganization & Restructuring Plan ('CRRP') of the Holding Company & Jaypee Cement Corporation Limited ('JCCL') duly approved by the consortium of lenders including YBL at its meeting held on June 22, 2017 and subsequently YBL signed Master Re-structuring Agreement ('MRA') through deed of accession. Pending settlement with the Lender/ACRE, the Holding Company continues to consolidate BJCL as a subsidiary.

- 3) Lender of Jaypee Cement Corporation Limited ('JCCL') (subsidiary of the Holding Company) has invoked the corporate guarantee given by the Holding Company for financial assistance being granted to JCCL and asked to make payment for Rs. 438.36 Crores and Rs. 20.79 Crores, being amount outstanding as on September 09, 2018. However the liability has not been considered in the books of accounts, as the loan in question is part of approved Comprehensive Reorganization & Restructuring plan of JCCL and the Holding Company.
- 4) Non- Current Trade receivables include Rs. 2,579.95 Crores, outstanding as at December 31, 2020 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which the Holding Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.
- 5) The Holding Company has made investment in equity shares (Quoted) of Rs. 1,742.62 Crores in Jaiprakash Power Ventures Limited ('JPVL') an associate of the Holding Company (earlier a subsidiary of the Holding Company). JPVL has signed a 'Framework Agreement' on April 18, 2019 with the Banks and Financial Institutions for restructuring of the outstanding Loans and Interest. Accordingly, JPVL has issued fully paid 0.01% Cumulative Compulsory Convertible Preference Shares amounting to Rs 3,805.53 crores on December 23, 2019 and fully paid 9.50% Cumulative Redeemable Preference Shares for Rs. 34.52 crores to their Lenders in December, 2019. Further, JPVL has issued 49,26,78,462 equity shares of Rs. 10/- each to FCCB Holders at Rs. 12/- per equity share and 35,17,69,546 equity shares of Rs. 10/- each to JSW Energy Limited at par against their outstanding liabilities on January 2020 as per agreed terms.

Considering the implementation of Debt Resolution Process, valuation of assets of JPVL, conversion of outstanding dues of FCCB holders and JSW Energy Limited and further better prospects no diminution is envisaged by the management in the carrying value in the statement on the basis of quoted share price of JPVL being less than the carrying value.

- 6) The Holding Company has received Termination Notice for the Mandla North Coal Mine allotted by Nominated Authority, Ministry of Coal on account of not meeting



eligibility criteria mentioned in the Coal Mines Development and Production Agreement along with instructions for invocation of the Bank Guarantee submitted by the Holding Company in the form of Performance Security. The Hon'ble High Court has granted stay against the Termination Notice and invocation of Performance Guarantee. Since, the matter is now being sub-judice in the High Court, the recoverability of the amount invested aggregating to Rs. 295.80 Crores as on December 31, 2020 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, as such no provision has been considered necessary to be made in the statement by the management.

- 7) There are certain Entry tax matters under Appeals aggregating to Rs. 297.82 Crores (excluding interest, currently unascertainable) pertaining to the State of Madhya Pradesh and Himachal Pradesh. The Holding Company has challenged these on account of various grounds in Hon'ble High Courts. No provision has been considered of the above in the Statement as management is of the opinion that the Holding Company will succeed in the appeal. The Holding Company has already deposited Rs. 166.79 Crores and also furnished Bank Guarantees of Rs. 125.43 Crores against the above.
- 8) The Lenders of the Holding Company in their Joint Lenders Forum ('JLF') meeting held on June 22, 2017 have approved restructuring / realignment/ reorganization of debt of the Holding Company & its wholly owned subsidiary, Jaypee Cement Corporation Limited ('JCCL') being Restructuring Scheme.

The Holding Company has provided interest expenses on the debt portion that will remain with the Holding Company in accordance with the Restructuring Scheme approved and Master Re-structuring Agreement ('MRA') signed with the Lenders. Interest for the quarter ended December 31, 2020 aggregating to Rs. 269.67 crores and Rs. 3,778.90 crores till December 31, 2020 on debt portion which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited' ('JIDL') on sanction of the scheme of Arrangement by Hon'ble National Company Law Tribunal ('NCLT'), Allahabad with appointed date of July 01, 2017 has been added to the carrying cost of the Inventory/ Projects under development in respect of SDZ Real Estate Undertaking ('SDZ-RE'), since the same has to be serviced from the assets/development of Assets of SDZ-RE.

However before the order on the above restructuring scheme by the Hon'ble NCLT, ICICI Bank Limited on the direction of RBI had filed an application with Hon'ble NCLT, Allahabad bench U/s 7 of Insolvency & Bankruptcy Code, 2016 against the Holding Company which is pending. On restructured loan, the Holding Company has also defaulted in the payment of interest and principal for the financial year 2018-2019, 2019-2020 and 2020-2021.

As such till the decision of the Hon'ble NCLT on restructuring and/or application u/s 7 of Insolvency & Bankruptcy Code, 2016 and further action/restructuring by the lenders on this account, there remains uncertainty and as such its impact on the financials of the Group is not ascertainable.

Our conclusion is not modified in respect of above stated matters in para (1) to (8).



The Independent Auditors' of certain components in their Review Report on Unaudited Financial Results for the quarter and nine month ended on December 31, 2020 have drawn emphasis of matter paragraphs which is reproduced as under:

- 1) Jaiprakash Agri Initiatives Company Limited ('JAICL') has accumulated losses which have fully eroded its Net worth and JAICL has incurred cash loss during the current period and previous year(s) and JAICL current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about JAICL's ability to continue as a going concern. However, the financial statements of JAICL have been prepared on a going concern basis.
- 2) Jaypee Infrastructure Development Limited ('JIDL') has accumulated losses which have fully eroded its Net worth and JIDL has incurred cash loss during the previous year(s). JIDL current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about JIDL's ability to continue as a going concern. However, the financial statements of JIDL have been prepared on a going concern basis.
- 3) Jaypee Cement Hockey (India) Limited ('JCHIL') has accumulated losses which have fully eroded its Net worth and JCHIL has incurred cash loss during the current period and previous year(s) and JCHIL current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about JCHIL's ability to continue as a going concern. However, the financial statements of JCHIL have been prepared on a going concern basis.
- 4) Himalyaputra Aviation Limited ('HAL') has accumulated losses and its net worth has been fully eroded. These conditions indicate that HAL is dependent upon the continuing financial support of its holding company for its ability to continue as a Going Concern and for discharging its liabilities in the ordinary course of business. However, the financial statements of HAL have been prepared on a going concern basis.
- 5) Yamuna Expressway Tolling Limited ('YETL') has accumulated losses which are more than its Net worth i.e. the net worth has been fully eroded, YETL has incurred net cash loss during the previous year(s). These conditions indicate the existence of a material uncertainty that may cast significant doubt about YETL ability to continue as a going concern. However, the financial statements of YETL have been prepared on a going concern basis.
- 6) Jaypee Ganga Infrastructure Corporation Limited ('JGICL') has accumulated losses which have fully eroded its Net worth and JAICL has incurred cash loss during the previous year(s). JGICL current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about JGICL's ability to continue as a going concern. However, the financial statements of JGICL have been prepared on a going concern basis.
- 7) Jaypee Cement Corporation Limited ('JCCL') has accumulated losses. The JCCL's ability to continue as a going concern is dependent upon the financial support of the



holding company. However, the financial statements of the JCCL have been prepared on a going concern basis for the reasons.

- 8) Confirmations/ Reconciliations of balances of certain secured & unsecured loans, balances with banks, trade receivables, trade and other payables (including capital creditors) and loans and advances of Jaypee Cement Corporation Limited ('JCCL') are pending. The management of JCCL is confident that on confirmation/ reconciliation there will not be any material impact on the financial statements.
- 9) Jaiprakash Agri Initiatives Company Limited ('JAICL') has defaulted in repayment of Principal and interest to Banks and Financial institutions "FI's", wherein the period of delay ranges from 16 days to 900 days.

As per information and records produced before the auditor's of JAICL details of overdue interest on the borrowings amounting to Rs. 1,474.96 Lacs which was outstanding as at December 31, 2020 as given below:

Name of FI's	Range Period	Amount in Lacs
IFCI Limited	August 2018 to December 2020	1,474.96

As per information and records produced before the auditor's of JAICL details of overdue principal repayment of borrowings amounting to Rs. 1,949.27 Lacs which was outstanding as at December 31, 2020 as given below:

Name of FI's	Range Period	Amount in Lacs
IFCI Limited	July 2018 to December, 2020	1,949.27

- 10) Himalyaputra Aviation Limited ('HAL') has defaulted in repayment of Principal and interest to Financial institution "FI's", wherein the period of delay ranges from 16 days to 169 days.

As per information and records produced before the auditor's of HAL details of overdue interest on the borrowings amounting to Rs. 208.05 Lacs which was outstanding as at December 31, 2020 as given below:

Name of FI's	Range Period	Amount in Lacs
SREI Equipments Finance Limited	July 2020 to December 2020	208.05

As per information and records produced before the auditor's of HAL details of overdue principal repayment of borrowings amounting to Rs. 297.25 Lacs which was outstanding as at December 31, 2020 as given below:

Name of FI's	Range Period	Amount in Lacs
SREI Equipments Finance Limited	July 2020 to December, 2020	297.25

- 11) Kanpur Fertilizers & Chemicals Limited (formerly known as Kanpur Fertilizers & Cement Ltd.), ('KFCL') has defaulted in repayment of principal amount of Rs. 52.80 crores as at December 31, 2020 which became due w.r.t. quarter ended June 2019 to quarter ended December 2020 to Yes Bank Limited. Overdue Interest of Yes Bank Limited as on December 31, 2020 is Rs. 16.10 crores. The account has been reported



NPA by the Bank. Working capital demand loan and cash credit facility including interest from Yes Bank Limited with outstanding amount of Rs. 27.38 crores and Rs. 18.85 crores respectively are also classify as NPA.

The above Matter also included in the auditors' Review report on Unaudited Financial results of the holding company of KFCL i.e. Jaypee Uttar Bharat Vikas Private Limited and the Ultimate holding company of KFCL i.e Jaypee Fertilizers & Industries Limited.

- 12) No provision has been considered necessary by the management of Bhilai Jaypee Cement Limited ('BJCL') against Entry Tax amounting to Rs. 3,408.62 lakhs (including interest) as demanded by the Commercial Tax Department. BJCL has filed the Writ Petition in the Hon'ble High Court of Chhattisgarh against the order of Commercial Tax Department. Further, BJCL had filed for the exemption certificate regarding payment of entry tax which was rejected by the Department of Commerce & Industries, Chhattisgarh. During the earlier year, BJCL has filed an appeal before the State Appellate Forum, Department of Commerce and Industries, (Government of Chhattisgarh) against the order of the Department of Commerce & Industries, Chhattisgarh. The Management of BJCL is confident for favorable outcome in both the above-mentioned cases. Moreover, Rs. 684.35 lakhs have been deposited against the entry tax demand till date and shown as part of other non-current assets which is in the opinion of the management is good and recoverable.

Conclusion of the auditors of the respective components in respect of above stated matters in para (1) to (12) are not modified in their review reports.

Our conclusion is also not modified in respect of above stated matters in para (1) to (12).

7. We did not review financial information/financial results of 13 subsidiaries included in the consolidated unaudited financial results, whose financial information/financial results reflect total revenues of Rs. 65,017.94 Lacs and Rs. 1,83,016.74 Lacs, total net loss after tax of Rs. 10,642.28 Lacs and Rs. 26,424.12 Lacs and total comprehensive income/(loss) of Rs. (10,637.39) Lacs and Rs. (26,421.02) Lacs for the quarter ended 31.12.2020, and for the period from 01.04.2020 to 31.12.2020 respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit/(loss) after tax of Rs. NIL Lacs and Rs. NIL Lacs and total comprehensive income / (loss) of Rs. NIL Lacs and Rs. NIL Lacs for the quarter ended 31.12.2020 and for the period from 01.04.2020 to 31.12.2020, respectively, as considered in the consolidated unaudited financial results, in respect of 1 associate, whose financial information/financial results have not been reviewed by us. These financial information/financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 2 above.
8. The consolidated unaudited financial results includes financial information/financial results of 6 subsidiaries and 1 joint controlled entity which have not been reviewed by their auditors, whose financial information/financial results reflect total revenue of Rs. 1.42 Lacs and Rs. 4.83 Lacs, total net loss after tax of Rs. 4.42 Lacs and Rs. 13.81 Lacs, total



comprehensive income / (loss) of Rs. (4.42) Lacs and Rs. (13.81) Lacs for the quarter ended 31 December 2020 and for the period from 01.04.2020 to 31.12.2020, respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 3.00 Lacs and Rs. 14.00 Lacs and total comprehensive income / (loss) of Rs. 3.00 Lacs and Rs. 14.00 Lacs for the quarter ended 31.12.2020 and for the period from 01.04.2020 to 31.12.2020, respectively, as considered in the consolidated unaudited financial results, in respect of 3 associates, based on their financial information/financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our conclusion on the statement in respect of matter stated in para 7 and 8 above is not modified with respect to our reliance on the work done and the reports of other auditors and the and the Financial Results/financial information certified by the Management.

For Rajendra K Goel & Co.
Chartered Accountants
Firm's Registration No. 001457N

R.K. Goel
Partner
Membership No. 006154



Place: Delhi
Dated: January 29, 2020
UDIN: 21006154AAAABB5142