

JAIPRAKASH ASSOCIATES LIMITED

Regd. Office: Sector 128, Noida 201 304 [U.P.]
 Head Office: "JA House", 63, Basant Lok, Vasant Vihar, New Delhi - 110 057
 Phone : 91+ (120) 4609000; FAX : 91+ (120) 4609464; CIN : L14106UP1995PLC019017
 website : www.jalindia.com, e-mail: jal.investor@jalindia.co.in

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	STANDALONE				
	Quarter Ended			Year Ended	
	31.03.2020 [Audited]	31.12.2019 [Unaudited]	31.03.2019 [Audited]	31.03.2020 [Audited]	31.03.2019 [Audited]
1 Income					
Revenue from Operations	117204	122458	172118	461913	683323
Other Income	(1637)	(5524)	11662	6809	15118
Total Income	115567	116934	183780	468722	698441
2 Expenses					
[a] Cost of Materials Consumed	45576	41992	53770	172679	209234
[b] Purchase of Stock-in-trade	-	-	(43)	-	1418
[c] Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	(6599)	1839	9996	(5103)	24572
[d] Direct Construction, Manufacturing, Real Estate, Hotel/Hospitality, Event & Power Expenses	43376	42968	67238	165685	268177
[e] Employee Benefits Expense	14372	12405	14461	51504	47777
[f] Finance Costs	25632	17793	18631	80233	72380
[g] Depreciation and Amortisation Expense	10269	10485	9926	41217	39520
[h] Other Expenses	15230	11757	21674	53724	70369
Total Expenses	147856	139239	195653	559939	733447
3 Profit/(Loss) before Exceptional Items and Tax [1 - 2]	(32289)	(22305)	(11873)	(91217)	(35006)
4 Exceptional Items	1636	(4041)	(23138)	2169	(42344)
5 Profit/(Loss) before Tax [3 + 4]	(30653)	(26346)	(35011)	(89048)	(77350)
6 Tax Expense					
[a] Current Tax	68	97	-	165	-
[b] Deferred Tax	-	-	-	-	-
Total Tax Expense	68	97	-	165	-
7 Net Profit/(Loss) for the period from Continuing Operations after Tax [5 - 6]	(30721)	(26443)	(35011)	(89213)	(77350)
8 Profit/(Loss) from Discontinued Operations	(16)	(39)	(12)	(70)	(18)
9 Tax expense of Discontinued Operations	-	-	-	-	-
10 Profit/(Loss) from Discontinued Operations after Tax [8 - 9]	(16)	(39)	(12)	(70)	(18)
11 Net Profit/(Loss) for the period after Tax [7 + 10]	(30737)	(26482)	(35023)	(89283)	(77368)
12 Other Comprehensive Income					
a(i) Items that will not be reclassified to Profit/(Loss)	(292)	-	311	(292)	311
(ii) Income Tax relating to Items that will not be reclassified to Profit/(Loss)	-	-	-	-	-
b(i) Items that will be reclassified to Profit/(Loss)	-	-	-	-	-
(ii) Income Tax relating to Items that will be reclassified to Profit/(Loss)	-	-	-	-	-
Total Other Comprehensive Income for the period [Comprising Profit/(Loss) and Other Comprehensive Income for the period]	(292)	-	311	(292)	311
13 Total Comprehensive Income for the period [11 + 12] [comprising Profit/(Loss) and Other Comprehensive Income]	(31029)	(26482)	(34712)	(89575)	(77057)
14 Paid-up Equity Share Capital [of ₹ 2/- per share]	48649	48649	48649	48649	48649
15 Other Equity [excluding Revaluation Reserve]				736872	826697
16 Earnings Per Share [of ₹ 2/- per share] [for continuing operations]					
Basic	₹ (1.26)	₹ (1.09)	₹ (1.44)	₹ (3.67)	₹ (3.18)
Diluted	₹ (1.26)	₹ (1.09)	₹ (1.44)	₹ (3.67)	₹ (3.18)
Earnings Per Share [of ₹ 2/- per share] [for discontinued operations]					
Basic	₹ -	₹ -	₹ -	₹ -	₹ -
Diluted	₹ -	₹ -	₹ -	₹ -	₹ -
Earnings Per Share [of ₹ 2/- per share] [for discontinued and continuing operations]					
Basic	₹ (1.26)	₹ (1.09)	₹ (1.44)	₹ (3.67)	₹ (3.18)
Diluted	₹ (1.26)	₹ (1.09)	₹ (1.44)	₹ (3.67)	₹ (3.18)

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**AUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

(₹ in Lakhs)

Particulars	STANDALONE				
	Quarter Ended			Year Ended	
	31.03.2020 [Audited]	31.12.2019 [Unaudited]	31.03.2019 [Audited]	31.03.2020 [Audited]	31.03.2019 [Audited]
1. Segment Revenue					
[a] Cement & Cement Products	35620	37026	52607	154601	198077
[b] Construction	60430	57133	73444	209219	261441
[c] Power	4054	5993	5792	20864	21774
[d] Hotel/Hospitality & Golf Course	6692	7821	8170	26260	27882
[e] Sport Events	71	169	174	1064	893
[f] Real Estate	10430	13063	32392	48228	173718
[g] Others	961	1230	2817	4859	9277
[h] Unallocated	342	873	35	1411	469
Total	118600	123308	175431	466506	693531
Less: Inter-segment Revenue	1396	850	3313	4593	10208
Revenue from Operations	117204	122458	172118	461913	683323
2. Segment Results					
[a] Cement & Cement Products	(926)	(1483)	(2030)	(5618)	(5422)
[b] Construction	4573	5087	(2572)	10726	1944
[c] Power	(1574)	(1379)	255	(6386)	(3846)
[d] Hotel/Hospitality & Golf Course	272	1199	1035	1076	2043
[e] Sport Events	(3072)	(3122)	(2994)	(11810)	(11886)
[f] Real Estate	(3900)	2213	3862	421	47077
[g] Investments	(2246)	(6809)	9460	85	7340
[h] Others	(1216)	(1049)	(1738)	(4309)	(4302)
	(8089)	(5343)	5278	(15815)	32948
Less:					
[a] Finance Costs	25632	17793	18631	80233	72380
[b] Other Un-allocable Expenditure net off Un-allocable Income	(1432)	(831)	(1480)	(4831)	(4426)
	(32289)	(22305)	(11873)	(91217)	(35006)
Exceptional Items	1636	(4041)	(23138)	2169	(42344)
Profit/(Loss) before Tax from Continuing Operations	(30653)	(26346)	(35011)	(89048)	(77350)
3. Segment Assets					
[a] Cement & Cement Products	470277	474148	484258	470277	484258
[b] Construction	498826	526427	510809	498826	510809
[c] Power	192602	194689	198602	192602	198602
[d] Hotel/Hospitality & Golf Course	78300	78634	85569	78300	85569
[e] Sports Events	230112	232821	240965	230112	240965
[f] Real Estate	1403389	1374741	1310545	1403389	1310545
[h] Investments	742541	745624	743124	742541	743124
[i] Others	14107	14848	13849	14107	13849
[j] Un-allocated	223002	203841	194355	223002	194355
Total Segment Assets	3853156	3845773	3782076	3853156	3782076
4. Segment Liabilities					
[excluding Loans]					
[a] Cement & Cement Products	98334	96416	94107	98334	94107
[b] Construction	174358	186966	168646	174358	168646
[c] Power	15114	15089	14879	15114	14879
[d] Hotel/Hospitality & Golf Course	21003	21217	24252	21003	24252
[e] Sports Events	12110	11765	13661	12110	13661
[f] Real Estate	375958	370929	391126	375958	391126
[g] Others	4932	5214	3992	4932	3992
[h] Un-allocated	498511	458683	354443	498511	354443
Total Segment Liabilities	1200320	1166279	1065106	1200320	1065106

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STATEMENT OF ASSETS AND LIABILITIES		
(₹ in Lakhs)		
Particulars	STANDALONE	
	As At 31.03.2020 [Audited]	As At 31.03.2019 [Audited]
A ASSETS		
1 NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	677839	709766
(b) Capital Work-in-Progress	47880	47216
(c) Investment Property	-	-
(d) Goodwill	-	-
(e) Other Intangible Assets	9	12
(f) Intangible Assets under Development	-	-
(g) Biological Assets other than bearer plants	-	-
	<u>725728</u>	<u>756994</u>
(h) Financial Assets		
(i) Investments	742541	743124
(ii) Trade Receivables	257995	266134
(iii) Loans	10064	9107
(iv) Other Financial Assets	11096	6542
(i) Deferred Tax Assets [Net]	-	-
(j) Other Non-Current Assets	121252	138803
Total - Non-current Assets	<u>1868676</u>	<u>1920704</u>
2 CURRENT ASSETS		
(a) Inventories	458090	480521
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade Receivables	97570	104080
(iii) Cash and Cash Equivalents	15388	12695
(iv) Bank Balances other than Cash and Cash Equivalents	15634	20833
(v) Loans	107	141
(vi) Other Financial Assets	232700	166399
(c) Current Tax Assets [Net]	-	-
(d) Other Current Assets	297245	316220
Total - Current Assets	<u>1116734</u>	<u>1100889</u>
3 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	867746	760482
TOTAL - ASSETS	<u>3853156</u>	<u>3782075</u>
B EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity Share Capital	48649	48649
(b) Other Equity	736872	826697
Total - Equity	<u>785521</u>	<u>875346</u>
2 LIABILITIES		
(I) NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	460217	496253
(ii) Trade Payables	7146	8273
(iii) Other Financial Liabilities	38724	30631
(b) Provisions	9258	8914
(c) Deferred Tax Liabilities [Net]	-	-
(d) Deferred Revenue	-	-
(e) Other Non-Current Liabilities	17392	18728
Total - Non-current Liabilities	<u>532737</u>	<u>562799</u>
CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	35865	34638
(ii) Trade Payables		
Due to Micro & Small Enterprises	1103	612
Due to Creditors Other than Micro & Small Enterprises	149232	149929
(iii) Other Financial Liabilities	316120	217798
(b) Other Current Liabilities	367803	384548
(c) Provisions	78519	77717
(d) Current Tax Liabilities [Net]	-	-
Total - Current Liabilities	<u>948642</u>	<u>865242</u>
3 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	1586256	1478688
TOTAL - EQUITY AND LIABILITIES	<u>3853156</u>	<u>3782075</u>

Contd...4

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

₹ Lakhs

	STANDALONE		
	31.03.2020 Audited	31.03.2019 Audited	
(A) CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit/(Loss) before Tax as per Statement of Profit & Loss	(89,118)	(77,368)	
Adjusted for :			
(a) Depreciation & Amortisation	41,217	39,535	
(b) (Profit)/ Loss on sale/disposal/ discard/ write off of Assets [Net]	(1,211)	(800)	
(c) Finance Costs	80,233	72,380	
(d) Interest Income	(4,178)	(3,957)	
(e) Profit on Sale of Non-Current Investments	(48)	2,046	
(f) Fair Value Gain on Financial Instruments	(347)	(9,698)	
(g) Profit on Sale/Redemption of Exchange Traded Funds/Mutual Funds/ Other Investments	(418)	-	
(h) Exceptional Items	(2,169)	20,403	
Operating Profit/(Loss) before Working Capital Changes	23,961	42,541	
Adjusted for :			
(a) (Increase)/Decrease in Inventories	22,597	19,173	
(b) (Increase)/Decrease in Trade Receivables	10,608	11,329	
(c) (Increase)/Decrease in Other Receivables	(26,908)	(399)	
(d) Increase/(Decrease) in Trade Payables & Other Payables	(7,675)	(33,942)	
Cash Generated from Operations	22,583	38,702	
Tax Refund/ (Paid) [Net]	7,030	(531)	
CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	"A"	29,613	38,171
(B) CASH FLOW FROM INVESTING ACTIVITIES:			
(a) Purchase of Property, Plant & Equipment and Capital Work-in-Progress	(9,772)	(7,253)	
(b) Proceeds from Sale/Transfer of Property, Plant & Equipment (incl. sale of undertakings)	2,358	2,607	
(c) Changes in Fixed Deposits & Other Bank Balances	561	997	
(d) Proceeds from Sale/Transfer of Investments/ Other Investments	64	4,843	
(e) Interest Income	4,015	3,269	
NET CASH GENERATED / (USED IN) INVESTING ACTIVITIES	"B"	(2,774)	4,463
(C) CASH FLOW FROM FINANCING ACTIVITIES:			
(a) Proceeds from Long Term Borrowings	-	7,265	
(b) Repayment of Long Term Borrowings	(5,451)	(44,237)	
(c) Change in Short term Borrowings (Net)	1,227	15,964	
(d) Finance Costs	(19,922)	(36,054)	
NET CASH GENERATED FROM/ (USED IN) FROM FINANCING ACTIVITIES	"C"	(24,146)	(57,062)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	"A+B+C"	2,693	(14,428)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		12,695	27,123
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		15,388	12,695

Contd...5

Notes:

1. Figures for the previous periods have been regrouped to conform to the classification of the current period, wherever necessary.
Figures for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures for the years ended on that date and the unaudited year to date figures upto the end of third quarter of the respective financial years.
2. The Comprehensive Re-organization and Restructuring Plan (CRRP) for the Company and Jaypee Cement Corporation Limited was duly approved by the Joint Lenders' Forum on 22nd June, 2017, based on the recommendations of the Independent Evaluation Committee (IEC) appointed by the Reserve Bank of India envisaging bifurcation of the entire debt of the Company into two parts – 'Sustainable Debt' and 'Other Debt'. The entire outstanding debt has been put in three buckets making provisions for settlement/continuation of each category of debt as under :
 - [i] Bucket 1 Debt of ₹ 11,689 Crores which is part of the 'other debt' was to be discharged against the sale of identified Cement Plants of the Company and its Wholly owned Subsidiary to UltraTech Cement Limited. The transaction of the said sale stands consummated and Bucket 1 Debt stands settled in July, 2017.
 - [ii] Bucket 2a Debt of ₹ 6,367 Crores, being 'sustainable debt' will continue as debt of the Company for which Master Restructuring Agreement (MRA) dated 31st October, 2017 has been executed by the concerned 32 Lenders. The terms of the MRA are being complied including creation of security in favour of Lenders.
 - [iii] Bucket 2b Debt of ₹ 11,833.55 Crores (₹ 13,590 Crores original amount as reduced by ₹ 2543.55 Crores settled through direct Debt Assets Swap), which is part of 'Other Debt' is to be transferred to a Special Purpose Vehicle (SPV) namely Jaypee Infrastructure Development Limited (wholly owned subsidiary of the company) alongwith identified land of the Company. The Scheme of Arrangement (Scheme) for the said hive off duly approved by the Stock Exchanges, Shareholders, Creditors, other Regulators is pending sanction by National Company Law Tribunal (NCLT), which Scheme, on sanction, shall be effective from 1st July, 2017, being the Appointed Date.

Thus, the CRRP has not only been duly finalized and agreed upon with the Lenders but also implemented, as aforesaid, well within the time recommended by the Independent Advisory Committee as per Press Release dated 13th June, 2017.

In terms of the duly approved CRRP, as aforesaid, the Company has provided interest expenses on debt portion that will remain with it. Interest for the quarter and year ended 31st March, 2020 aggregating ₹ 240.68 Crores and ₹ 1072.64 Cr respectively (₹ 2968.15 Crores till 31st March, 2020) on debt portion which will be transferred to Real Estate SPV on sanction of the Scheme of Arrangement by NCLT with Appointed Date of 1st July, 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.
3. Pending sanction of the aforesaid Scheme by NCLT, ICICI Bank Limited on the directions of the RBI has filed an application with Hon'ble NCLT, Allahabad Bench U/s 7 of Insolvency & Bankruptcy Code, 2016 against the Company which is pending.
4. [a] The Competition Commission of India (CCI) vide its Order dated 31st August, 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 interalia imposed a penalty of ₹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 25th July 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 ₹ 237.70 Crores only as against the penalty of ₹1323.60 Crores calculated on the profits for all business segments of the Company. The Company & other affected cement manufacturers filed appeal against the Order of NCLAT before Hon'ble Supreme Court which 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 19th January, 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 ₹ 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 matter is pending.

Based on the advice available, no provision is considered necessary in the above financial results in respect of the above cases.



Contd....6

5. Non Current Trade receivables include ₹ 3412.30 Crores, outstanding as at 31st March, 2020 (₹ 2661.34 Crores, outstanding as at 31st March 2019) 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 is of the view that these receivables are recoverable.
6. Yamuna Expressway Industrial Development Authority (YEIDA) vide its communication dated 12th February 2020 has conveyed its action relating to cancellation of the lease deeds of the land admeasuring 1000 hectare (Core/Non-core area) located at Special Development Zone (SDZ), Sector -25, Sports City, Greater Noida allotted to the Company interalia, on account of alleged non-payment of dues for which an agreement for deferment of installments had already been arrived at between the parties.

Accordingly, the Company challenged the above order before Hon'ble Allahabad High Court as YEIDA had already deferred payment, till December 2023 (last instalment) & more than 90% of payment (including Interest) has already been made to YEIDA. High Court vide its order dated 25.02.2020 granted stay and directed Company to deposit ₹ 50 crores by 10.03.2020 and another ₹ 50 crores by 25.03.2020 failing which the interim protection granted by Hon'ble High Court shall stand vacated and YEIDA shall be free to proceed further. The Company has deposited ₹ 50 crores before 09.03.2020 and another sum of ₹ 5 crores on 16.03.2020. However, due to onset of Corona 19 virus and further lockdowns imposed by the Government, entire business activity across country came to stand still.

The matter was fixed for hearing on 1st April 2020 but could not be heard due to lock down.

In view of the petition filed by the Company and/or settlement of pending dues by offering proportionate Land, the carrying value of the Land and other Assets i.e. Race Track, Buildings etc is continued to be shown as an Asset of the Company and balance amount payable as a liability.

7. [a] IDBI Bank Limited had filed a petition with Hon'ble National Company Law Tribunal[NCLT], Allahabad Bench [The Bench] under Section 7 of Insolvency and Bankruptcy Code, 2016 [IBC] in respect of Jaypee Infratech Limited [JIL] [Subsidiary of the Company] which was admitted vide Order dated 9th August, 2017 and Interim Resolution Professional [IRP] was appointed.

Some of the Homebuyers took the matter to Hon'ble Supreme Court, which was finally disposed off on 9th August, 2018 directing recommencement of CIRP proceedings against JIL. During the course of the said proceedings, on the interim directions of Hon'ble Supreme Court a sum of Rs.750 Crores was deposited in the Supreme Court by JAL [the Holding Company of JIL] which was to be used for payment to such homebuyers who had opted for refund through the portal created by the Amicus appointed by the Hon'ble Supreme Court. However, in view of the amendment in the IBC giving status of the Financial Creditor to the Homebuyers, following the discipline of IBC, Hon'ble Supreme Court held that the said amount cannot be used for the said purpose and directed the same to be transferred alongwith interest to NCLT, Allahabad with direction to abide by the order of NCLT.

On conclusion of the second round of CIRP as under taken under the directions of Hon'ble Supreme Court, continued the Principal Bench, NLCT, New Delhi has approved the Resolution Plan of NBCC (India) Limited [NBCC] with certain modifications on 03-03-2020.

NBCC, the successful Resolution Applicant, has filed an appeal against the said order of NCLT approving the Resolution Plan with modifications, before Hon'ble NCLAT. NCLAT vide its order dated 22-04-2020 has issued notices to all the Respondents and also constituted an Interim Monitoring Committee (IMC) to remain in place till the disposal of the said appeal. Further, the order dt. 03.03.2020 of NCLT has been subjected to the outcome of the appeals before NCLAT.

The Company [JAL] has also filed an appeal before Hon'ble NCLAT against the said NCLT Order dated 03-03-2020 holding the amount of Rs.750 Crores deposited by JAL to form part of the Resolution Plan and also directing the payment of other amounts to JIL. Notices have been issued to the Respondents and the implementation of the Plan has been subjected to the outcome of JAL's appeal. Pending adjudication, the Company has not made provision in respect of the deposit of Rs.750 Crores, in the financial statement for the year ended 31st March, 2020.

The IRP, Yes Bank Limited and a group of homebuyers have also filed appeals against the said Order of NCLT on which Hon'ble NCLT has directed issue of notices noting that the implementation of the plan has been subjected to the outcome of

As JIL has been under the IRP since 09-08-2017 followed by that of IMC since 22-04-2020 and the order dated 03-03-2020 of NCLT has been assailed by various parties including the successful Resolution Applicant and since JIL could not make available its financial statements to JAL, the same have not been consolidated in the financial statements of JAL.

The matter is sub-judice and on attaining its finality, the Company may have to impair its investment in JIL aggregating Rs.849.26 crores (8470 lacs equity shares of Rs.10/- each) in due course.

- [b] Hon'ble Supreme Court vide its Order dated 26th February, 2020, upheld the Order dated 16th May 2018 by NCLT and held that the transaction in respect of mortgage of land of JIL to secure the loans of Company being the holding Company, to be preferential in nature and directed 758 acres of land to be reverted back to JIL.

8. In view of the severe health hazard associated with COVID-19 pandemic, the Government of India declared a lock down effective from March 25, 2020 which was initially till April 14, 2020 and is now extended till May 31, 2020 with certain relaxations. The Company's operations at E& C Projects Sites/ Cement Plants/ Real Estate Sites/ Hotels etc. of the company were shut/ scaled down since March 25, 2020. The Company has resumed operations at certain places in phased manner, in compliance with the directives to be followed. Owing to continued lockdown, it is reasonably assumed that appearance of pandemic Covid -19 is dynamic, usually oscillating from Red to Green, thereby affecting business operations of the different units, part of respective business streams of the Company.

There is a high level of uncertainty about the lifting of the complete lockdown and the time required for things to get normal. As per current assesment there is no significant impact on carrying amounts of inventories, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on date of the approval of the financial results.

9. The outstanding against privately placed listed Non-Convertible Debentures (NCDs) is fully secured by way of equitable mortgage/registered mortgage/ hypothecation of certain fixed assets of the Company and Land of its subsidiary (JIL) having security cover of more than 100%. Subsequent to Order dated 26th February 2020 by Hon'ble Supreme Court the Land mortgaged is to be reverted back to JIL (Refer Note No. 7(b) above). As per the CRRP duly approved by the lenders including as Debenture holders, the outstanding NCDs including interest due thereon, are to be converted into Rupee Term Loan and repayable as per conditions of the said Plan.
10. Interest for the quarter ended 31st March,2020 includes ₹ 4805 Lakhs on account of exchange rate fluctuation.
11. Exceptional Item for the quarter ended 31st March, 2020 represents provision for impairment on investments/ advances for ₹ 11.88 Crores, and other income to the extent of ₹ 28.25 Crores.
12. The above Financial results for the quarter/ year ended 31st March, 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 27th May, 2020.

Place:New Delhi
Dated: 27th May, 2020




MANOJ GAUR
Executive Chairman
DIN - 00008480



Additional disclosures as per Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Particulars	As At 31.03.2020
[a]	Debt-Equity Ratio [in times]	2.38
[b]	Previous due date for the payment of interest of Non-Convertible Debentures [NCDs]	
(i)	11.90% NCDs issued on 19.09.2014 and 08.10.2014	}
(ii)	12.00% NCDs issued on 25.07.2012	}
(iii)	10.50% NCDs issued on 16.07.2010	}
(iv)	11.75% NCDs issued on 26.11.2009	}
(v)	12.40% NCDs issued on 04.11.2008	}
(vi)	11.80% NCDs issued on 11.08.2008	}
	Interest has been repaid	Refer Note No.(o) below
[c]	Previous due date for the repayment of Principal of NCDs	
(i)	11.90% NCDs issued on 19.09.2014 and 08.10.2014	}
(ii)	12.00% NCDs issued on 25.07.2012	}
(iii)	10.50% NCDs issued on 16.07.2010	}
(iv)	11.75% NCDs issued on 26.11.2009	}
(v)	12.40% NCDs issued on 04.11.2008	}
(vi)	11.80% NCDs issued on 11.08.2008	}
	Principal has been repaid	Refer Note No.(o) below
[d]	Next due date and amount for the payment of interest of NCDs	Refer Note No.(o) below
[e]	Next due date and amount for the repayment of Principal of NCDs	Refer Note No.(o) below
[f]	Debt Service Coverage Ratio [in times] for the year ended 31.03.2020 [PBIT excluding exceptional items / (Gross Interest + Long-term Principal Repayment)]	(0.13)
[g]	Interest Service Coverage Ratio [(in times) for the year ended 31.03.2020 (PBIT excluding exceptional items / Gross Interest)]	(0.14)
[h]	Debenture Redemption Reserve [₹ in Lakhs]	-
[i]	Net Worth [₹ in Lakhs]	785512
[j]	Net Profit/(Loss) after Tax for the period ended 31.03.2020 [₹ in Lakhs]	(89575)
[k]	Basic Earnings per Share for the period ended 31.03.2020 (in ₹)	(3.67)

[l] The credit rating by CARE for the NCDs issued by the Company continues to be "D"

[m] The Company continues to maintain 100% asset cover for the secured NCDs issued by it.

[n] Net Worth is total of Equity less Intangible Assets.

[o] Next due date and Amount for payment of Principal and Interest shall be ascertained on complete implementation of the Scheme of restructuring/ realignment /re-organisation of the Debt of the Company approved by the Lenders including Debenture Holders of the Company.

Place: New Delhi
Dated:27th May, 2020

JAYPEE
GROUP


MANOJ GAUR
Executive Chairman
DIN - 00008480



STATEMENT OF AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	CONSOLIDATED				
	Quarter Ended			Year Ended	
	31.03.2020 [Audited]	31.12.2019 [Unaudited]	31.03.2019 [Audited]	31.03.2020 [Audited]	31.03.2019 [Audited]
1 Income					
Revenue from Operations	187603	177301	231539	703549	921025
Other Income	932	4191	2919	10137	6704
Total Income	188535	181492	234458	713686	927729
2 Expenses					
[a] Cost of Materials Consumed	86161	78687	91354	327051	365061
[b] Purchase of Stock-in-trade	57	2246	102	3282	4236
[c] Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	(6434)	1907	5110	-3236	25931
[d] Direct Construction, Manufacturing, Real Estate, Infrastructure Hotel/Hospitality, Event & Power Expenses	55861	50802	72664	203636	300944
[e] Employee Benefits Expense	17619	14897	16904	62164	55951
[f] Finance Costs	42394	23703	23787	113344	96106
[g] Depreciation and Amortisation Expense	14599	15310	16242	60256	59238
[h] Other Expenses	20528	14898	33121	69124	85214
Total Expenses	230785	202450	259284	835621	992681
3 Profit/(Loss) before Exceptional Items, Share of Profit/(Loss) in Associates and Tax [1 - 2]	(42250)	(20958)	(24826)	(121935)	(64952)
4 Share of Profit/(Loss) in Associates	(3)	(37119)	6188	(42101)	(10669)
5 Profit/(Loss) before Exceptional Items and Tax [3 + 4]	(42253)	(58077)	(18638)	(164036)	(75621)
6 Exceptional Items	388482	(4041)	(13628)	389015	(32818)
7 Profit/(Loss) before Tax [5 + 6]	346229	(62118)	(32266)	224979	(108439)
8 Tax Expense					
[a] Current Tax	78	99	45	177	46
[b] Deferred Tax	39326	(47)	16225	38246	16225
Total Tax Expense	39404	52	16270	38423	16271
9 Net Profit/(Loss) for the period from Continuing Operations after Tax [7 - 8]	306825	(62170)	(48536)	186556	(124710)
10 Profit/(Loss) from Discontinued Operations	(15)	(42410)	(34318)	(130480)	(137518)
11 Tax expense of Discontinued Operations	-	-	2,186	-	2,186
12 Profit/(Loss) from Discontinued Operations after Tax [10 - 11]	(15)	(42410)	(36504)	(130480)	(139704)
13 Net Profit/(Loss) for the period after Tax [9 + 12]	306810	(104580)	(85040)	56076	(264414)
14 Non Controlling Interest	(1357)	(17,136)	(18629)	(53493)	(59915)
15 Net Profit/(Loss) after Tax and Non-Controlling Interest [13 - 14]	308167	(87444)	(66411)	109569	(204499)
16 Other Comprehensive Income					
a(i) Items that will not be reclassified to Profit/(Loss)	(355)	(8)	332	(373)	337
(ii) Income Tax relating to Items that will not be reclassified to Profit/(Loss)	-	-	1	-	1
b(i) Items that will be reclassified to Profit/(Loss)	-	-	-	-	-
(ii) Income Tax relating to Items that will be reclassified to Profit/(Loss)	-	-	-	-	-
Total Other Comprehensive Income for the period [Comprising Profit/(Loss) and Other Comprehensive Income for the period]	(355)	(8)	333	(373)	338
17 Non-Controlling Interest [Other Comprehensive Income]	-	(4)	(2)	(7)	-
18 Other Comprehensive Income after Non-Controlling Interest [16 - 17]	(355)	(4)	335	(366)	338
19 Total Comprehensive Income for the period [13 + 16] [comprising Profit/(Loss) and Other Comprehensive Income]	306455	(104588)	(84707)	55703	(264076)
20 Total Non-Controlling Interest [14 + 17]	(1357)	(17140)	(18631)	(53500)	(59915)
21 Total Comprehensive Income for the period after Non-Controlling Interest [19 - 20] [comprising Profit/(Loss) and Other Comprehensive Income for the period]	307812	(87448)	(66076)	109203	(204161)
22 Paid-up Equity Share Capital [of ₹ 2/- per share]	48649	48649	48649	48649	48649
23 Other Equity [excluding Revaluation Reserve]				169540	60641
24 Earnings Per Share [of ₹ 2/- per share] [for continuing operations]					
Basic	₹ 12.66	₹ (1.85)	₹ (1.23)	₹ 9.86	₹ (2.67)
Diluted	₹ 12.66	₹ (1.85)	₹ (1.23)	₹ 9.86	₹ (2.67)
Earnings Per Share [of ₹ 2/- per share] [for discontinued operations]					
Basic	₹ -	₹ (1.74)	₹ (1.50)	₹ (5.36)	₹ (5.74)
Diluted	₹ -	₹ (1.74)	₹ (1.50)	₹ (5.36)	₹ (5.74)
Earnings Per Share [of ₹ 2/- per share] [for discontinued and continuing operations]					
Basic	₹ 12.66	₹ (3.59)	₹ (2.73)	₹ 4.50	₹ (8.41)
Diluted	₹ 12.66	₹ (3.59)	₹ (2.73)	₹ 4.50	₹ (8.41)

**AUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

(₹ in Lakhs)

Particulars	CONSOLIDATED				
	Quarter Ended			Year Ended	
	31.03.2020 [Audited]	31.12.2019 [Unaudited]	31.03.2019 [Audited]	31.03.2020 [Audited]	31.03.2019 [Audited]
1. Segment Revenue					
[a] Cement & Cement Products	47675	44741	61909	192368	239566
[b] Construction	60634	57305	78202	211237	266199
[c] Power	4054	5993	5792	20864	21774
[d] Hotel/Hospitality & Golf Course	6691	7822	8169	26260	27881
[e] Sport Events	71	169	174	1064	893
[f] Real Estate	10430	13063	32392	48228	173718
[g] Investments	-	-	-	-	-
[h] Infrastructure	460	1561	564	4327	4447
[i] Fertilizers	63186	60918	59652	247925	246915
[j] Health Care	-	-	-	-	0
[k] Others	2263	2448	5813	10279	16039
[l] Unallocated	342	873	36	1411	470
Total	195806	194893	252703	763963	997902
Less: Inter-segment Revenue	8203	17592	21164	60414	76877
Revenue from Operations	187603	177301	231539	703549	921025
2. Segment Results					
[a] Cement & Cement Products	(3601)	(3686)	(3654)	(15102)	(10169)
[b] Construction	5055	4995	(3394)	9855	(1547)
[c] Power	(1574)	(1379)	255	(6386)	(3846)
[d] Hotel/Hospitality & Golf Course	272	1199	1035	1076	2043
[e] Sport Events	(3073)	(3122)	(2990)	(11805)	(11893)
[f] Real Estate	(3900)	2212	4402	420	49242
[g] Investments	(77)	3266	(78)	3034	(2338)
[h] Infrastructure	(281)	(385)	(1431)	(1989)	74
[i] Fertilizers	7397	1531	5242	12588	10865
[j] Health Care	-	-	-	-	-
[k] Others	(1266)	(2528)	(1997)	(4151)	(5203)
	(1048)	2103	(2610)	(12460)	27228
Less:					
[a] Finance Costs	42394	23703	23787	113344	96106
[b] Other Un-allocable Expenditure net off Un-allocable Income	(1192)	(642)	(1571)	(3869)	(3925)
	(42250)	(20958)	(24826)	(121935)	(64953)
Share of Profit/(Loss) in Associates	(3)	(37119)	6188	(42101)	(10669)
Exceptional Items	388482	(4041)	(13628)	389015	(32818)
Profit/(Loss) before Tax from Continuing Operations	346229	(62118)	(32266)	224979	(108440)
3. Segment Assets					
[a] Cement & Cement Products	598801	603719	622566	598801	622566
[b] Construction	499678	515577	499592	499678	499592
[c] Power	192602	194689	198601	192602	198601
[d] Hotel/Hospitality & Golf Course	78290	78422	85367	78290	85367
[e] Sports Events	228404	231114	239276	228404	239276
[f] Real Estate	1349047	1319293	1254758	1349047	1254758
[g] Infrastructure	54524	2027182	2087656	54524	2087656
[h] Investments	166926	82230	121047	166926	121047
[i] Fertilizers	226039	221818	207046	226039	207046
[j] Health Care	-	90217	93234	-	93234
[k] Others	36710	43624	40856	36710	40856
[l] Un-allocated	197928	170884	179207	197928	179207
Total Segment Assets	3628949	5578769	5629206	3628949	5629206
4. Segment Liabilities					
[excluding Loans]					
[a] Cement & Cement Products	139712	120962	126672	139712	126672
[b] Construction	174073	148127	126612	174073	126612
[c] Power	9171	7813	5850	9171	5850
[d] Hotel/Hospitality & Golf Course	21003	21217	24252	21003	24252
[e] Sports Events	10558	9664	12702	10558	12702
[f] Real Estate	376558	344584	362904	376558	362904
[g] Infrastructure	10438	999562	1068581	10438	1068581
[h] Investments	-	-	-	-	-
[i] Fertilizers	76892	77827	59787	76892	59787
[j] Health Care	-	28246	27642	-	27642
[k] Others	1815	3313	3167	1815	3167
[l] Un-allocated	507390	986685	727088	507390	727088
Total Segment Liabilities	1327610	2748000	2545257	1327610	2545257

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STATEMENT OF ASSETS AND LIABILITIES			
(₹ in Lakhs)			
Particulars	CONSOLIDATED		
	As At 31.03.2020 [Audited]	As At 31.03.2019 [Audited]	As At 01.04.2018 [Audited]
A ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	904063	1026990	1002958
(b) Capital Work-in-Progress	67919	67330	146545
(c) Investment Property	-	-	-
(d) Goodwill	-	-	4.00
(e) Other Intangible Assets	54827	957558	968429
(f) Intangible Assets under Development	-	-	-
(g) Biological Assets other than bearer plants	-	-	-
	<u>1026809</u>	<u>2051878</u>	<u>2117936</u>
(h) Financial Assets			
(i) Investments	166926	121047	131715
(ii) Trade Receivables	258372	269617	265542
(iii) Loans	2727	6588	3665
(iv) Other Financial Assets	11284	8297	3774
(j) Deferred Tax Assets [Net]	-	23083	41494
(k) Other Non-Current Assets	145458	192572	207973
Total - Non-current Assets	<u>1611576</u>	<u>2673082</u>	<u>2772099</u>
2 CURRENT ASSETS			
(a) Inventories	1184568	2189676	1373479
(b) Financial Assets			
(i) Investments	-	-	60
(ii) Trade Receivables	230614	213860	194075
(iii) Cash and Cash Equivalents	18054	19058	35537
(iv) Bank Balances other than Cash and Cash Equivalents	17560	21978	30089
(v) Loans	161	173	156
(vi) Other Financial Assets	153757	82227	88695
(c) Current Tax Assets [Net]	-	-	-
(d) Other Current Assets	312659	358899	368395
Total - Current Assets	<u>1917373</u>	<u>2885871</u>	<u>2090486</u>
3 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	100000	100000	100000
TOTAL - ASSETS	<u>3628949</u>	<u>5658953</u>	<u>4962585</u>
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	48649	48649	48649
(b) Other Equity	169540	60641	416393
Total - Equity	<u>218189</u>	<u>109290</u>	<u>465042</u>
2 NON-CONTROLLING INTEREST	-870	33340	97332
3 LIABILITIES			
(I) NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	1651917	2476294	2570589
(ii) Trade Payables	7515	8542	11834
(iii) Other Financial Liabilities	413428	354394	193099
(b) Provisions	10787	10848	11265
(c) Deferred Tax Liabilities [Net]	14763	-	-
(d) Deferred Revenue	-	-	-
(e) Other Non-Current Liabilities	27800	31212	27441
Total - Non-current Liabilities	<u>2126210</u>	<u>2881290</u>	<u>2814228</u>
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	111246	95456	73991
(ii) Trade Payables			
Due to Micro & Small Enterprises	2141	885	-
Due to Creditors Other than Micro & Small Enterprises	216599	278703	234684
(iii) Other Financial Liabilities	400111	796066	563945
(b) Other Current Liabilities	376569	1286003	612883
(c) Provisions	78754	77920	480
(d) Current Tax Liabilities [Net]	-	-	-
Total - Current Liabilities	<u>1185420</u>	<u>2535033</u>	<u>1485983</u>
4 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	100000	100000	100000
TOTAL - EQUITY AND LIABILITIES	<u>3628949</u>	<u>5658953</u>	<u>4962585</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

₹ Lakhs

(A) CASH FLOW FROM OPERATING ACTIVITIES:

	2019-20	2018-19
Net Profit/(Loss) before Tax as per Statement of Profit & Loss	94,499	(2,45,957)
Adjusted for :		
(a) Depreciation, Amortisation & Impairment	66,846	73,647
(b) (Profit)/ Loss on sale/disposal/ discard/ write off of Assets [Net]	(1,203)	(776)
(c) Finance Costs	2,49,814	2,55,760
(d) Interest Income	(3,630)	(4,259)
(e) (Profit)/ Loss on Sale of Non-Current Investments [Net]	(48)	2,028
(f) Fair Value Gain on Financial Instruments	(3,296)	(170)
(g) Profit on Sale/Redemption of Exchange Traded Funds/Mutual Funds/Sale of other investments	(418)	-
(h) Share of Profit/ (Loss) in associates	42,101	10,669
(i) Exceptional Item	(3,89,012)	14,659
Operating Profit/(Loss) before Working Capital Changes	55,653	1,05,601
Adjusted for :		
(a) (Increase)/Decrease in Inventories	99,184	51,588
(b) (Increase)/Decrease in Trade Receivables	(60,928)	(23,860)
(c) (Increase)/Decrease in Other Receivables	(89,698)	29,002
(d) Increase/(Decrease) in Trade Payables & Other Payables	57,658	(83,079)
Cash Generated from Operations	61,869	79,252
Tax Refund/ (Paid) [Net]	20,787	(2,292)
CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	"A"	82,656
		76,960

(B) CASH FLOW FROM INVESTING ACTIVITIES:

(a) Purchase of Property, Plant & Equipment and Capital Work-in-Progress	(27,880)	(19,651)
(b) Proceeds from Sale/Transfer of Property, Plant & Equipment (incl. sale of undertakings)	3,285	6,758
(c) Changes in Fixed Deposits & Other Bank Balances	667	3,262
(d) Proceeds from Sale/Transfer of Investments/ Other Investments	64	4,842
(e) Interest Income	4,285	4,457
NET CASH GENERATED / (USED IN) INVESTING ACTIVITIES	"B"	(19,579)
		(332)

(C) CASH FLOW FROM FINANCING ACTIVITIES:

(a) Proceeds from Long Term Borrowings	2,448	11,974
(b) Repayment of Long Term Borrowings	(29,300)	(64,347)
(c) Change in Short term Borrowings (Net)	15,790	21,465
(d) Finance Costs	(45,970)	(62,211)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	"C"	(57,032)
		(93,119)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	"A+B+C"	6,045
		(16,491)

OPENING BALANCE OF CASH AND CASH EQUIVALENTS	19,058	35,537
CASH AND CASH EQUIVALENTS PERTAINING TO DISPOSAL OF SUBSIDIARY	7,049	-
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	18,054	19,046

Contd....13

Notes:

1. Figures for the previous periods have been regrouped to conform to the classification of the current period, wherever necessary.

Figures for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures for the years ended on that date and the unaudited year to date figures upto the end of third quarter of the respective financial years.

2. [a] The Competition Commission of India (CCI) vide its Order dated 31st August, 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 interalia imposed a penalty of ₹ 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 25th July 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 ₹ 237.70 Crores only as against the penalty of ₹1323.60 Crores calculated on the profits for all business segments of the Company. The Company & other affected cement manufacturers filed appeal against the Order of NCLAT before Hon'ble Supreme Court which 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 19th January, 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 ₹ 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 matter is pending.

Based on the advice available, no provision is considered necessary in the above financial results in respect of the above cases.

3. Non Current Trade receivables include ₹ 3412.30 Crores, outstanding as at 31st March, 2020 (₹ 2661.34 Crores, outstanding as at 31st March 2019) 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 is of the view that these receivables are recoverable.
4. IDBI Bank Limited had filed a petition with Hon'ble National Company Law Tribunal[NCLT], Allahabad Bench [The Bench] under Section 7 of Insolvency and Bankruptcy Code, 2016 [IBC] in respect of Jaypee Infratech Limited [JIL] [Subsidiary of the Company] which was admitted vide Order dated 9th August, 2017 and Interim Resolution Professional [IRP] was appointed.

Some of the Homebuyers took the matter to Hon'ble Supreme Court, which was finally disposed off on 9th August, 2018 directing recommencement of CIRP proceedings against JIL. During the course of the said proceedings, on the interim directions of Hon'ble Supreme Court a sum of Rs.750 Crores was deposited in the Supreme Court by JAL [the Holding Company of JIL] which was to be used for payment to such homebuyers who had opted for refund through the portal created by the Amicus appointed by the Hon'ble Supreme Court. However, in view of the amendment in the IBC giving status of the Financial Creditor to the Homebuyers, following the discipline of IBC, Hon'ble Supreme Court held that the said amount cannot be used for the said purpose and directed the same to be transferred alongwith interest to NCLT, Allahabad with direction to abide by the order of NCLT.

On conclusion of the second round of CIRP as under taken under the directions of Hon'ble Supreme Court, continued the Principal Bench, NCLT, New Delhi has approved the Resolution Plan of NBCC (India) Limited [NBCC] with certain modifications on 03-03-2020.

NBCC, the successful Resolution Applicant, has filed an appeal against the said order of NCLT approving the Resolution Plan with modifications, before Hon'ble NCLAT. NCLAT vide its order dated 22-04-2020 has issued notices to all the Respondents and also constituted an Interim Monitoring Committee (IMC) to remain in place till the disposal of the said appeal. Further, the order dt. 03.03.2020 of NCLT has been subjected to the outcome of the appeals before NCLAT.

The Company [JAL] has also filed an appeal before Hon'ble NCLAT against the said NCLT Order dated 03-03-2020 holding the amount of Rs.750 Crores deposited by JAL to form part of the Resolution Plan and also directing the payment of other amounts to JIL. Notices have been issued to the Respondents and the implementation of the Plan has been subjected to the outcome of JAL's appeal. Pending adjudication, the Company has not made provision in respect of the deposit of Rs.750 Crores, in the financial statement for the year ended 31st March, 2020.

The IRP, Yes Bank Limited and a group of homebuyers have also filed appeals against the said Order of NCLT on which Hon'ble NCLT has directed issue of notices noting that the implementation of the plan has been subjected to the outcome of the appeals.

As JIL has been under the IRP since 09-08-2017 followed by that of IMC since 22-04-2020 and the order dated 03-03-2020 of NCLT has been assailed by various parties including the successful Resolution Applicant and since JIL could not make available its financial statements to JAL, the same have not been consolidated in the financial statements of JAL.

The matter is sub-judice and on attaining its finality, the Company may have to impair its investment in JIL aggregating Rs.849.26 crores (8470 lacs equity shares of Rs.10/- each) in due course.

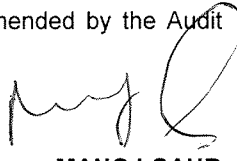
5. In view of the severe health hazard associated with COVID-19 pandemic, the Government of India declared a lock down effective from March 25, 2020 which was initially till April 14, 2020 and is now extended till May 31, 2020 with certain relaxations. The Group's operations were shut/ scaled down since March 25, 2020. The Group has resumed operations at certain places in phased manner, in compliance with the directives to be followed. On continuous lockdown, it is reasonably assured that appearance of pandemic Covid - 19 is dynamic, usually oscillating from Red to Green, thereby affecting business operations of the different units, part of respective business streams of the Group.

There is a high level of uncertainty about the lifting of the complete lockdown and the time required for things to get normal. As per current assesment there is no significant impact on carrying amounts of inventories, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on date of the approval of the financial results.

6. Exceptional Item [in Standalone] for the quarter ended 31st March, 2020 represents Gain on Loss of Control in Subsidiary for ₹ 3874.39 Crores and other net gain of ₹ 4.22 Crores.
7. The above Financial results for the quarter/ year ended 31st March, 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 27th May, 2020.

Place: New Delhi
Dated: 27th May, 2020




MANOJ GAUR
Executive Chairman
DIN - 00008480



Independent Auditor's Report on Quarterly and Year to Date Audited Standalone Financial Results of Jaiprakash Associates Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors of
Jaiprakash Associates Limited

Report on audit of the Standalone Financial Results

1. Qualified opinion:

We have audited the accompanying statement of quarterly and year to date standalone financial results of **JAIPRAKASH ASSOCIATES LIMITED** ('the Company') for the quarter and year ended March 31, 2020 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations').

In our opinion and to the best of our information and according to the explanation given to us, the statement

- a) is presented in accordance with the requirements Listing Regulations in this regard; and
- b) except for the effects/possible effects of the matter described in basis for qualified opinion paragraph below, gives a true and fair view in conformity with the applicable Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the net loss, other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2020.

2. Basis of Qualified opinion

Attention is drawn to:

Refer Note No. 44 of audited Standalone Financial Statements, 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 on 03.03.2020 whereby as per the scheme approved by NCLT the company's investment in equity of JIL be reduced to zero 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 Jaiprakash Associates Limited. The Company has filed the appeal on 12.03.2020 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 quarters, period ended on December 31, 2019 and year ended March 31, 2019.

3. We conducted our audit in accordance with the Standards in Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013, as amended ('the Act'). Our responsibilities under those Standards are described in the "Auditors' Responsibilities for the Audit of Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirement that are relevant to our audit of the financial statements under the provision of the Act and Rule thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

4. Emphasis of matter

We draw attention to the following matters:

- a) Refer Note No. 31 [d] [i] & [ii] of audited Standalone Financial Statements,
- a. The Competition Commission of India ('CCI') vide its Order dated 31st August, 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 interalia 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 25th July 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 19th January, 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 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 financials of the company.

- b) Refer Note No. 38 of audited Standalone Financial Statements, 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 JCCL a wholly owned subsidiary of the company. YBL assigned the same in favour of Assets Care and Reconstruction Enterprise Limited ('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 facilitates has been covered under the Comprehensive Reorganization & Re-structuring Plan (CRRP) of Company & Jaypee Cement Corporation Limited ('JCCL') duly approved by the consortium of lenders including YBL at its meeting held on 22nd June, 2017 and subsequently YBL signed Master Re-structuring 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 cash losses in the current year 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. 507.30 Crores and as such these are considered good and recoverable.

- c) Refer Note No. 39 of audited Standalone Financial Statements, Yes Bank Limited /Suraksha Assets Reconstruction Private Limited ('ARC') has invoked pledged of 50,000 Equity shares of Rs 10/- each of Yamuna Expressway Tolling Limited (subsidiary Company) held by the Company. The company is contesting the invocation by the lenders. Pending settlement with the Lender/ARC, the company continues to show the above investments as non-current at cost.
- d) Refer Note No. 40 of audited Standalone Financial Statements, lender of MP Jaypee Coal Limited ('MPJPCL') has invoked the corporate guarantee given by the Company for financial assistance granted to MPJPCL and served a notice to the company to make payment of Rs. 25.75 Crores outstanding as on 31st August, 2018, Rs. 22.89 Crores outstanding as on 31.03.2020 (previous years Rs. 22.24 crores). However, the liability has not been considered in the books of accounts, as the Coal Block for which Mining Rights are held by MPJPCL is yet to be re-allotted by the Nominated Authority.
- e) Refer Note No. 41 of audited Standalone Financial Statements, 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 09.09.2018. 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.

The Subsidiary has incurred cash loss during the last few 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.

- f) Refer Note No. 42 of audited Standalone Financial Statements, Non-Current Trade receivables include Rs. 2579.95 Crores, outstanding as at March 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.

- g) Refer Note No. 50 of audited Standalone Financial Statements, the Confirmations/ Reconciliation of balances of secured & unsecured loans, certain balances with banks including certain fixed deposits, trade receivables, trade and other payables and loans and advances are pending. The management is confident that on confirmation/ reconciliation there will not be any material impact on the statement.
- h) Refer Note No. 43 of audited Standalone Financial Statements, the company has made a Non-Current Investment of Rs. 340 Crores (34 crores Equity Shares of Rs. 10/- each, fully paid up) in Prayagraj Power Generation Company limited ('PPGCL'), (earlier an associate company). Lenders of PPGCL has invoked the entire pledged share of PPGCL held by Jaiprakash Power Ventures Limited ('JPVL') (then, Holding Company of PPGCL) on 18th December 2017 due to default in payment to Banks/Financial Institutions. After obtaining various approvals / documentation etc. the Lenders have affected change in Management in favour of Renascent Power Ventures Private Limited. Post change of Management and various restructuring effects fair value of shares held the company in PPGCL is not available, therefore, currently the carrying value has been reduced to book value of PPGCL as per financials of PPGCL as on 30th September 2019, available to the company.
- i) Refer Note No. 46 of audited Standalone Financial Statements, 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 18th April, 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 23.12.2019 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 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.

- j) Refer Note No. 48 of audited Standalone Financial Statements, in the opinion of the management in the case of loss making segments of the company no impairment in the assets of the segment is required in view of temporary nature of the losses, Valuation report, circle rates of the immovable property and future cash flows which are higher than the carrying value of the assets.
- k) Refer Note No. 49 of audited Standalone Financial Statements, 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 31.03.2020 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.

- l) Refer Note No. 52 of audited Standalone Financial Statements, During the year, 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 during the current year, the remuneration paid to Shri Pankaj Gaur, Joint Managing Director (Construction) for the period from 1st April, 2019 to 30th June, 2019 and Shri Sunny Gaur, Managing Director (Cement) for the period from 1st April, 2019 to 30th December, 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 31.10.2015 to 30.10.2018) was rejected by MCA vide letter dated 27.12.2017 on account of non-recovery of remuneration paid to 8 managerial personnel (for the year 2014-15 and 2015-16 upto 31.10.2015).

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 31.10.2015).

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.

- m) Refer Note No. 55 of audited Standalone Financial Statements, 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.
- n) Refer Note No. 53 of audited Standalone Financial Statements, the Lenders of the company in their Joint Lenders Forum ('JLF') meeting held on 22nd June, 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 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 year ended March 31, 2020 aggregating to Rs. 1,072.64 crores and Rs. 2,968.15 crores till March 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 1st July, 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 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 and 2019-2020.

As such till the decision of the Hon'ble NCLT on restructuring and/or application u/s 7 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 company is not ascertainable.

- o) Refer Note No. 54 of audited Standalone Financial Statements, which describe the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Further due to Covid-19 related lock down restrictions, management was able to perform year end physical verification of inventory at certain locations, subsequent to the year end. Also we are not able to physically observe the verification of inventory that was carried out by the management. Consequently, we have performed alternative procedures to audit the existence of Inventory as per the guidance provided in SA-501 "Audit Evidence-Specific Consideration for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of above stated matters in para a) to o).

Management's Responsibility for the Standalone Financial Results

The statement has been prepared on the basis of the Standalone Annual Financial Statements. The Board of Directors of the Company are responsible for the preparation and presentation of the statement that gives a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulation 33 of the listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Standalone Financial Results

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

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

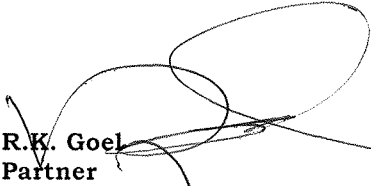
- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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


R.K. Goel
Partner
Membership No. 006154



Place: Delhi
Dated: May 27, 2020
UDIN: 20006154AAAABS3396

Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of Jaiprakash Associates Limited Pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors of
Jaiprakash Associates Limited

Report on the Audit of the Consolidated Financial Results

1. Qualified Opinion

We have audited the accompanying statement of Consolidated 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 entities for the quarter and year ended on March 31, 2020 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements/financial information of subsidiaries, associates and joint controlled entities referred in Other Matters section below, the Statement:

a) 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 & Infrastructure Limited
- 8) Jaypee Assam Cement Limited
- 9) Jaypee 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 Limited (Ceased to be Associate Company from 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
- b) is presented in accordance with the Listing Regulations in this regard; and
- c) except for the effect/possible effects of the matter described in basis for qualified opinion paragraph below, gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the consolidated net profit, other comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2020.

2. Basis of Qualified opinion

Attention is drawn to:

- a) The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited ('JIL') (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 on 03.03.2020 whereby as per the scheme approved by NCLT the Holding company's investment in equity of JIL be reduced to zero 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 Jaiprakash Associates Limited. Accordingly the Holding Company has lost the control of JIL and consolidates the JIL upto December 31, 2019 as the latest auditor's reviewed financials are available with the Holding Company. The Holding Company has filed the appeal on 12.03.2020 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 profit of group would have been decreased to that extent.

Matters stated a) above have also been qualified in our report in preceding quarters, period ended on December 31, 2019 and year ended March 31, 2019.

The Independent Auditor of certain subsidiary has qualified their audit report on the audited financial statements for the year ended on 31 March, 2020.



- a) In the case of Bhilai Jaypee Cement Limited, a subsidiary of the company:
- [i] The financial statement of the Company is prepared on going concern basis. During the quarter and year ended March 31, 2020, the Company has incurred Net Loss of Rs.5,754.16 lakhs and Rs. 9,198.63 lakhs respectively, resulting into accumulated losses of Rs. 50,077.24 lakhs against equity capital of Rs.37,968.48 lakhs and complete erosion of net worth as at March 31, 2020. Further, the Company's current liabilities exceed its current assets. These matters require the company to generate additional cash flow to fund the operations as well as payment to lender, 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 the Company's ability to continue as going concern. These conditions along with matter described below indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business.
- ii) The Company had not provided compensation for short lifting of annual Agreed Quantity of Granulated Slag of Rs.6,741.29 lakhs upto March 31, 2020 (including Rs.4,065.98 lakhs upto September 30, 2018 already demanded by the supplier). The Company 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. The company also have filed counter claim with the party for contribution loss suffered by the Company. The same being under negotiation, the company has not provided any expenses during quarter and the year ended March 31, 2020. Hence, auditor are unable to comment to the extent to which this liability will be settled.

We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Companies Act, 2013, as amended ('the Act'). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that audit evidence obtained by us and other auditors in terms of their reports referred in "Other Matter" Paragraph below, is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of matter:

We draw attention to the following matters:

a)

- a. The Competition Commission of India ('CCI') vide its Order dated 31st August, 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 interalia 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 25th July 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 19th January, 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 financials of the Holding Company.

- b) 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 favour of Assets Care and Reconstruction Enterprise Limited ('ACRE') The 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 facilitates 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 22nd June, 2017 and subsequently YBL signed Master Re-structuring Agreement ('MRA') through deed of accession. However the Holding Company still consolidating BJCL as a subsidiary.
- c) Yes Bank Limited /Suraksha Assets Reconstruction Private Limited ('ARC') has invoked pledged of 50,000 Equity shares of Rs 10/- each of Yamuna Expressway Tolling Limited ('YETL') (subsidiary of the Holding Company) held by the Holding Company. The Holding Company is contesting the invocation by the lenders. Pending settlement with the Lender/ARC, the Holding Company continues to consolidate YETL as a subsidiary.
- d) Lender of MP Jaypee Coal Limited ('MPJPCL') has invoked the corporate guarantee given by the Holding Company for financial assistance granted to MPJPCL and served a notice to the Holding Company to make payment of Rs. 25.75 Crores outstanding as on 31st August, 2018, Rs. 22.89 Crores outstanding as on 31.03.2020 (previous years Rs. 22.24 crores). However, the liability has not been considered in the books of accounts being unascertainable, as the Coal Block for which Mining Rights are held by MPJPCL is yet to be re-allotted by the Nominated Authority.



- e) 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 09.09.2018. 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.
- f) Non-Current Trade receivables include Rs. 2579.95 Crores, outstanding as at March 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.
- g) The Confirmations/ Reconciliation of balances of secured & unsecured loans, certain balances with banks including certain fixed deposits, trade receivables, trade and other payables and loans and advances are pending. The management is confident that on confirmation/ reconciliation there will not be any material impact on the statement.
- h) The Holding Company has made a Non-Current Investment of Rs. 340 Crores (34 crores Equity Shares of Rs. 10/- each, fully paid up) in Prayagraj Power Generation Company limited ('PPGCL'), (earlier an associate of the Holding Company). Lenders of PPGCL has invoked the entire pledged share of PPGCL held by Jaiprakash Power Ventures Limited ('JPVL') (then, Holding Company of PPGCL) on 18th December 2017 due to default in payment to Banks/Financial Institutions. After obtaining various approvals / documentation etc. the Lenders have affected change in Management in favour of Renascent Power Ventures Private Limited. Post change of Management and various restructuring effects fair value of shares held the Holding Company in PPGCL is not available, therefore, currently the carrying value has been reduced to book value of PPGCL as per financials of PPGCL as on 30th September 2019, available to the Holding Company.
- i) 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 18th April, 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 23.12.2019 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 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.

- j) In the opinion of the management in the case of loss making segments of the Holding Company no impairment in the assets of the segment is required in view of temporary nature of the losses, Valuation report, circle rates of the immovable



property and future cash flows which are higher than the carrying value of the assets.

- k) 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 31.03.2020 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.
- l) During the year, 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 during the current year, the remuneration paid to Shri Pankaj Gaur, Joint Managing Director (Construction) for the period from 1st April, 2019 to 30th June, 2019 and Shri Sunny Gaur, Managing Director (Cement) for the period from 1st April, 2019 to 30th December, 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 31.10.2015 to 30.10.2018) was rejected by MCA vide letter dated 27.12.2017 on account of non-recovery of remuneration paid to 8 managerial personnel (for the year 2014-15 and 2015-16 (upto 31.10.2015).

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 31.10.2015).

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.

- m) 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.



- n) The Lenders of the company in their Joint Lenders Forum ('JLF') meeting held on 22nd June, 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 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 year ended March 31, 2020 aggregating to Rs. 1,072.64 crores and Rs. 2,968.15 crores till March 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 1st July, 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 and 2019-2020.

As such till the decision of the Hon'ble NCLT on restructuring and/or application u/s 7 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.

- o) Refer Note No. of Statement, which describe the uncertainties and the impact of Covid-19 pandemic on the Group operations and results as assessed by the management. Further due to Covid-19 related lock down restrictions, management was able to perform year end physical verification of inventory at certain locations, subsequent to the year end. Also we are not able to physically observe the verification of inventory that was carried out by the management. Consequently, we have performed alternative procedures to audit the existence of Inventory as per the guidance provided in SA-501 "Audit Evidence-Specific Consideration for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of above stated matters in para a) to o).

The Independent Auditors of certain subsidiaries in their audit report on the separate financial statements for the year ended on 31 March, 2020 have drawn emphasis of matter paragraphs incorporated by us as under:

- 1) The financial statements of Sarveshwari Stone Products Private Limited, subsidiary of the Company, indicates that these company have accumulated losses and also incurred net cash loss during the current year and previous year(s) and the current liabilities have exceeded its current assets at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis which is dependent upon continuous financial support of its holding company.
- 2) The financial statements of Sonebhadra Minerals Private Limited, subsidiary of the Company, indicates that these company have accumulated losses which are more than its Net worth i.e. the net worth has been fully eroded, these company has incurred cash loss during the current year and previous year(s) and these companies current liabilities have exceeded its current assets of the company at the



balance sheet date. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Company ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis which is dependent upon continuous support of Associate Companies/Promoters.

- 3) The financial statements of Jaiprakash Agri Initiatives Company Limited, subsidiary of the Company, indicates that these company have accumulated losses which are more than its Net worth i.e. the net worth has been fully eroded, these company has incurred cash loss during the current year and previous year(s) and these company current liabilities have exceeded its current assets of the company at the balance sheet date. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about these Company ability to continue as a going concern. However, the financial statements of these company have been prepared on a going concern basis as the company is dependent upon the continuing financial support of its holding company/ultimate holding company after which its ability to continue as a going concern and discharge its liabilities in the ordinary course of business is ensured/confirmed. The holding company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligation as they fall due.
- 4) The financial statements of Jaypee Cement Corporation Limited, subsidiary of the company, confirmations/ Reconciliation of balances of certain secured & unsecured loans, balances with banks, trade receivables, trade and other payables (including capital creditors) and loans and advances are pending. The management is confident that on confirmation / reconciliation there will not be any material impact on the financial statements.
- 5) The financial statements of Jaypee Cement Corporation Limited, subsidiary of the company, Indicates that the company has accumulated losses, which has exceeded its Paid-Up Capital. It has incurred cash loss in current as well as in previous period's and the company current liabilities have exceeded its current assets at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company ability to continue as a going concern. Due to the above the company's ability to continue as a Going Concern is dependent upon the financial support of the holding Company. However, the financial statements of the company have been prepared on a going concern basis.
- 6) The financial statements of Himalyaputra Aviation Limited, subsidiary of the company, indicate that the company has accumulated losses and its net worth has been fully eroded, the company has incurred net cash profit during the current year, but had cash loss during the previous year(s). These conditions indicate that the company 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 the company have been prepared on a going concern basis for the reasons stated in the said Note.
- 7) The financial statements of Jaypee Uttar Bharat Vikas Private limited, subsidiary of the company, indicate that the Company does not carry out any business and is fully dependent upon its holding company for meeting its day to day expenses.
- 8) The financial statements of Jaypee Fertilizers & Industries Limited, subsidiaries of the company indicate that the Company is partially dependent upon its holding company for meeting its obligations.



- 9) The financial statements of Jaypee Ganga Infrastructure Corporation Limited, subsidiaries of the company, indicate that the company has accumulated losses which are more than its Net worth i.e the net worth has been fully eroded, the company has incurred cash loss during the current year and previous year(s). These conditions, along with other matters set forth in Note No. 20 of the standalone financial statements of Jaypee Ganga Infrastructure Corporation Limited, indicate the existence of a material uncertainty that may cast significant doubt about the company ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said Note.
- 10) The financial statements of Jaypee Infrastructure Development Limited, subsidiaries of the company, indicate that the company has accumulated losses which fully eroded its Net worth, the company has incurred a net cash loss during the current year and the previous year(s) and the company current liabilities have exceeded its current assets at the balance sheet date. These conditions, along with other matters set forth in Note No.10 of the standalone financial statements of Jaypee Infrastructure Development Limited, indicate the existence of a material uncertainty that may cast significant doubt about the company ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis.
- 11) The financial statements of Jaypee Cement Hockey (India) Limited, subsidiary of the company, indicate that the company has accumulated losses which are more than its Net worth, ie the net worth has been fully eroded, the company has incurred a net cash loss during the current year and the previous year(s) and the company current liabilities have exceeded its current assets at the balance sheet date. These conditions, along with other matters set forth in Note No.18 of the financial statements of Jaypee Cement Hockey (India) Limited, indicate the existence of a material uncertainty that may cast significant doubt about the company ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said Note.
- 12) The financial statements of Yamuna Expressway Tolling Limited, subsidiary of the company, indicate that the company has accumulated losses which has fully eroded the Net worth, further the company has incurred net cash loss during the current year and the previous year(s) and the company current liabilities have exceeded its current assets at the balance sheet date. These conditions, along with other matters set forth in Note No.15 of the standalone financial statements of Yamuna Expressway Tolling Limited indicate the existence of a material uncertainty that may cast significant doubt about the company ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said Note.
- 13) The financial statements of Kanpur Fertilizers & Chemicals Limited (formerly known as Kanpur Fertilizers & Cement Ltd.), subsidiary of the company, the company has defaulted in repayment of principal amount of Rs. 25.30 crores as at 31st March, 2020 which became due on quarter ended June 2019, September 2019 and December 2019 to Yes Bank Limited. Overdue Interest of Yes Bank Limited as on 31st March, 2020 is Rs. 6.96 crores. The account has been reported NPA by the



Bank.

The company has defaulted in repayment of principal amount of Rs. 1.67 crores in the quarter ended 31st March, 2020 which has become due for the month of January 2020 and February 2020 to SREI Equipments. Overdue Interest of SREI Equipments as on 31st March, 2020 is Rs. 16.18 lakhs.

For details, Refer Note 35 of standalone financial statements of Kanpur Fertilizers & Chemicals Limited (formerly known as Kanpur Fertilizers & Cement Ltd.) under the heading "Default in repayment of Term Loan and interest thereon" to the Financial statements.

- 14) The financial statements of Gujarat Jaypee Cement & Infrastructure Limited, subsidiary of the company, auditor of Gujarat Jaypee Cement & Infrastructure Limited draw attention to the Notes to the financial statements (Note # 2.17) that the Board of Directors of the Company have decided to terminate the Share Holder Agreement between the joint venturers, viz., Jaiprakash Associates Limited and Gujarat Mineral Development Corporation (GMDC) and initiate appropriate action to close/ winding up of the company.

Since the purpose for which the Company was formed is not to be pursued anymore, the going concern assumption is vitiated, and accordingly, the assets and liabilities have been stated at their net realizable value. However, pending a response from GMDC on the way forward for sale/surrender of 22 hectares of private land, and in the wake of lockdown and other restrictions, condition related to current COVID19 pandemic situation, the management expresses its inability to get a valuation report from an expert to ascertain the net realizable value of the freehold land held by the Company. Further, the management believes that the company will be able to realise the carrying amount of the cost of land, and as such, the same has been stated at the historical cost instead of net realisable value.

- 15) The financial statements of Bhilai Jaypee Cement Limited ('BJCL'), auditor Stated in Note No.4(a)(i) of the Statement of BJCL, no provision has been considered necessary by the management against Entry Tax amounting to Rs.3,408.62 lakhs (including interest) as demanded by the Commercial Tax Department. The company has filed the Writ Petition in Hon'ble High Court of Chhattisgarh against the order of Commercial Tax Department. Further, the company had filed for the exemption certificate regarding payment of entry tax which was rejected by the Department of Commerce & Industries, Chhattisgarh. During the previous year, the company 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 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.
- 16) The financial statements of Bhilai Jaypee Cement Limited ('BJCL'), auditor as stated in Note No.4(b)(i) of the Statement of BJCL, State Bank of India has sanctioned vide letter dated September 20, 2019, One Time Settlement (OTS) under SBI Scheme for



One Time Settlement of NPAs & AUCAs (SBI OTS 2019) for Rs.3,760.64 lakhs against principal outstanding of Rs.4,424.28 lakhs as on March 31,2019 whose last installment was due on March 20, 2020, however, the same has been extended upto June 30, 2020. The Company has not given any impact of the OTS in the books of account for the reason stated therein.

Our opinion is not modified in respect of above stated matters in para (1) to (16).

Uncertainty on the going concern – of Subsidiary Company

The auditor of Himalyan Expressway Limited stated in their Audit Report that the company has incurred net loss of Rs. 65.98 crores during the year ended March, 31 2020, as on date, the Company's current liabilities exceeds its current assets by Rs. 318.81 crores and the Company also incurred continuous losses in the past couple of years. This condition, indicate the existence of a material uncertainty that may have an adverse impact on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of above stated matters in para.

Management's Responsibility for the Consolidated Financial Results

The statement has been prepared on the basis of the consolidated annual financial statements. The holding Company's Board of Directors are responsible for preparation and presentation of the statements that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with applicable accounting standards prescribed under section 133 of the Act read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the Companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are responsible and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statements that gives true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by Directors of the Holding Company, as aforesaid.

In preparing the statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or the cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing of financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will



always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of statement.

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. For drafting of our report, we have considered the report of independent auditors of respective subsidiary companies.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the statements of which we are the independent auditors. For the other entities included in the statement which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in (a) of the section title "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that



we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. Other Matters:

(a) Auditors of the respective subsidiary companies have drawn attention to following matters in their reports under the heading 'Report on Other Legal and Regulatory Requirements'.

- [i] Jaypee Uttar Bharat Vikas Private Limited, a subsidiary of the Company, is required to appoint Company Secretary as Key Managerial Personnel as per section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 but there was no company secretary as on 31.03.2020.
- [ii] Jaypee Fertilizers & Industries Limited, a subsidiary of the Company, is required to appoint Chief Financial Officer as Key Managerial Personnel as per section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 but there was no Chief Financial Officer as on 31.03.2020.
- [iii] Jaypee Ganga Infrastructure Corporation Limited have Report that, there is no Key Managerial Person as on 31.3.2019, other than Company Secretary as required by section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- [iv] Jaypee Agri Initiative Company Limited, a subsidiary of the Company, there is no Company Secretary as key Managerial personnel as per the requirement of section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- [v] Himalyaputra Aviation Limited, Jaypee Cement Hockey (India) Limited and Kanpur Fertilizers & Chemicals Limited (formerly known as Kanpur Fertilizers & Cement Ltd), Covid 19 spread across the country since March, 2020 restricted our physical movement to company's offices at different locations and thereby required us to use alternative audit procedure from remote location. We were provided the access to the books of accounts via electronic medium from a remote location. Further, required documents/information was sought on mails to vouch the authenticity of the transactions of the company.
- [vi] Bhilai Jaypee Cement Limited ('BJCL'), auditor refer Note No. 5 of the statement of BJCL, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management due to Covid-19 related lock down restrictions, management was able to perform year end physical verification of inventory at certain locations, subsequent to the year end. Also, we were not able to physically observe the verification of inventory that was carried



out by the management. Consequently, we have performed alternative procedures to audit the existence of Inventory as per the guidance provided in Sa -501 "Audit Evidence- Specific considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these financial results.

- [vii] Bhilai Jaypee Cement Limited, the annual financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
- [viii] Jaypee Assam Cement Limited due to Covid-19 lockdown connectivity challenges, Directors written representations u/s 164(2) of the Companies Act' 2013 has not been received to us. In the absence of the same we can't comment over the director's qualification/ disqualification as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (b) The consolidated annual financial results includes the audited financial results of 19 subsidiary and includes 2 subsidiary upto 31.12.2019 being the date of cessation as subsidiary and a joint controlled entity, whose financial statements/financial information reflect total assets of Rs. 732823 lacs as at 31 March, 2020, total revenue of Rs.77892.09 lacs and Rs. 449116.79 lacs, total net profit/(loss) after tax of Rs.(73028.35) lacs and Rs (231504.94) lacs, total comprehensive income of Rs. (73090.39) lacs and Rs. (231585.75) lacs, for the quarter and the year ended on that date respectively, and net cash flow of Rs. (798.30) lacs for the year ended March 31, 2020, as considered in the consolidated annual financial results. The statement also includes the Company's share of net profit/(loss) of Rs. (3) lacs and Rs. (42101) lacs for the quarter and year ended March 31, 2020 respectively, as considered in the statement in respect of 4 Associates and 1 associates upto the date of cessation being associate company. These statements have been audited by their respective independent auditors.

The independent auditor's reports on financial statements of these entities have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion is not modified in respect of above stated matters in para (a) to (b).

- (c) The consolidated figures for the corresponding quarter ended March 31, 2019 as reported in these financial results have been as certified and approved by the holding company's Board of Directors being difference between audited figures of full financial year and figures as certified till December 31, 2019 by the managements.
- (d) The Consolidated annual financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year.



Our opinion is not modified in respect of above matter stated in para (c) and (d).

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

R.K. Goel
Partner
Membership No. 006154

Place: Delhi
Dated: May 27, 2020
UDIN: 20006154AAAABT1235



ANNEXURE-I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020				
(Amount in Rs. Lakhs)				
I.	S. No.		Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total Income	468722	468722
	2.	Total Expenditure	559939	559939
	3.	Exceptional and Extraordinary items (Net) Loss/ (Gain)	(2169)	157757
	4.	Net Profit/(Loss) (1-2-3) before tax	(89048)	(248974)
	5.	Earnings Per Share for discontinued and continued operations Basic(₹)	(3.67)	(10.26)
	6.	Total Assets	3853156	3693230
	7.	Total Liabilities	3067635	3067635
	8.	Net Worth (6-7)	785521	625595
	9.	Any other financial item(s) (as felt appropriate by the management)	-	-

II.	<p>(a) <u>Audit Qualification:</u></p> <p><u>Attention is drawn to:</u></p> <p>Refer Note No. 44 of audited Standalone Financial Statements, 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').</p> <p>The NCLT, New Delhi Principal Bench approved the Resolution Plan (with modification) of NBCC on 03.03.2020 whereby as per the scheme approved by NCLT the company's investment in equity of JIL be reduced to zero 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 Jaiprakash Associates Limited. The Company has filed the appeal on 12.03.2020 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.</p> <p>Matters stated above have also been qualified in our report in preceding quarters, period ended on December 31, 2019 and year ended March 31, 2019.</p>								

II	b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion : Modified opinion by Auditors
II	c.	Frequency qualification: Whether appeared first time/ repetitive / since how long continuing: - Qualification is repetitive since FY 2017-18.
II	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <u>Management Response to the Audit Qualification:-</u>

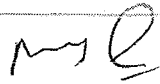

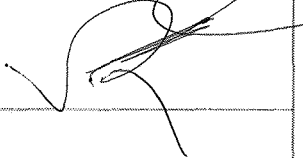
IDBI Bank Limited had filed a petition with Hon'ble National Company Law Tribunal[NCLT], Allahabad Bench [The Bench] under Section 7 of Insolvency and Bankruptcy Code, 2016 [IBC] in respect of Jaypee Infratech Limited [JIL] [Subsidiary of the Company] which was admitted vide Order dated 9th August, 2017 and Interim Resolution Professional [IRP] was appointed.

Some of the Homebuyers took the matter to Hon'ble Supreme Court, which was finally disposed off on 9th August, 2018 directing recommencement of CIRP proceedings against JIL. During the course of the said proceedings, on the interim directions of Hon'ble Supreme Court a sum of Rs.750 Crores was deposited in the Supreme Court by JAL [the Holding Company of JIL] which was to be used for payment to such homebuyers who had opted for refund through the portal created by the Amicus appointed by the Hon'ble Supreme Court. However, in view of the amendment in the IBC giving status of the Financial Creditor to the Homebuyers, following the discipline of IBC, Hon'ble Supreme Court held that the said amount cannot be used for the said purpose and directed the same to be transferred alongwith interest to NCLT, Allahabad with direction to abide by the order of NCLT.

On conclusion of the second round of CIRP as under taken under the directions of Hon'ble Supreme Court, continued the Principal Bench, NCLT, New Delhi has approved the Resolution Plan of NBCC (India) Limited [NBCC] with certain modifications on 03-03-2020.

NBCC, the successful Resolution Applicant, has filed an appeal against the said order of NCLT approving the Resolution Plan with modifications, before Hon'ble NCLAT. NCLAT vide its order dated 22-04-2020 has issued notices to all the Respondents and also constituted an Interim Monitoring Committee (IMC) to remain in place till the disposal of the said appeal. Further, the order dt. 03.03.2020 of NCLT has been subjected to the outcome of the appeals before NCLAT.

		<p>The Company [JAL] has also filed an appeal before Hon'ble NCLAT against the said NCLT Order dated 03-03-2020 holding the amount of Rs.750 Crores deposited by JAL to form part of the Resolution Plan and also directing the payment of other amounts to JIL. Notices have been issued to the Respondents and the implementation of the Plan has been subjected to the outcome of JAL's appeal. Pending adjudication, the Company has not made provision in respect of the deposit of Rs.750 Crores, in the financial statement for the year ended 31st March, 2020. The IRP, Yes Bank Limited and a group of homebuyers have also filed appeals against the said Order of NCLT on which Hon'ble NCLT has directed issue of notices noting that the implementation of the plan has been subjected to the outcome of the appeals.</p> <p>The matter is sub-judice and on attaining its finality, the Company may have to impair its investment in JIL aggregating Rs.849.26 crores (8470 lacs equity shares of Rs.10/- each) in due course.</p>
II	<p>e.</p> <p>(i)</p> <p>(ii)</p>	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>Management's estimations on the impact of Audit qualifications :</p> <p>Response : The impact is quantified by the Statutory Auditor</p> <p>If management is unable to estimate the impact, reasons for the same :</p> <p>Response : Not Applicable</p> <p>Auditors' Comments on (i) or (ii) above</p> <p>Response :</p> <p>Since, the Company/ NBCC has appealed in NCLAT against the Order dated 03.03.2020, the Auditor is of the view that the refund of deposit and value of investment should be provided in the financial statements.</p>

VI.	Signatories	
	• Manoj Gaur (Executive Chairman)	
	• K.N.Bhandari (Chairman-Audit Committee) (Participated through Video Conferencing)	Approved over E-mail
	• Ashok Soni (CFO)	
	• Statutory Auditors: Rajendra K. Goel & Co., Chartered Accountants	
	Place: New Delhi	
	Date :27 th May 2020	

ANNEXURE-I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

(Amount in Rs. Lakhs)

I.	S. No.		Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total Income	713686	713686
	2.	Total Expenditure	835621	835621
	3.	Exceptional and Extraordinary items (Net) Loss/ (Gain)	(389015)	(229315)
	4.	Net Profit/(Loss) (1-2-3) before tax	267080	107380
	5.	Earnings Per Share for discontinued and continued operations Basic (₹)	4.50	(2.06)
	6.	Total Assets	3628949	3469249
	7.	Total Liabilities	3411630	3411630
	8.	Net Worth	217319	57619
	9.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.		Attention is drawn to: a) The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited ('JIL') (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 on 03.03.2020 whereby as per the scheme approved by NCLT the Holding company's investment in equity of JIL be reduced to zero 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 Jaiprakash Associates Limited. Accordingly the Holding Company has lost the control of JIL and consolidates the JIL upto December 31, 2019 as the latest auditor's reviewed financials are available with the Holding Company. The Holding Company has filed the appeal on 12.03.2020 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 profit of group would have been decreased to that extent.

Matters stated a) above have also been qualified in our report in preceding quarters, period ended on December 31, 2019 and year ended March 31, 2019.

The Independent Auditor of certain subsidiary has qualified their audit report on the audited financial statements for the year ended on 31 March, 2020.

a) In the case of Bhilai Jaypee Cement Limited, a subsidiary of the company:

[i] The financial statement of the Company is prepared on going concern basis. During the quarter and year ended March 31, 2020, the Company has incurred Net Loss of Rs.5,754.16 lakhs and Rs. 9,198.63 lakhs respectively, resulting into accumulated losses of Rs. 50,077.24 lakhs against equity capital of Rs.37,968.48 lakhs and complete erosion of net worth as at March 31, 2020. Further, the Company's current liabilities exceed its current assets. These matters require the company to generate additional cash flow to fund the operations as well as payment to lender, 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

	<p>holding company to fund the operations and meet its obligations and implementation of business plan which are critical to the Company's ability to continue as going concern. These conditions along with matter described below indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business.</p> <p>ii) The Company had not provided compensation for short lifting of annual Agreed Quantity of Granulated Slag of Rs.6,741.29 lakhs upto March 31, 2020 (including Rs.4,065.98 lakhs upto September 30, 2018 already demanded by the supplier). The Company 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. The company also have filed counter claim with the party for contribution loss suffered by the Company. The same being under negotiation, the company has not provided any expenses during quarter and the year ended March 31, 2020. Hence, auditor are unable to comment to the extent to which this liability will be settled.</p>

II	b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion : Modified opinion by Auditors
II	c.	Frequency qualification: Whether appeared first time/ repetitive / since how long continuing: Qualification is repetitive since FY 2017-18
II	d.	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p><u>Management Response to the Audit Qualification:-</u></p> <p>IDBI Bank Limited had filed a petition with Hon'ble National Company Law Tribunal[NCLT], Allahabad Bench [The Bench] under Section 7 of Insolvency and Bankruptcy Code, 2016 [IBC] in respect of Jaypee Infratech Limited [JIL] [Subsidiary of the Company] which was admitted vide Order dated 9th August, 2017 and Interim Resolution Professional</p>

[IRP] was appointed.

Some of the Homebuyers took the matter to Hon'ble Supreme Court, which was finally disposed off on 9th August, 2018 directing recommencement of CIRP proceedings against JIL. During the course of the said proceedings, on the interim directions of Hon'ble Supreme Court a sum of Rs.750 Crores was deposited in the Supreme Court by JAL [the Holding Company of JIL] which was to be used for payment to such homebuyers who had opted for refund through the portal created by the Amicus appointed by the Hon'ble Supreme Court. However, in view of the amendment in the IBC giving status of the Financial Creditor to the Homebuyers, following the discipline of IBC, Hon'ble Supreme Court held that the said amount cannot be used for the said purpose and directed the same to be transferred alongwith interest to NCLT, Allahabad with direction to abide by the order of NCLT.

On conclusion of the second round of CIRP as under taken under the directions of Hon'ble Supreme Court, continued the Principal Bench, NLCT, New Delhi has approved the Resolution Plan of NBCC (India) Limited [NBCC] with certain modifications on 03-03-2020.

NBCC, the successful Resolution Applicant, has filed an appeal against the said order of NCLT approving the Resolution Plan with modifications, before Hon'ble NCLAT. NCLAT vide its order dated 22-04-2020 has issued notices to all the Respondents and also constituted an Interim Monitoring Committee (IMC) to remain in place till the disposal of the said appeal. Further, the order dt. 03.03.2020 of NCLT has been subjected to the outcome of the appeals before NCLAT.

The Company [JAL] has also filed an appeal before Hon'ble NCLAT against the said NCLT Order dated 03-03-2020 holding the amount of

		<p>Rs.750 Crores deposited by JAL to form part of the Resolution Plan and also directing the payment of other amounts to JIL. Notices have been issued to the Respondents and the implementation of the Plan has been subjected to the outcome of JAL's appeal. Pending adjudication, the Company has not made provision in respect of the deposit of Rs.750 Crores, in the financial statement for the year ended 31st March, 2020. The IRP, Yes Bank Limited and a group of homebuyers have also filed appeals against the said Order of NCLT on which Hon'ble NCLT has directed issue of notices noting that the implementation of the plan has been subjected to the outcome of the appeals.</p> <p>As JIL has been under the IRP since 09-08-2017 followed by that of IMC since 22-04-2020 and the order dated 03-03-2020 of NCLT has been assailed by various parties including the successful Resolution Applicant and since JIL could not make available its financial statements to JAL, the same have not been consolidated in the financial statements of JAL.</p> <p>The matter is sub-judice and on attaining its finality, the Company may have to impair its investment in JIL aggregating Rs.847 crores (8470 lacs equity shares of Rs.10/- each) in due course.</p>
II	<p>e.</p> <p>(i)</p>	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>Regarding BJCL : BJCL has assets at two plants and based on valuation report it is more than carrying value. As per future plan of the management , accumulated losses should reduce. Currently Impact could not be ascertained.</p> <p>Management's estimations on the impact of Audit qualifications :</p> <p>Response: The impact of the qualification is unascertainable at this point of time.</p>

(ii) If management is unable to estimate the impact, reasons for the same :

Management Response to the Qualification in the Consolidated Annual Audited Financial Statements:-

IDBI Bank Limited had filed a petition with Hon'ble National Company Law Tribunal[NCLT], Allahabad Bench [The Bench] under Section 7 of Insolvency and Bankruptcy Code, 2016 [IBC] in respect of Jaypee Infratech Limited [JIL] [Subsidiary of the Company] which was admitted vide Order dated 9th August, 2017 and Interim Resolution Professional [IRP] was appointed.

Some of the Homebuyers took the matter to Hon'ble Supreme Court, which was finally disposed off on 9th August, 2018 directing recommencement of CIRP proceedings against JIL. During the course of the said proceedings, on the interim directions of Hon'ble Supreme Court a sum of Rs.750 Crores was deposited in the Supreme Court by JAL [the Holding Company of JIL] which was to be used for payment to such homebuyers who had opted for refund through the portal created by the Amicus appointed by the Hon'ble Supreme Court. However, in view of the amendment in the IBC giving status of the Financial Creditor to the Homebuyers, following the discipline of IBC, Hon'ble Supreme Court held that the said amount cannot be used for the said purpose and directed the same to be transferred alongwith interest to NCLT, Allahabad with direction to abide by the order of NCLT.

On conclusion of the second round of CIRP as under taken under the directions of Hon'ble Supreme Court, continued the Principal Bench, NLCT, New Delhi has approved the Resolution Plan of NBCC (India) Limited [NBCC] with certain modifications on 03-03-2020.

NBCC, the successful Resolution Applicant, has filed an appeal against the said order of NCLT approving the Resolution Plan with modifications, before Hon'ble NCLAT. NCLAT vide its order dated 22-04-2020 has issued notices to all the Respondents and also constituted an Interim Monitoring Committee (IMC) to remain in place till the disposal of the said appeal. Further, the order dt. 03.03.2020 of NCLT has been subjected to the outcome of the appeals before NCLAT.

The Company [JAL] has also filed an appeal before Hon'ble NCLAT against the said NCLT Order dated 03-03-2020 holding the amount of Rs.750 Crores deposited by JAL to form part of the Resolution Plan and also directing the payment of other amounts to JIL. Notices have been issued to the Respondents and the implementation of the Plan has been subjected to the outcome of JAL's appeal. Pending adjudication, the Company has not made provision in respect of the deposit of Rs.750 Crores, in the financial statement for the year ended 31st March, 2020. The IRP, Yes Bank Limited and a group of homebuyers have also filed appeals against the said Order of NCLT on which Hon'ble NCLT has directed issue of notices noting that the implementation of the plan has been subjected to the outcome of the appeals.

The matter is sub-judice and on attaining its finality, the Company may have to impair its investment in JIL aggregating Rs.849.26 crores (8470 lacs equity shares of Rs.10/- each) in due course.

Response to Serial No a(i): BJCL has assets at two plants and based on valuation report and future plans of the management, there is no loss expected and all accumulated losses could be recovered. Hence, impact could not be ascertained.

Response to Serial No.a(ii): The matter is under dispute the company is not accepting any claim of the supplier. Hence, no loss could be ascertained at this point in time.

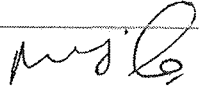
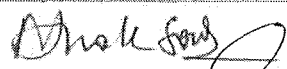
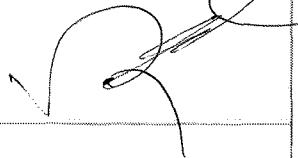
(iii) Auditors' Comments on (i) or (ii) above

Response :

Since, the Company/ NBCC has appealed in NCLAT against the Order dated 03.03.2020, the Auditor is of the view that the refund of deposit and value of investment should be provided in the financial statements.

Relating to BJCL

In view of the reasons stated by the Company, currently impact could not be ascertained.

VI.	Signatories	
	• Manoj Gaur (Executive Chairman)	
	• K.N.Bhandari (Chairman-Audit Committee) (Participated through Video Conferencing)	Approved over E-mail
	• Ashok Soni (CFO)	
	• Statutory Auditors: Rajendra K. Goel & Co., Chartered Accountants	
	Place: New Delhi	
	Date :27 th May 2020	