

JAIPRAKASH ASSOCIATES LIMITED

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

(₹ in Lakhs)

Particulars	STANDALONE			
	Quarter Ended			Year Ended
	30.06.2020 [Unaudited]	31.03.2020 [Audited]	30.06.2019 [Unaudited]	31.03.2020 [Audited]
1 Income				
Revenue from Operations	67171	117204	119988	461913
Other Income	5342	(1637)	7226	6809
Total Income	72513	115567	127214	468722
2 Expenses				
[a] Cost of Materials Consumed	21434	45576	45804	172679
[b] Purchase of Stock-in-trade	-	-	-	-
[c] Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	3440	(6599)	10	(5103)
[d] Direct Construction, Manufacturing, Real Estate, Hotel/Hospitality, Event & Power Expenses	23602	43376	41928	165685
[e] Employee Benefits Expense	9740	14372	12250	51504
[f] Finance Costs	18387	25632	18800	80233
[g] Depreciation and Amortisation Expense	9784	10269	10134	41217
[h] Other Expenses	9250	15230	14164	53724
Total Expenses	95637	147856	143090	559939
3 Profit/(Loss) before Exceptional Items and Tax [1 - 2]	(23124)	(32289)	(15876)	(91217)
4 Exceptional Items	-	1636	-	2169
5 Profit/(Loss) before Tax [3 + 4]	(23124)	(30653)	(15876)	(89048)
6 Tax Expense				
[a] Current Tax	464	68	-	165
[b] Deferred Tax	-	-	-	-
Total Tax Expense	464	68	-	165
7 Net Profit/(Loss) for the period from Continuing Operations after Tax [5 - 6]	(23588)	(30721)	(15876)	(89213)
8 Profit/(Loss) from Discontinued Operations	(23)	(16)	(7)	(70)
9 Tax expense of Discontinued Operations	-	-	-	-
10 Profit/(Loss) from Discontinued Operations after Tax [8 - 9]	(23)	(16)	(7)	(70)
11 Net Profit/(Loss) for the period after Tax [7 + 10]	(23611)	(30737)	(15883)	(89283)
12 Other Comprehensive Income				
a(i) Items that will not be reclassified to Profit/(Loss)	-	(292)	-	(292)
(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)	-	(292)
13 Total Comprehensive Income for the period [11 + 12] [comprising Profit/(Loss) and Other Comprehensive Income]	(23611)	(31029)	(15883)	(89575)
14 Paid-up Equity Share Capital [of ₹ 2/- per share]	48649	48649	48649	48649
15 Other Equity [excluding Revaluation Reserve]				736872
16 Earnings Per Share [of ₹ 2/- per share] [for continuing operations]				
Basic	₹ (0.97)	₹ (1.26)	₹ (0.65)	₹ (3.67)
Diluted	₹ (0.97)	₹ (1.26)	₹ (0.65)	₹ (3.67)
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	₹ (0.97)	₹ (1.26)	₹ (0.65)	₹ (3.67)
Diluted	₹ (0.97)	₹ (1.26)	₹ (0.65)	₹ (3.67)

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**UNAUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES
FOR THE QUARTER ENDED 30TH JUNE, 2020**

(₹ in Lakhs)

Particulars	STANDALONE			
	Quarter Ended			Year Ended
	30.06.2020 [Unaudited]	31.03.2020 [Audited]	30.06.2019 [Unaudited]	31.03.2020 [Audited]
1. Segment Revenue				
[a] Cement	26952	35620	47994	154601
[b] Construction	33025	60430	44754	209219
[c] Power	3217	4054	6408	20864
[d] Hotel/Hospitality & Golf Course	634	6692	6323	26260
[e] Sport Events	26	71	586	1064
[f] Real Estate	3788	10430	13772	48228
[g] Others	575	961	1308	4859
[h] Unallocated	98	342	75	1411
Total	68315	118600	121220	466506
Less: Inter-segment Revenue	1144	1396	1232	4593
Revenue from Operations	67171	117204	119988	461913
2. Segment Results				
[a] Cement	(989)	(926)	344	(5618)
[b] Construction	(2691)	4573	1565	10726
[c] Power	(715)	(1574)	(1375)	(6386)
[d] Hotel/Hospitality & Golf Course	(1275)	272	110	1076
[e] Sport Events	(3022)	(3072)	(2657)	(11810)
[f] Real Estate	(460)	(3900)	1132	421
[g] Investments	4362	(2246)	4570	85
[h] Others	(605)	(1216)	(1086)	(4309)
	(5395)	(8089)	2603	(15815)
Less:				
[a] Finance Costs	18387	25632	18800	80233
[b] Other Un-allocable Expenditure net off Un-allocable Income	(658)	(1432)	(321)	(4831)
	(23124)	(32289)	(15876)	(91217)
Exceptional Items	-	1636	-	2169
Profit/(Loss) before Tax from Continuing Operations	(23124)	(30653)	(15876)	(89048)
3. Segment Assets				
[a] Cement	472092	470277	482875	470277
[b] Construction	501747	498826	520483	498826
[c] Power	191762	192602	196841	192602
[d] Hotel/Hospitality & Golf Course	76657	78300	79040	78300
[e] Sports Events	227442	230112	237825	230112
[f] Real Estate	1426871	1403389	1328069	1403389
[h] Investments	746980	742541	747771	742541
[i] Others	14561	14107	14464	14107
[j] Un-allocated	220662	223002	195353	223002
Total Segment Assets	3878774	3853156	3802721	3853156
4. Segment Liabilities				
[excluding Loans]				
[a] Cement	100360	98334	101011	98334
[b] Construction	179008	174358	179696	174358
[c] Power	14880	15114	13374	15114
[d] Hotel/Hospitality & Golf Course	20669	21003	19716	21003
[e] Sports Events	9824	12110	13454	12110
[f] Real Estate	375484	375958	385424	375958
[g] Others	5323	4932	4564	4932
[h] Un-allocated	540954	498511	391708	498511
Total Segment Liabilities	1246502	1200320	1108947	1200320

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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 ended 30th June, 2020 aggregating ₹ 268.93 Crores (₹ 3237.08 Crores cumulatively till 30th June, 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.

5. Non Current Trade receivables include ₹ 2579.95 Crores, outstanding as at 30th June, 2020 (₹ 2579.95 Crores, outstanding as at 31st March 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 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 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. 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 ₹ 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, 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 dated 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 ₹ 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 ₹ 750 Crores, in the financial statement for the year ended 31st March, 2020.

The IRP, Yes Bank Limited and groups of homebuyers etc have also filed appeals against the said Order of NCLT. Similarly a group of Shareholders of JIL have also filed an appeal against the said Order of NCLT claiming value for the shareholders based on the Net worth of JIL. Hon'ble NCLAT has directed issue of notices on all these appeals making the implementation of the plan subject to the outcome of the appeals.

Keeping in view the constitution of an Interim Monitoring Committee vide Hon'ble NCLAT Order dated 22.04.2020 passed while admitting the appeals filed by various parties against the order dated 03.03.2020 of the Adjudicating Authority approving the resolution plan of NBCC Ltd with modifications, and NCLAT making the implementation of the Resolution Plan subject to the outcome of the said appeals, the financial statements of JIL have not been consolidated with those of the Company.

Since the matter is sub-judice and on attaining its finality, necessary effect of the outcome thereof shall be given in the Financial Statements interalia in respect of the Investments in JIL aggregating ₹ 849.26 Crores (8470 lacs equity shares of ₹ 10/- each).

8. In the interest of the Nation, complete lockdown was announced by Government of India which led to complete disruption of operations of manufacturing, construction units and offices spread across India. Above brought the Operations of the Company to complete halt for almost five weeks in the quarter under consideration. Subsequently, partial lifting of Lockdown from 3rd May, 2020 leading to Unlock-1.0 w.e.f. 8th June, 2020 and then to Unlock-2.0 w.e.f. 01st July, 2020, different industry in different zone has been affected differently. There has been significant impact on Company's operations in first quarter as compared to corresponding / previous quarter and high level of uncertainty about the lifting of the complete lockdown and the time required for things to get normal. The Management and entire work force complying directions of Government issued from time to time has been engaged in resumption of operations wherever possible and that is reflected in the operations inspite of significant drop because of an Act of God. The Management is closely monitoring the current situation.

As per current assessment, there is no significant impact on carrying amount of inventories, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from these estimated as on date of the approval of the financial results.

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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. 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. The above Financial results for the quarter ended 30th June, 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 5th August, 2020.

Place: New Delhi
Dated: 5th August, 2020




MANOJ GAUR
Executive Chairman
DIN - 00008480


STATEMENT OF UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30TH JUNE, 2020

(₹ in Lakhs)

Particulars	CONSOLIDATED			
	Quarter Ended			Year Ended
	30.06.2020 [Unaudited]	31.03.2020 [Audited]	30.06.2019 [Unaudited]	31.03.2020 [Audited]
1 Income				
Revenue from Operations	113126	187603	175105	703549
Other Income	973	932	2786	10137
Total Income	114099	188535	177891	713686
2 Expenses				
[a] Cost of Materials Consumed	48266	86161	82074	327051
[b] Purchase of Stock-in-trade	172	57	473	3282
[c] Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	1952	(6434)	496	(3236)
[d] Direct Construction, Manufacturing, Real Estate, Infrastructure Hotel/Hospitality, Event & Power Expenses	34583	55861	51386	203636
[e] Employee Benefits Expense	12019	17619	14642	62164
[f] Finance Costs	23553	42394	24633	113344
[g] Depreciation and Amortisation Expense	14049	14599	14976	60256
[h] Other Expenses	13439	20528	18071	69124
Total Expenses	148033	230785	206751	835621
3 Profit/(Loss) before Exceptional Items, Share of Profit/(Loss) in Associates and Tax [1 - 2]	(33934)	(42250)	(28860)	(121935)
4 Share of Profit/(Loss) in Associates	3	(3)	(1323)	(42101)
5 Profit/(Loss) before Exceptional Items and Tax [3 + 4]	(33931)	(42253)	(30183)	(164036)
6 Exceptional Items	-	388482	-	389015
7 Profit/(Loss) before Tax [5 + 6]	(33931)	346229	(30183)	224979
8 Tax Expense				
[a] Current Tax	480	78	273	177
[b] Deferred Tax	(744)	39326	(43)	38246
Total Tax Expense	(264)	39404	230	38423
9 Net Profit/(Loss) for the period from Continuing Operations after Tax [7 - 8]	(33667)	306825	(30413)	186556
10 Profit/(Loss) from Discontinued Operations	(23)	(15)	(44681)	(130480)
11 Tax expense of Discontinued Operations	-	-	-	-
12 Profit/(Loss) from Discontinued Operations after Tax [10 - 11]	(23)	(15)	(44681)	(130480)
13 Net Profit/(Loss) for the period after Tax [9 + 12]	(33690)	306810	(75094)	56076
14 Non Controlling Interest	(422)	(1357)	(17632)	(53493)
15 Net Profit/(Loss) after Tax and Non-Controlling Interest [13 - 14]	(33268)	308167	(57462)	109569
16 Other Comprehensive Income				
a(i) Items that will not be reclassified to Profit/(Loss)	(1)	(355)	2	(373)
(ii) Income Tax relating to Items that will not be reclassified to Profit/(Loss)	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)	2	(373)
17 Non-Controlling Interest [Other Comprehensive Income]	-	-	-	(7)
18 Other Comprehensive Income after Non-Controlling Interest [16 - 17]	-	(355)	2	(366)
19 Total Comprehensive Income for the period [13 + 16] [comprising Profit/(Loss) and Other Comprehensive Income]	(33690)	306455	(75092)	55703
20 Total Non-Controlling Interest [14 + 17]	(422)	(1357)	(17632)	(53500)
21 Total Comprehensive Income for the period after Non-Controlling Interest [19 - 20] [comprising Profit/(Loss) and Other Comprehensive Income for the period]	(33268)	307812	(57460)	109203
22 Paid-up Equity Share Capital [of ₹ 2/- per share]	48649	48649	48649	48649
23 Other Equity [excluding Revaluation Reserve]	-	-	-	169540
24 Earnings Per Share [of ₹ 2/- per share] [for continuing operations]				
Basic	₹ (1.37)	₹ 12.66	₹ (0.52)	₹ 9.86
Diluted	₹ (1.37)	₹ 12.66	₹ (0.52)	₹ 9.86
Earnings Per Share [of ₹ 2/- per share] [for discontinued operations]				
Basic	₹ -	₹ -	₹ (1.84)	₹ (5.36)
Diluted	₹ -	₹ -	₹ (1.84)	₹ (5.36)
Earnings Per Share [of ₹ 2/- per share] [for discontinued and continuing operations]				
Basic	₹ (1.37)	₹ 12.66	₹ (2.36)	₹ 4.50
Diluted	₹ (1.37)	₹ 12.66	₹ (2.36)	₹ 4.50

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**UNAUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES
FOR THE QUARTER ENDED 30TH JUNE, 2020**

(₹ in Lakhs)

Particulars	CONSOLIDATED			
	Quarter Ended			Year Ended
	30.06.2020 [Unaudited]	31.03.2020 [Audited]	30.06.2019 [Unaudited]	31.03.2020 [Audited]
1. Segment Revenue				
[a] Cement & Cement Products	36766	47675	58373	192368
[b] Construction	33251	60634	46256	211237
[c] Power	3217	4054	6408	20864
[d] Hotel/Hospitality & Golf Course	634	6691	6323	26260
[e] Sport Events	26	71	586	1064
[f] Real Estate	3788	10430	13773	48228
[g] Investments	-	-	-	-
[h] Infrastructure	473	460	1113	4327
[i] Fertilizers	38874	63186	61331	247925
[j] Health Care	-	-	-	-
[k] Others	1203	2263	3336	10279
[l] Unallocated	98	342	75	1411
Total	118330	195806	197574	763963
Less: Inter-segment Revenue	5204	8203	22469	60414
Revenue from Operations	113126	187603	175105	703549
2. Segment Results				
[a] Cement & Cement Products	(2613)	(3601)	(960)	(15102)
[b] Construction	(2582)	5055	(2243)	9855
[c] Power	(715)	(1574)	(1375)	(6386)
[d] Hotel/Hospitality & Golf Course	(1275)	272	110	1076
[e] Sport Events	(3336)	(3073)	(2651)	(11805)
[f] Real Estate	(460)	(3900)	1133	420
[g] Investments	(77)	(77)	(78)	3034
[h] Infrastructure	19	(281)	(877)	(1989)
[i] Fertilizers	757	7397	3242	12588
[j] Health Care	-	-	-	-
[k] Others	(584)	(1266)	(677)	(4151)
	(10866)	(1048)	(4376)	(12460)
Less:				
[a] Finance Costs	23553	42394	24633	113344
[b] Other Un-allocable Expenditure net off Un-allocable Income	(485)	(1192)	(149)	(3869)
	(33934)	(42250)	(28860)	(121935)
Share of Profit/(Loss) in Associates	3	(3)	(1323)	(42101)
Exceptional Items	-	388482	-	389015
Profit/(Loss) before Tax from Continuing Operations	(33931)	346229	(30183)	224979
3. Segment Assets				
[a] Cement & Cement Products	603320	598801	622470	598801
[b] Construction	501419	499678	507985	499678
[c] Power	191762	192602	196841	192602
[d] Hotel/Hospitality & Golf Course	76650	78290	78835	78290
[e] Sports Events	225417	228404	236126	228404
[f] Real Estate	1369438	1349047	1272205	1349047
[g] Infrastructure	54485	54524	2041158	54524
[h] Investments	166929	166926	119724	166926
[i] Fertilizers	244054	226039	214227	226039
[j] Health Care	-	-	92439	-
[k] Others	36919	36710	38067	36710
[l] Un-allocated	198598	197928	177841	197928
Total Segment Assets	3668991	3628949	5597918	3628949
4. Segment Liabilities				
[excluding Loans]				
[a] Cement & Cement Products	134959	139712	123547	139712
[b] Construction	178807	174073	138475	174073
[c] Power	11510	9171	8665	9171
[d] Hotel/Hospitality & Golf Course	20669	21003	19716	21003
[e] Sports Events	7727	10558	11344	10558
[f] Real Estate	375484	376558	357364	376558
[g] Infrastructure	9975	10438	1026389	10438
[h] Investments	-	-	-	-
[i] Fertilizers	94815	76892	61577	76892
[j] Health Care	-	-	27739	-
[k] Others	3598	1815	3279	1815
[l] Un-allocated	560679	507390	818295	507390
Total Segment Liabilities	1398223	1327610	2596390	1327610

Contd.....8

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 ₹ 2579.95 Crores, outstanding as at 30th June, 2020 (₹ 2579.95 Crores, outstanding as at 31st March 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 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 ₹ 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, 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 dated 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 ₹ 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 ₹ 750 Crores, in the financial statement for the year ended 31st March, 2020.

The IRP, Yes Bank Limited and groups of homebuyers etc have also filed appeals against the said Order of NCLT. Similarly a group of Shareholders of JIL have also filed an appeal against the said Order of NCLT claiming value for the shareholders based on the Net worth of JIL. Hon'ble NCLAT has directed issue of notices on all these appeals making the implementation of the plan subject to the outcome of the appeals.

Keeping in view the constitution of an Interim Monitoring Committee vide Hon'ble NCLAT Order dated 22.04.2020 passed while admitting the appeals filed by various parties against the order dated 03.03.2020 of the Adjudicating Authority approving the resolution plan of NBCC Ltd with modifications, and NCLAT making the implementation of the Resolution Plan subject to the outcome of the said appeals, the financial statements of JIL have not been consolidated with those of the Company.

Since the matter is sub-judice and on attaining its finality, necessary effect of the outcome thereof shall be given in the Financial Statements interalia in respect of the Investments in JIL aggregating ₹ 849.26 Crores (8470 lacs equity shares of ₹ 10/- each).

5. In the interest of the Nation, complete lockdown was announced by Government of India which led to complete disruption of operations of manufacturing, construction units and offices spread across India. Above brought the Operations of the Company to complete halt for almost five weeks in the quarter under consideration. Subsequently, partial lifting of Lockdown from 3rd May, 2020 leading to Unlock-1.0 w.e.f. 8th June, 2020 and then to Unlock-2.0 w.e.f. 01st July, 2020, different industry in different zone has been affected differently. There has been significant impact on Company's operations in first quarter as compared to corresponding / previous quarter and high level of uncertainty about the lifting of the complete lockdown and the time required for things to get normal. The Management and entire work force complying directions of Government issued from time to time and has been engaged in resumption of operations wherever possible and that is reflected in the operations inspite of significant drop because of an Act of God. The Management is closely monitoring the current situation.

As per current assessment, there is no significant impact on carrying amount of inventories, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from these estimated as on date of the approval of the financial results.

6. The above Financial results for the quarter ended 30th June, 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 5th August, 2020.

Place: New Delhi
Dated: 5th August, 2020




MANOJ GAUR
Executive Chairman
DIN - 00008480


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

Review Report to
The Board of Directors of
Jaiprakash Associates Limited

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

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

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

3. **Basis of Qualified Review Conclusion**
Attention is drawn to:

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

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



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

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

4. Qualified Conclusion:

Based on our review conducted as above, *except effect/possible effect as stated in Basis of Qualified Review Conclusion paragraph above*, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contain any material misstatement.

5. Emphasis of matter:

We draw attention to the following matters:

1.

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



appeal against the said Order before NCLAT which has stayed the operation of impugned order and further proceedings are progressing in the matter.

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

2. Yes Bank Limited ('YBL') / Assets Care and Reconstruction Enterprise Limited ('ACRE') invoked entire pledged equity share 28,09,66,000 of Rs. 10/- each of Bhilai Jaypee Cement Limited ('BJCL') (a subsidiary of the company) and also recalled outstanding loan and invoked corporate guarantee and shortfall undertaking given by the company against the loan facility of Rs. 465 Crores and Rs.45 Crores to Jaypee Cement Corporation Limited ('JCCL') a wholly owned subsidiary of the company. YBL assigned the same in favour of ACRE. The ACRE informed about the transfer of the entire pledged/NDU share of BJCL in its name. However the company is contesting the assignment on the basis of the fact that these facilitates has been covered under the Comprehensive Reorganization & Re-structuring Plan ('CRRP') of Company & JCCL duly approved by the consortium of lenders including YBL at its meeting held on June 22, 2017 and subsequently YBL signed Master 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 loss in the current quarter as well as in the past years and its Net worth has been fully eroded. However, based on valuation report from independent Valuer on the assets of BJCL, the management believes that the realizable amount is higher than the carrying value of the Non-Current Investment aggregating to Rs. 407.72 Crores and receivable Rs. 509.79 Crores and as such these are considered good and recoverable.

3. Yes Bank Limited ('YBL')/Assets Reconstruction Company ('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 YBL/ARC, the company continues to show the above investments as non-current at cost.
4. 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 August 31, 2018, Rs. 23.33 Crores outstanding as on June 30, 2020 (previous years Rs. 22.89 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.
5. Lender of Jaypee Cement Corporation Limited ('JCCL') (subsidiary company) has invoked the corporate guarantee given by the company for financial assistance being granted to JCCL and asked to make payment for Rs. 438.36 Crores and Rs. 20.79 Crores, being amount outstanding as on September 09, 2018. However the liability has not been considered in the books of accounts, as the loan in question is part of approved Comprehensive Reorganization & Restructuring plan of JCCL and the



Company. The company has made Non-Current Investment in equity of JCCL of Rs. 1,454.71 Crores.

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

6. Non-Current Trade receivables include Rs. 2579.95 Crores, outstanding as at June 30, 2020 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.
7. 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.
8. 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 December 18, 2017 due to default in payment to Banks/Financial Institutions. After obtaining various approvals / documentation etc. the Lenders have affected change in Management in favor 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 September 30, 2019, available to the company.
9. The company has made investment in equity shares (Quoted) of Rs. 1,742.62 Crores in Jaiprakash Power Ventures Limited ('JPVL') an associate company (earlier subsidiary) of the company. JPVL has signed a 'Framework Agreement' on April 18, 2019 with the Banks and Financial Institutions for restructuring of the outstanding Loans and Interest. Accordingly JPVL has issued fully paid 0.01% Cumulative Compulsory Convertible Preference Shares amounting to Rs 3,805.53 crores on December 23, 2019 and fully paid 9.50% Cumulative Redeemable Preference Shares for Rs. 34.52 crores to their Lenders in December, 2019. Further, JPVL has issued 49,26,78,462 equity shares of Rs. 10/- each to FCCB Holders at Rs. 12/- per equity share and 35,17,69,546 equity shares of Rs. 10/- each to JSW Energy Limited at par against their outstanding liabilities on January, 2020 as per agreed terms.



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

10. 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.
11. 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. 295.85 Crores as on June 30, 2020 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, as such no provision has been considered necessary to be made in the statement by the management.
12. The Company has made payment to its Managerial Personnel in terms of their respective appointments and within the limits prescribed under the Companies Act, 2013 ("the Act"). In view of default in repayment of principal and/or interest to Banks and Financial Institutions, the remuneration paid to Shri Pankaj Gaur, Joint Managing Director (Construction) for the period from April 01, 2019 to June 30, 2019 and Shri Sunny Gaur, Managing Director (Cement) for the period from April 01, 2019 to December 30, 2019 based on the approval of NRC & Board, the approval of lenders has been sought whereafter the shareholders' approval shall be obtained.

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

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

As regards waiver of recovery of remuneration paid to Shri Rahul Kumar, the then Whole-time Director & CFO, in view of the clarification/ confirmation given by the MCA, the reason for rejection of application for approval of appointment and remuneration of Shri Rahul Kumar, as given by MCA does not survive. In view of amended provisions, the power to approve remuneration/ waiver of recovery of remuneration stands transferred and vested in the shareholders with prior approval



of the lenders. Accordingly, the Company has approached the lenders, through their lead lender to accord approval/no-objection for the said waiver of recovery of remuneration, which is awaited, post which the Company shall seek approval of the shareholders.

13. 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.
14. The Lenders of the company in their Joint Lenders Forum ('JLF') meeting held on June 22, 2017 have approved restructuring / realignment/ reorganization of debt of the Company & its wholly owned subsidiary, Jaypee Cement Corporation Limited ('JCCL') being Restructuring Scheme.

The company has provided interest expenses on the debt portion that will remain with the company in accordance with the Restructuring Scheme approved and Master Re-structuring Agreement ('MRA') signed with the Lenders. Interest for the Quarter ended June 30, 2020 aggregating to Rs. 268.93 crores and Rs. 3237.08 crores till June 30, 2020 on debt portion which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited' ('JIDL') on sanction of the scheme of Arrangement by Hon'ble National Company Law Tribunal ('NCLT'), Allahabad with appointed date of July 01, 2017 has been added to the carrying cost of the Inventory/ Projects under development in respect of SDZ Real Estate Undertaking ('SDZ-RE'), since the same has to be serviced from the assets/development of Assets of SDZ-RE.

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

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

15. Refer Note 6 to the accompanying statement, Yamuna Expressway Industrial Development Authority (YEIDA) vide its letter dated February 12, 2020 cancelled the lease deeds of 1000 hectare (Core/Non-core area) the land of the company, at Special Development Zone (SDZ), Sector -25, Sports City, Greater Noida which was allotted to the Company, on account of alleged non-payment of certain installments.

The Company has challenged the above cancellation before Hon'ble Allahabad High Court on the ground that the YEIDA already deferred the payment by way of installment upto December, 2023 and more than 90% of payment including interest was made to YEIDA. The Hon'ble High Court granted stay vide its order dated



February 25, 2020 and directed Company to deposit Rs. 50 crores by March 10, 2020 and another Rs. 50 crores by March 25, 2020 failing which the interim protection granted by the Hon'ble High Court shall stand vacated and YEIDA shall be free to proceed further.

The Company has deposited Rs. 50 crores before March 09, 2020 and another Rs. 5 crores on March 16, 2020. The Company could not pay balance amount due to onset of COVID-19 virus and consequently lockdown imposed by the Government, affecting the entire business activity across country.

The matter is still sub-judice and has been delayed due to lock down.

In view of the above company is continued to carry the land and assets build thereon as its Asset and balance amount payable to YEIDA as a liability.

16. Note No 8 to the accompanying statement with respect to uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

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

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

R.K. Goel
Partner
Membership No. 006154
Place: New Delhi
Dated: August 05, 2020
UDIN: 20006154AAAACZ4807



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

Review Report To
The Board of Directors of
Jaiprakash Associates Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Jaiprakash Associates Limited ('the Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') its associates and joint controlled entity for the Quarter ended June 30, 2020 ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

Subsidiaries

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



- 7) Gujarat Jaypee Cement and Infrastructure Limited
- 8) Jaypee Assam Cement Limited
- 9) Jaiprakash Agri Initiative Company Limited
- 10) Kanpur Fertilizers & Chemicals Limited (formerly known as Kanpur Fertilizers & Cement Limited)
- 11) Jaypee Fertilizers & Industries Limited
- 12) Jaypee Uttar Bharat Vikas Private Limited
- 13) Himalayaputra 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 w.e.f. 04.12.2019)
- 2) Madhya Pradesh Jaypee Minerals Limited
- 3) MPJP Coal Limited
- 4) MPJP Coal Fields Limited
- 5) Jaiprakash Power Ventures Limited

Joint Controlled Entity

- 1) JAL-KDSPL-JV

5. **Basis of Qualified Review Conclusion:**
Attention is drawn to:

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

The NCLT, New Delhi Principal Bench approved the Resolution Plan (with modification) of NBCC (India) Limited on March 03, 2020 whereby as per the scheme approved by NCLT the Holding company's investment in equity of JIL be reduced to Nil and also decided that deposit of Rs. 750 crores made by the Holding Company shall be utilized with interest for the cause of the creditors of Corporate Debtor, meaning thereby not to be refunded to Holding Company. Accordingly the Holding Company has lost the control of JIL and consolidated the JIL upto December 31, 2019. The Holding Company has filed the appeal on March 12, 2020 before the NCLAT against the inclusion of the deposit with interest as part of the resolution plan. In view of the order of the NCLT the Holding Company should have made the provision of Rs. 849.26 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. 1599.26 Crores. Had these provisions been made the loss of group would have been increased to that extent.

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

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

- (i) The financial statement of Bhilai Jaypee Cement Limited ('BJCL') is prepared on going concern basis. During the quarter ended June 30, 2020, BJCL has incurred Net Loss of Rs. 1,206.17 lakhs, resulting into accumulated losses of Rs. 51,283.41 lakhs against equity capital of Rs. 37,968.48 lakhs and complete erosion of net worth as at June 30, 2020. Further, BJCL's current liabilities exceed its current assets. These matters require BJCL to generate additional cash flow to fund the operations as well as payments to 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 BJCL's ability to continue as going concern. These conditions along with matters described below indicate the existence of a material uncertainty that may cast significant doubt on the BJCL's ability to continue as going concern and therefore BJCL may be unable to realize its assets and discharge its liabilities in the normal course of business.
- (ii) Bhilai Jaypee Cement Limited ('BJCL') had not provided compensation for short lifting of annual Agreed Quantity of Granulated Slag of Rs. 6,766.18 lakhs upto June 30, 2020 (including Rs. 4,065.98 lakhs upto September 30, 2018 already demanded by the supplier). BJCL has, however, disputed the claim on various grounds such as deficient/inadequate supply of slag during the financial year 2011-12 to 2013-14, inordinate delay of 9 months on part of the supplier in furnishing bank guarantee for renewable of mining operation at ILQ Santa etc. BJCL also have filed counter claim with the party for contribution loss suffered by BJCL. The same being under negotiation, BJCL has not provided any expenses during the quarter ended June 30, 2020. Hence, we are unable to comment to the extent to which this liability will be settled.

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

6. **Qualified conclusion:**

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, *except effect/possible effect as stated in Basis of Qualified Review Conclusion paragraph above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be



disclosed in terms of Regulation 33 of the SEBI the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Emphasis of matter:

We draw attention to the following matters:

1)

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

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

- 2) Yes Bank Limited ('YBL') / Assets Care and Reconstruction Enterprise Limited ('ACRE') invoked entire pledged equity share 28,09,66,000 of Rs. 10/- each of Bhilai Jaypee Cement Limited ('BJCL') (a subsidiary of the Holding Company) and also recalled outstanding loan and invoked corporate guarantee and shortfall undertaking given by the Holding Company against the loan facility of Rs. 465 Crores and Rs. 45 Crores to JCCL a wholly owned subsidiary of the Holding Company. YBL assigned the same in favor of ACRE. ACRE informed about the transfer of the entire pledged/NDU share of BJCL in its name. However the Holding Company is contesting the assignment on the basis of the fact that these 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 June 22, 2017 and subsequently YBL signed Master Re-structuring Agreement ('MRA') through deed of accession. Pending settlement with the Lender/ACRE, the Holding Company continues to consolidate BJCL as a subsidiary.
- 3) Yes Bank Limited ('YBL')/Assets Reconstruction Company ('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.
 - 4) 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 August 31, 2018, Rs. 23.33 Crores outstanding as on June 30, 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.
 - 5) Lender of Jaypee Cement Corporation Limited ('JCCL') (subsidiary of the Holding Company) has invoked the corporate guarantee given by the Holding Company for financial assistance being granted to JCCL and asked to make payment for Rs. 438.36 Crores and Rs. 20.79 Crores, being amount outstanding as on September 09, 2018. However the liability has not been considered in the books of accounts, as the loan in question is part of approved Comprehensive Reorganization & Restructuring plan of JCCL and the Holding Company.
 - 6) Non- Current Trade receivables include Rs. 2579.95 Crores, outstanding as at June 30, 2020 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which the Holding Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.
 - 7) 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.
 - 8) 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 December 18, 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 September 30, 2019, available to the Holding Company.

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

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

- 10) 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.
- 11) 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. 295.85 Crores as on June 30, 2020 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, as such no provision has been considered necessary to be made in the statement by the management.
- 12) The Holding Company has made payment to its Managerial Personnel in terms of their respective appointments and within the limits prescribed under the Companies Act, 2013 ("the Act"). In view of default in repayment of principal and/or interest to Banks and Financial Institutions, the remuneration paid to Shri Pankaj Gaur, Joint Managing Director (Construction) for the period from April 01, 2019 to June 30, 2019



and Shri Sunny Gaur, Managing Director (Cement) for the period from April 01, 2019 to December 30, 2019 based on the approval of NRC & Board, the approval of lenders has been sought whereafter the shareholders' approval shall be obtained.

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

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

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

- 13) 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.
- 14) The Lenders of the Holding Company in their Joint Lenders Forum ('JLF') meeting held on June 22, 2017 have approved restructuring / realignment/ reorganization of debt of the Holding Company & its wholly owned subsidiary, Jaypee Cement Corporation Limited ('JCCL') being Restructuring Scheme.

The Holding Company has provided interest expenses on the debt portion that will remain with the Holding Company in accordance with the Restructuring Scheme approved and Master Re-structuring Agreement ('MRA') signed with the Lenders. Interest for the quarter ended June 30, 2020 aggregating to Rs. 268.93 crores and Rs. 3237.08 crores till June 30, 2020 on debt portion which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited' ('JIDL') on sanction of the scheme of Arrangement by Hon'ble National Company Law Tribunal ('NCLT'), Allahabad with appointed date of July 01, 2017 has been added to the carrying cost of the Inventory/ Projects under development in respect of SDZ Real



Estate Undertaking ('SDZ-RE'), since the same has to be serviced from the assets/development of Assets of SDZ-RE.

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

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

- 15) Yamuna Expressway Industrial Development Authority (YEIDA) vide its letter dated February 12, 2020 cancelled the lease deeds of 1000 hectare (Core/Non-core area) the land of the Holding Company, at Special Development Zone (SDZ), Sector -25, Sports City, Greater Noida which was allotted to the Holding Company, on account of alleged non-payment of certain installments.

The Holding Company has challenged the above cancellation before Hon'ble Allahabad High Court on the ground that the YEIDA already deferred the payment by way of installment upto December, 2023 and more than 90% of payment including interest was made to YEIDA. The Hon'ble High Court granted stay vide its order dated February 25, 2020 and directed to the Holding Company to deposit Rs. 50 crores by March 10, 2020 and another Rs. 50 crores by March 25, 2020 failing which the interim protection granted by the Hon'ble High Court shall stand vacated and YEIDA shall be free to proceed further.

The Holding Company has deposited Rs. 50 crores before March 09, 2020 and another Rs. 5 crores on March 16, 2020. The Holding Company could not pay balance amount due to onset of COVID-19 virus and consequently lockdown imposed by the Government, affecting the entire business activity across country.

The matter is still sub-judice and has been delayed due to lock down.

In view of the above Holding company is continued to carry the land and assets build thereon as its Asset and balance amount payable to YEIDA as a liability.

- 16) Note No 5 to the accompanying statement with respect to uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management.

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

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



- 1) Jaiprakash Agri Initiatives Company Limited ('JAICL') has accumulated losses which have fully eroded its Net worth and JAICL has incurred cash loss during the current period and previous year(s) and JAICL current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about JAICL's ability to continue as a going concern. However, the financial statements of JAICL have been prepared on a going concern basis.
- 2) Himalyaputra Aviation Limited ('HAL') has accumulated losses and its net worth has been fully eroded, HAL has incurred net cash loss during the current 3 month period, but had cash profit during the previous year. These conditions indicate that HAL is dependent upon the continuing financial support of its holding company for its ability to continue as a Going Concern and for discharging its liabilities in the ordinary course of business. However, the financial statements of HAL have been prepared on a going concern basis.
- 3) Yamuna Expressway Tolling Limited ('YETL') has accumulated losses which are more than its Net worth i.e. the net worth has been fully eroded, YETL has incurred net cash loss during the current period and the previous year(s) and YETL's current liabilities have exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about YETL ability to continue as a going concern. However, the financial statements of YETL have been prepared on a going concern basis.
- 4) Jaypee Cement Corporation Limited ('JCCL') has accumulated losses. The JCCL's ability to continue as a going concern is dependent upon the financial support of the holding company. However, the financial statements of the JCCL have been prepared on a going concern basis for the reasons.
- 5) Confirmations/ Reconciliations of balances of certain secured & unsecured loans, balances with banks, trade receivables, trade and other payables (including capital creditors) and loans and advances of Jaypee Cement Corporation Limited ('JCCL') are pending. The management of JCCL is confident that on confirmation/ reconciliation there will not be any material impact on the financial statements.
- 6) Kanpur Fertilizers & Chemicals Limited (formerly known as Kanpur Fertilizers & Cement Ltd.), ('KFCL') has defaulted in repayment of total principal of Rs. 34.46 crores as at June 30, 2020 which became due on quarter ended June 2019, September 2019, December 2019, and March 2020 to Yes Bank Limited. Overdue Interest of Yes Bank Limited as on June 30, 2020 is Rs. 9.53 crores. The account has been reported NPA by the Bank.

KFCL has also defaulted in repayment of principal amount of Rs. 2.80 crores and interest of Rs. 0.13 crores to SREI Equipment as at June 30, 2020.

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



- 7) Auditor of KFCL also state as other matter that, COVID 19 spread across the country since March, 2020 restricted our physical movement to KFCL's offices at different locations and thereby required us to use alternative procedure from remote location. We were provided the access to the books of accounts via electronic medium (SAP module) from a remote location. Further, required documents/information was sought on mails to vouch the authenticity of the transactions of KFCL.
- 8) No provision has been considered necessary by the management of Bhilai Jaypee Cement Limited ('BJCL') against Entry Tax amounting to Rs.3,408.62 lakhs (including interest) as demanded by the Commercial Tax Department. BJCL has filed the Writ Petition in the Hon'ble High Court of Chhattisgarh against the order of Commercial Tax Department. Further, BJCL had filed for the exemption certificate regarding payment of entry tax which was rejected by the Department of Commerce & Industries, Chhattisgarh. During the earlier year, BJCL has filed an appeal before the State Appellate Forum, Department of Commerce and Industries, (Government of Chhattisgarh) against the order of the Department of Commerce & Industries, Chhattisgarh. The Management of BJCL is confident for favorable outcome in both the above-mentioned cases. Moreover, Rs. 684.35 lakhs have been deposited against the entry tax demand till date and shown as part of other non-current assets which is in the opinion of the management is good and recoverable.
- 9) State Bank of India has sanctioned vide letter dated September 20, 2019, One Time Settlement (OTS) to Bhilai Jaypee Cement Limited ('BJCL') 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 and same was extended to June 30, 2020. However, due to disruption in the operations and liquidity crunch caused by COVID-19 pandemic, BJCL is under process for obtaining further extension to make the balance payment to Bank under OTS. BJCL has not given any impact of the OTS in the books of account.

Conclusion of the auditors of the respective components in respect of above stated matters in para (1) to (9) are not modified in their review reports.

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

8. We did not review interim financial statements/ financial results of 9 subsidiaries included in the consolidated unaudited financial results, whose financial results reflect total revenues of Rs. 50,147.69 Lacs, total net loss after tax of Rs. 8,598.29 Lacs and total comprehensive income / (loss) of Rs. (8,598.96) Lacs for the quarter ended June 30, 2020, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Nil and total comprehensive income / (loss) of Nil for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results, in respect of 1 associate, whose interim financial statements/ financial results have not been reviewed by us. These interim financial statements/ financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.



9. The consolidated unaudited financial results includes interim financial statements/ financial results of 10 subsidiaries/ 1 joint controlled entity which have not been reviewed by their auditors, whose interim financial statements/ financial results reflect total revenue of Rs. 305.25 Lacs, total net loss after tax of Rs. 1,171.86 Lacs and total comprehensive income / (loss) of Rs. (1,171.86) Lacs for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. 3.29 Lacs and total comprehensive income / (loss) of Rs. 3.29 Lacs for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results, in respect of 3 associates, based on their interim financial statements/ financial results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our conclusion on the statement in respect of matter stated in para 8 and 9 above is not modified with respect to our reliance on the work done and the reports of other auditors and the and the Financial Results/financial information certified by the Management.

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

R.K. Goel
Partner
Membership No. 006154
Place: New Delhi
Dated: August 05, 2020
UDIN: 20006154AAAADA5368

