



R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of JAYPEE CEMENT CORPORATION LIMITED

Opinion

We have audited the accompanying financial statements of **JAYPEE CEMENT CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year ended 31st March 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its Loss, changes in equity, and its cash flows for the year ended 31st March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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 implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 these financial statements.

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 financial statements, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 financial statements 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent 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 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.

Emphasis of Matters

We draw the attention to the following matters in the notes to the financial statements:

1. 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.



2. We draw the attention to the following matters in the notes to the financial statements:

Note No.37 in the financial statements 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, along with other matters set forth in Note No.36; 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 for the reasons stated in the said Note..

Further, it is indicated that the auditor report is not a qualified report in respect of above matters emphasized.

Other Matter

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 35 to the financial statements;



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There are no amounts that were due for being transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For R. Nagpal Associates
Chartered Accountants
Firm Registration Number 002626N




(CA Ravinder Nagpal)
Partner
Membership No. 081594
UDIN:20081594AAAACY4822

Place: Noida
Date: 26th May 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **JAYPEE CEMENT CORPORATION LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. Nagpal Associates
Chartered Accountants
Firm Registration Number 002626N



(CA Ravinder Nagpal)

Partner

Membership No. 081594
UDIN:20081594AAAACY4822

Place: Noida
Date: 26th May 2020

ANNEXURE 'B' referred to in paragraph 2 of our report of even date to the members of

JAYPEE CEMENT CORPORATION LIMITED on the accounts of the Company for the year ended 31st March 2020.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and the records examined by us, we report that, other than the immovable properties acquired on amalgamations with the Company as per schemes approved by the Hon'ble High Courts in earlier years, the title deeds are held in the name of the Company as at the balance sheet date
- (ii) (a) As explained to us, the Inventory has been physically verified by the management at reasonable intervals during the year.

(b) In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the provisions of Section 185 and 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (vi) We have broadly reviewed the accounts and cost records maintained by the Company section 148(1) of the Companies Act, 2013, and are of the opinion that prima-facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records.
- (vii) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Sales Tax/ Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, GST, Cess and other material statutory dues applicable to it with the appropriate authorities, except the following:



Building and Other Constructions Workers (Regulation of Employment and Conditions of Service) Act, 1996 – Rs. 30.78 Lacs

ISI & Cess On Cement– Rs. 0.59 Lacs

Goods & Service Tax (including Interest) – Rs. 793.88 Lacs

(b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-tax, Sales-tax, Wealth tax, Service Tax, Customs duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute, except for the following:

Name of Statute (Nature of dues)	Period to which amount relates	Forum where Dispute is pending	Total (In Rs Lacs)
Central Excise	F.Y 2007-2016	Tribunal	1,318.96
Central Excise	F.Y 2009-2017	Commissionarate	2,032.04
Commercial tax	2012-13,2013-14	Tribunal	157.30
Gujarat Green Cess	2011-2014	Supreme Court	73.55
Entry Tax (AP)	2014-2017	High Court	196.78
VAT & CST	2014,2016	Commissionarate	123.46

- (viii) Based on information and explanations given to us by the management during the year the company has not defaulted in repayment of Principal and interest to Banks and Financial institution.
- (ix) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. The company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards.



- (xiv) Based on information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For R. Nagpal Associates
Chartered Accountants
Firm Registration Number 002626N




(CA Ravinder Nagpal)

Partner
Membership No. 081594
UDIN:20081594AAAACY4822

Place: Noida
Date: 26th May 2020

Balance Sheet as on 31st March, 2020

(Rs. in Lacs)

	NOTE No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
[A] NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	1,01,192	1,05,313
(b) Capital Work-in-Progress	3	19,722	19,792
(c) Intangible Assets	3	-	-
(d) Financial Assets :			
(i) Investments	4	10	6,612
(ii) Trade Receivables		-	-
(iii) Loans		-	-
(iv) Other financial assets	5	333	246
(e) Deferred Tax Assets [Net]	6	-	27,003
(f) Other Non-Current Assets	7	16,006	16,301
TOTAL		1,37,263	1,75,267
[B] CURRENT ASSETS			
(a) Inventories	8	4,854	4,429
(b) Financial Assets :			
(i) Investments		-	-
(ii) Trade Receivables	9	1,174	1,179
(iii) Cash and Cash Equivalents	10	501	1,476
(iv) Bank Balances other than cash and cash equivalent	11	878	200
(v) Loans	12	-	5,066
(vi) Other financial assets	13	7,177	21,863
(c) Other Current Assets	14	9,265	7,639
TOTAL		23,849	41,852
TOTAL ASSETS		1,61,112	2,17,118
EQUITY AND LIABILITIES			
[A] EQUITY			
(a) Equity Share Capital	15	62,750	62,750
(b) Other Equity	16	(94,590)	(20,540)
TOTAL		(31,840)	42,210
[B] LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	32,483	52,258
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities	18	1,25,207	1,11,333
(b) Provisions	19	356	358
(c) Deferred Tax Liabilities [Net]	20	11,116	-
(d) Other Non-Current Liabilities	21	1,022	1,472
TOTAL		1,70,184	1,65,421
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	22	16,692	3,566
(ii) Other Financial Liabilities	23	2,617	2,858
(b) Other Current Liabilities	24	3,419	3,023
(c) Provisions	25	40	40
TOTAL		22,768	9,487
TOTAL EQUITY AND LIABILITIES		1,61,112	2,17,118

Summary of significant Accounting Policies.

2

The Note nos. 1 to 51 are integral part of the Financial Statements

As per our report of even date attached to the Financial Statements

For and on behalf of the Board

For R. Nagpal Associates

Chartered Accountants

Firm Registration No. 002626N

Ravinder Nagpal

Partner

M.No. 081594



Place: New Delhi

Dated: 26th May, 2020

Manoj Gaur
Manoj Gaur
 Chairman
 DIN: 00008480

R B Singh
R B Singh
 Director

DIN: 00229692

R S Kuchhal
R S Kuchhal
 Company Secretary

Registered office: Sector, 128, Noida - 201304

Jaypee Cement Corporation Limited

Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. in Lacs)

	NOTE No.	2019-20	2018-19
INCOME			
Revenue from operations	26	16,607	17,806
Other Income	27	524	539
TOTAL INCOME		17,131	18,345
EXPENSES			
Cost of Materials Consumed	28	8,914	8,537
Changes in Inventories of Finished Goods & Work-in-Progress	29	(914)	(457)
Manufacturing Expenses	30	1,208	1,234
Employee Benefits Expenses	31	3,425	3,467
Finance Costs	32	21,112	11,965
Depreciation and Amortisation Expense	33	4,197	4,194
Other Expenses	34	3,412	3,778
Total Expenses		41,354	32,718
Profit / (Loss) before exceptional items and tax		(24,223)	(14,373)
Exceptional Items		(11,668)	
Profit / (Loss) before tax		(35,891)	(14,373)
Tax Expense			
Current Tax		-	-
Deferred Tax Reversed (Net)		38,120	-
Profit / (Loss) for the year after tax		(74,011)	(14,373)
Other comprehensive Income			
Remeasurement gain / (loss) on defined benefit plans		(37)	26
Total Comprehensive Income for the year		(74,048)	(14,347)
Earnings per Equity Share			
Basic (In Rs.)	43	(11.80)	(2.29)
Diluted (In Rs.)		(11.80)	(2.29)

Summary of significant Accounting Policies. 2
The Note nos. 1 to 51 are integral part of the Financial Statements

As per our report of even date attached to the Financial Statements

For R. Nagpal Associates
Chartered Accountants
Firm Registration No. 002626N

Ravinder Nagpal
Partner
M.No. 081594



Place: New Delhi
Dated: 26th May, 2020

For and on behalf of the Board

Manoj Gaur
Chairman
DIN: 00008480

R B Singh
Director
DIN: 00229692

R S Kuchhal
Company Secretary

Registered office: Sector, 128, Noida - 201304

Note No. "1" Corporate Information

Jaypee Cement Corporation Limited, a wholly owned subsidiary of Jaiprakash Associates Limited, has a 1,20 MTPA cement grinding unit at Shahabad District Gulbarga, Karnataka alongwith a 60 MW captive power plant, two Abestoes plants each having capacity of 1 Lac MT p.a. at Sadwa, district- Allahabad & Chunar, district Mirzapur, U.P. and one Foundry & one Heavy Engineering Workshop each having capacity of 15000 MT p.a., both at Jaypee Nagar, district- Rewa, M.P., leased out to Jaiprakash Associates Limited.

Note No. "2" Significant Accounting Policies

a. Basis of Preparation of financial statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value, the provisions of the Companies Act , 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

b. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. .

Revenue includes excise duty, as excise duty flows to the company on its own account but excludes sales tax/ value added tax (VAT) which is received by the Company on behalf of the Government.

The Company has applied a five step model as per Ind AS 115 "Revenue from Contracts with Customers" to recognise revenue in the financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii) The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where any of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied. Revenue is recognised either at a point in time and over a period of time based on various conditions as included in the contracts with customers.

Sale of goods

Revenue from the sale of goods is recognised when all the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from the sale of goods are net of value added tax and exclusive of self-consumption.

Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in Other income in the statement of profit and loss.

Dividend

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance Claim

Claims lodged with the insurance companies are accounted for on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

c. Property, Plant and Equipment

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) up to the date of acquisition/installation], net of accumulated depreciation and accumulated impairment losses, if any.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset when the recognition criteria for a provision are met.

Depreciation on fixed assets is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

Leasehold Land

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss when the asset is derecognised.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost which comprises purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates) and any directly attributable cost of preparing the asset for its intended use. An intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is recognised on a straight line basis over their estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Computer Softwares is amortized over a period of 6 years.

Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- i. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- ii. Its intention to complete and its ability and intention to use or sell the asset
- iii. Its potential to generate future economic benefits
- iv. The availability of resources to complete the asset
- v. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

e. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable. Grants related to depreciable assets are usually recognised in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognised. Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e., by equal annual instalments. When loans or similar assistance or deferred liability are provided by governments, with nil interest rate or rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

f. Foreign Exchange Transactions

Functional Currency

The Company's financial statements are presented in Rupee, which is the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

g. Inventories

Inventories are valued at cost or net realisable value, whichever is less.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

i. Raw materials, construction materials, stores and spares, packing materials, operating stores and supplies: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.



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ii. Finished goods and work in progress / Stock in Process: cost includes cost of direct materials and labour and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods, borrowing costs of qualifying asset. In case of item rate contract, work in progress is measured on the basis of physical measurement of work actually completed as at the balance sheet date. In case of cost plus contracts, work in progress is taken as cost not billed on the contractee.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset. The borrowing cost cease to be capitalised when the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they occur

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes finance charges in respect of finance lease and exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to the interest costs.

i. Employee benefits

The undiscounted amount of short-term employee benefits i.e. wages and salaries, bonus, incentive, annual leave and sick leave etc. expected to be paid in exchange for the service rendered by employees are recognized as an expense except in so far as employment costs may be included within the cost of an asset during the period when the employee renders the services.

Retirement benefit in the form of provident fund and pension contribution is a defined contribution scheme. and is recognized as an expense except in so far as employment costs may be included within the cost of an asset

Gratuity and leave encashment is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is done as per Projected Unit Credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to profit or loss through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

j. Leases

Finance lease

Leases of property, plant and equipment are classified as finance leases where the lessor has substantially transferred all the risks and rewards of ownership to the Company

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Indian Accounting Standard (Ind AS) 116, Leases, was notified as part of the Companies (Indian Accounting Standards) (Amendment) Rules, 2019, issued by the Ministry of Corporate Affairs, Government of India, vide notification dated March 30, 2019. These Rules came into force w.e.f. April 1, 2019. Accordingly, Ind AS 116, comes into effect in respect of annual reporting periods beginning on or after 1st April, 2019. The same is not applicable to the company.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment as at each Balance Sheet date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at each Balance sheet date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

I. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. When the Company expects some or all of a provision to be reimbursed (like under an insurance contract, indemnity clauses or suppliers' warranties) and the Company is solely liable to pay the liability, the reimbursement is recognised as a separate asset. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement if the Company is not solely liable to pay the liability. The reimbursement of provision is only recognized when it is virtually certain that the company will receive the reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring provisions

Restructuring provisions are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and an appropriate timeline and the employees affected have been notified of the plan's main features.

Warranties

A warranty provision is recognised for the best estimate of the expenditure that will be required to settle the company obligation of relevant goods.

Decommissioning liability

The Company records a provision for decommissioning costs with respect to manufacturing units/ project sites etc. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liability is disclosed in the case of

- i. a present obligation arising from past events, when no reliable estimate is possible;
- ii. a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Contingent assets

Contingent assets are disclosed in the financial statements only when the inflow of economic benefits is probable.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Liquidated damages

Provisions for liquidated damages are recognised on contracts for which delivery dates are exceeded and computed in reasonable manner

Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal

m. Taxes on Income

Tax expense represents the sum of the current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be received from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

n. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets (or disposal groups) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Held for sale is classified only if the asset (or disposal group) is available for immediate sale in its present condition subject only to the terms that are usual and customary for sale for such assets (or disposal group) and its sale is highly probable i.e. Management is committed to sale, which is expected to be completed within one year from date of classification.



Sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. Non-current assets (or disposal group) that is to be abandoned are not classified as held for sale

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Non-current assets once classified as held for sale are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are continue to be recognised.

Non-current asset (or disposal group) is reclassified from held to sale if the criteria are no longer met. And measured at lower of:

i. Its carrying amount before the asset (or Disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, and

ii. Its recoverable amount at the date of the subsequent decision not to sell.

Any adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale is charged to profit or loss from continuing operations in the period in which criteria are no longer met.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed off, or is classified as held for sale, and:

i. Represents a separate major line of business or geographical area of operations,

ii. Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or

iii. Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

o. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

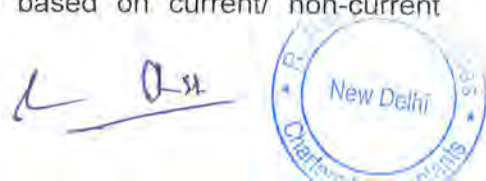
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Earnings per share

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

q. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.



An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

r. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s. Convertible Preference Shares/ Bonds

Convertible Preference Shares/ Bonds are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible Preference Shares/ Bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised as equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the Preference Shares/ Bonds based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

t. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instruments

Financial assets

Initial recognition and measurement

Financial instruments are initially measured at fair value including transaction costs unless they are classified at fair value through profit and loss, in which case the transaction costs are expensed immediately. Subsequent to initial recognition, these instruments are measured in accordance with their classification as set out below.



Subsequent measurement

Financial assets are classified in four categories:

i. Amortised cost, if the financial asset is held within a business model whose object is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,

ii. Fair value through other comprehensive income (FVOCI), if the financial asset is held within a business mode whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payment of principal and interest on the principal amount outstanding. Any interest income, impairment losses & reversals and foreign exchange gain or loss is recognised in Profit or loss,

iii. Fair value through other comprehensive income, if the financial assets is investment in an equity instrument within the scope of this standard, that is neither held for trading nor contingent consideration recognised by company in a business combination, for which the company make an irrevocable election to present subsequent changes in fair value in other comprehensive income. Any dividend is recognised in profit or loss, or

iv. Fair value through profit or loss (FVTPL)

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised i.e. removed from the company's statement of financial position when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On derecognising of a financial asset in its entirety, the difference between the assets's carrying amount and the sum of the consideration received or receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balance

ii. Financial assets that are debt instruments and are measured as at Fair Value Through Other Comprehensive Income (FVTOCI)

iii. Lease receivables under Ind AS 17

iv. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

v. Loan commitments which are not measured as at FVTPL

vi. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECLs) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period as income/ expense in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loan & borrowings and payable, net off directly attributable transaction cost.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.



Reclassification of financial assets

The company reclassify all affected financial assets prospectively when, and only when company changes its business model for managing financial assets but financial liability is not reclassified in any case.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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NOTE 3
PROPERTY, PLANT & EQUIPMENT

Particulars	TANGIBLE ASSETS										INTANGIBLE ASSETS						
	Freehold Land	Buildings	Plant & Machinery	Electrical Installation	Water Works, Tanks & Reservoir	Captive Thermal Power Plant				Railway Siding	Vehicles	Furniture, Fixtures & Fittings	Office Equipment	Total	Goodwill	Mining Rights	Total
						Plant & Machinery	Electrical Installation	Plant & Machinery	Electrical Installation								
Gross Block																	
As at 1st April 2018	13,914	19,490	92,981	530	376	-	-	-	-	156	101	495	1,28,042	1,00,949	-	-	1,00,949
Additions		329	18								0	0	348				-
Disposals			5								0		5				-
As at 31st March 2019	13,914	19,820	92,994	530	376	-	-	-	-	156	100	495	1,28,385	1,00,949	-	-	1,00,949
Additions		86										1	86				-
Disposals			57								0	1	56				-
As at 31st March 2020	13,914	19,906	92,937	530	376	-	-	-	-	156	100	495	1,28,413	1,00,949	-	-	1,00,949
Depreciation																	
As at 1st April 2018	-	3,618	14,431	215	107	-	-	-	-	107	66	303	18,847	1,00,949	-	-	1,00,949
Depreciation for the Year		791	3,354	30	14					11	10	19	4,227				-
Disposals			2								0		2				-
As at 31st March 2019	-	4,409	17,783	245	120	-	-	-	-	118	75	322	23,072	1,00,949	-	-	1,00,949
Depreciation for the Year		800	3,318	29	13					11	9	17	4,197				-
Disposals			48										48				-
As at 31st March 2020	-	5,209	21,053	274	133	-	-	-	-	129	84	339	27,221	1,00,949	-	-	1,00,949
Net Book Value																	
As at 31st March, 2019	13,914	15,411	75,211	285	256	-	-	-	-	37	25	174	1,05,313	-	-	-	-
As at 31st March 2020	13,914	14,697	71,884	256	243	-	-	-	-	26	16	156	1,01,192	-	-	-	-

Note: Capital Work-in-Progress Rs. 19,722 Lacs (31st March, 2019 Rs. 19,792 Lacs)

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ASSETS**NOTE 4
INVESTMENTS****Investments in Equity Instruments
Investment in Equity Shares of Subsidiary Company (At Cost)
Unquoted , fully paid up**

5,51,00,000 (31st March, 2019: 5,51,00,000) Equity Shares of Rs. 10/- each of Jaiprakash Agri Initiatives Company Limited

	1,668	1,668	
Less: Provision for Impairment Loss	<u>1,668</u>	<u>-</u>	1,668

Investment in Preference shares at fair value through Profit & (Loss)**Investment in Subsidiary Company
Unquoted , fully paid up**

1,00,00,000 (31st March, 2019: 1,00,00,000) 12% Non Cumulative Redeemable Preference Shares of Rs 100/- each of Jaiprakash Agri Initiatives Company Limited

	4,326	4,934	
Less: Provision for Impairment Loss	<u>4,326</u>	<u>-</u>	4,934

Other Investments (Redeemable Preference Share of UltraTech Cement Limited)

10 10

10 6,612**Aggregate Amount of:**

Quoted Investments in Equity and Preference Shares	-	-
Unquoted Investments in Equity and Preference Shares	10	6,612

**NOTE 5
OTHER FINANCIAL ASSETS**

Financial Security Deposit With Public Bodies & Others	183	118
Term Deposits with Banks with maturity more than twelve months	142	125
Interest accrued on Fixed Deposits & others	8	3
	<u>333</u>	<u>246</u>

**NOTE 6
DEFERRED TAX ASSETS [Net]**

Deferred Tax Assets	-	54,178
Less:Deferred Tax Liabilities	-	27,175
	<u>-</u>	<u>27,003</u>

**NOTE 7
OTHER NON-CURRENT ASSETS**

Capital Advance	5,217	5,506
Non-Financial Security Deposits with Govt Departments	2,487	2,423
Claims and Refunds Receivable (from Govt Departments)	7,541	7,541
IncomeTax deducted at source	526	585
Prepaid Expenses	235	247
	<u>16,006</u>	<u>16,301</u>

**NOTE 8
INVENTORIES**

Raw Materials	583	937
Raw Materials-in-Transit	-	12
Stock-in-Process	816	1,108
Finished Goods	3,157	1,951
Stores and Spare Parts	298	420
	<u>4,854</u>	<u>4,429</u>



As at 31st March, 2020

(Rs. in Laacs)
As at 31st March, 2019**NOTE 9****TRADE RECEIVABLES****(Unsecured, considered good)****Debts outstanding for a period exceeding six months**

Trade receivables considered good – Secured	-		1	
Trade receivables considered good – Unsecured	1,187		1,104	
Trade receivables which have significant increase in Credit Risk and	-		-	
Trade receivables – credit impaired	-		-	
Less: Allowance for Bad and doubtful debts	<u>13</u>	<u>1,174</u>	<u>13</u>	<u>1,091</u>

Other debts

Trade receivables considered good – Secured	-		1	
Trade receivables considered good – Unsecured	-		87	
Trade receivables which have significant increase in Credit Risk and	-		-	
Trade receivables – credit impaired	-		-	88
		<u>1,174</u>		<u>1,179</u>

NOTE 10**CASH AND CASH EQUIVALENTS**

Balances with Banks				
Current Accounts		497		1,468
Cheques on hand		-		5
Cash on hand		4		3
		<u>501</u>		<u>1,476</u>

NOTE 11**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Term Deposits with maturity less than twelve months (Pledged with banks & Government Departments)		878		200
		<u>878</u>		<u>200</u>

NOTE 12**LOANS****(Unsecured, considered good)**

Loan component of investment in Preference Shares of Jaiprakash Agri Initiatives Company Limited	5,674		5,066	
Less: Provision for Impairment Loss	<u>5,674</u>	-	-	5,066
				<u>5,066</u>

NOTE 13**OTHERS- FINANCIAL ASSETS**

Claim & Refunds Receivable	3,303			3,302
Interest accrued on Fixed Deposits & others	17			17
Staff Imprest and Advances	19			10
Interest transferrable to Jaypee Infrastructure Development Limited	-			7,710
Receivable from Related Parties	3,805			10,791
Receivable Others	7			3
Security Deposits with Others	26			29
	<u>7,177</u>			<u>21,863</u>

NOTE 14**OTHER CURRENT ASSETS****(Unsecured, considered good)**

Advances to Suppliers, Contractors & Others	3,752			2,058
Non-Financial Security Deposit With Govt Departments	1			1
Claims and Refunds Receivable	5,478			5,540
Prepaid Expenses	33			40
	<u>9,265</u>			<u>7,639</u>



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NOTE 15**EQUITY SHARE CAPITAL**

	31st March, 2020		31st March, 2019	
	Number	Rs. in lacs	Number	Rs. in lacs
Authorised				
Equity Shares of Rs. 10/- each	1,50,00,00,000	1,50,000	1,50,00,00,000	1,50,000
Preference Shares of Rs. 100/- each	40,00,00,000	4,00,000	40,00,00,000	4,00,000
Total		5,50,000		5,50,000
	31st March, 2020		31st March, 2019	
	Number	Rs. in lacs	Number	Rs. in lacs
Issued, Subscribed & Fully Paid up				
Equity Shares of Rs. 10/- each fully paid-up	62,75,00,000	62,750	62,75,00,000	62,750
Total	62,75,00,000	62,750	62,75,00,000	62,750

Note 15.1 Reconciliation of the number of Equity shares outstanding

Particulars	31st March, 2020		31st March, 2019	
	Number	Rs. in lacs	Number	Rs. in lacs
Equity Shares of Rs. 10/- each				
Shares outstanding at the beginning of the year	62,75,00,000	62,750	62,75,00,000	62,750
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	62,75,00,000	62,750	62,75,00,000	62,750

Note 15.2: The Rights attached to equity shares

Each Equity shareholder holding equity shares of Rs. 10/- each is eligible for one vote per share and is entitled for dividend.

Note 15.3 The shares held by the holding company

Name of the shareholder	31st March, 2020		31st March, 2019	
	Number of shares held		Number of shares held	
Equity Shares of Rs. 10/- each				
Jaiprakash Associates Limited, the holding company		62,75,00,000		62,75,00,000

Note 15.4 The shares held by the shareholders more than 5% of the aggregate shares in the company.

Name of Shareholder	31st March, 2020		31st March, 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares of Rs 10/- each				
Jaiprakash Associates Limited (inclusive of shares held by nominee shareholders)	62,75,00,000	100	62,75,00,000	100

Note 15.5 Other clauses of Share Capital are not applicable to the company.**NOTE 16****OTHER EQUITY**

Security Premium Reserve		49,662		49,662
Equity component of Preference Shares		2,54,666		2,54,666
Retained Earnings				
Opening Balance	(3,25,021)		(3,10,383)	
Add: Profit / (Loss) for the year	(74,011)		(14,373)	
Adjustment during Year	(2)	(3,99,034)	(266)	(3,25,021)
Other Comprehensive Income				
Opening balance	153		127	
Add: Other Comprehensive Income during the year	(37)	116	26	153
TOTAL		(94,590)		(20,540)

NOTE 17**BORROWINGS****Secured**

Term Loans from Banks		28,540		48,071
Loans from Uttar Pradesh Financial Corporation and The Pradeshie Industrial & Investment Corporation of UP Limited		3,930		4,187

Unsecured

Lease Liability		13		-
TOTAL		32,483		52,258



NOTE-17.1

[a] Terms of Repayment of Secured Rupee Term Loans from Banks and others are given as under:

S. No.	Banks	Terms of Repayment/ Periodicity	(Rs in Lacs)	
			Outstanding (including current maturities) as on	
			31.03.2020	31.03.2019
A	i Yes Bank	Has been Fully Paid	-	2,447
B	ii Yes Bank	Transferable to Jaypee Infrastructure Development Limited.	28,540	45,623
C	iii Srei Equipment Finance Ltd	Has been Fully Paid	-	631
	iv Uttar Pradesh Financial Corporation	In Annual instalments commencing from 12.07.2018 to 15.10.2025	4,996	5,500
	v The Pradeshiye Industrial & Investment Corporation of UP Limited	In Annual instalments commencing from 18.08.2022 to 31.10.2025	1,188	1,192
		Total (C)	6,184	7,324
		Total (A to C)	34,724	55,394
D	Lease liability		48	-
		Total (A to D)	34,772	55,394
		Less: Transferred to Other Non-Current Liabilities (Note no. 21)	1,022	1,472
		Less: Transferred to Current maturities of long term debts (Note no. 23)	817	1,192
		Less: Transferred to Other Current Liabilities (Note no. 24)	450	472
		Long Term Borrowings	32,483	52,257

- b) Loan of Rs 28,540 Lacs as in Note no. 17.1(a)(B) above proposed to be transferred to SDZ Real Estate Undertaking, is to be secured by way of first pari-passu charge on non-core area identified land and project assets situated at Special Development Zone, Sector - 25, along Yamuna Expressway, Gautam Buddh Nagar, subject to approval of Scheme of Arrangement between Jaiprakash Associates Limited and Jaypee Infrastructure Development Limited by Hon'ble National Company Law Tribunal, Allahabad (Previous Year Rs. 45,623 lacs).
- c) Pursuant to Comprehensive Re-organisation and Restructuring Plan of Jaiprakash Associates Limited and the Company approved by Independent Evaluation Committee at its meeting held on 19.06.2017 and Joint Lender Forum (including Yes Bank Limited) at its meeting held on 22.06.2017 and execution of Master Restructuring Agreement (MRA) on 31.10.2017 and joining the MRA by Yes Bank through Deed of Accession dated 29.11.2017, assigning of loans granted to the company by Yes Bank to Assets Care & Reconstruction Enterprise Limited (ACRE) vide assignment agreement dated 26.09.2018 without providing copy to the company and proceeding with transfer of 30% pledged shares of Bhilai Jaypee Cement Limited by ACRE in its favour has not been taken cognizance of.
- d) Term Loans specified as Shahabad Project Loans in Master Restructuring Agreement are further secured by first charge ranking pari-passu among Shahabad Project Lenders over movable and immovable fixed assets of Shahabad Cement Plant (both present & future) situated at Shahabad, Distt. Gulbarga, Karnataka.

17.2 Interest Free Loans of Rs 6,403 Lacs (outstanding Rs 4996 Lacs) granted by Uttar Pradesh Financial Corporation under Audhyogik Nivesh Protsahan Yojna are secured by way of First Charge on the Fixed Assets of Jaypee Cement Products, Sadwa Khurd and Bank Guarantee. The said loans are repayable 10 years from the date of disbursement and repayment had commenced during FY 2018-19 (Previous Year: Rs 5,500 Lacs).

Interest Free Loans of Rs 1,237 Lacs (outstanding Rs 1188 Lacs) granted by The Pradeshiye Industrial & Investment Corporation of UP Limited under Audhyogik Nivesh Protsahan Yojna are secured by way of First Charge on the Fixed Assets of Jaypee Chunar Cement Products, Chunar and Bank Guarantee. The said loans are repayable 7 years from the date of disbursement and repayment will commence from FY 2022-23 onwards (Previous year: Rs. 1,192 lacs)

17.3 Financial Assistance is guaranteed by Directors of the Company as under:

	(Rs. in Lacs)	
	Outstanding as on	
	31.03.2020	31.03.2019
Term Loans from Banks	-	2,447
Loans from Uttar Pradesh Financial Corporation and The Pradeshiye Industrial & Investment Corporation of UP Limited	6,184	6,692
	6,184	9,140



NOTE 18**OTHER FINANCIAL LIABILITIES**

Interest transferrable to Jaypee Infrastructure Development Limited	9,345	7,710
Deposits	918	994
Liability component of Preference Shares	1,14,944	1,02,629
	<u>1,25,207</u>	<u>1,11,333</u>

NOTE 19**PROVISIONS**

Provision for Employee Benefits:

Gratuity	240	232
Leave Encashment	116	126
	<u>356</u>	<u>358</u>

NOTE 20**DEFERRED TAX LIABILITIES [Net]**

Deferred Tax Liabilities	11,606	-
Less: Deferred Tax Assets	489	-
	<u>11,116</u>	<u>-</u>

NOTE 21**OTHER NON-CURRENT LIABILITIES**

Government Grants (by way of Loans from Uttar Pradesh Financial Corporation and The Pradeshiye Industrial & Investment Corporation of UP Limited)

	1,022	1,472
	<u>1,022</u>	<u>1,472</u>

NOTE 22**TRADE PAYABLES****Others**

Total outstanding dues of Micro & Small Enterprises	26	25
Total outstanding dues of creditors other than Micro & Small Enterprises	3,791	3,238
Advances from Related Parties	12,875	303
	<u>16,692</u>	<u>3,566</u>

NOTE 23**OTHER FINANCIAL LIABILITIES**

Current maturities of Long term Debt:

Loan From Srei Equipment Finance Limited	-	631
Loans from Uttar Pradesh Financial Corporation and The Pradeshiye Industrial & Investment Corporation of UP Limited	782	561
Lease Liability (Unsecured)	35	-
Other Payables:		
Capital Suppliers	1,067	1,168
Staff Dues	379	385
Other Creditors	355	113
	<u>2,617</u>	<u>2,858</u>

NOTE 24**OTHER CURRENT LIABILITIES**

Advances from Customers	1,547	1,621
Statutory Dues	1,421	929
Government Grants (by way of Loans from Uttar Pradesh Financial Corporation and The Pradeshiye Industrial & Investment Corporation of UP Limited)	450	472
	<u>3,419</u>	<u>3,023</u>

NOTE 25**PROVISIONS**

Provision for employee benefits:

Gratuity	26	28
Leave Encashment	14	12
	<u>40</u>	<u>40</u>



	2019-20	2018-19
NOTE 26		
Revenue from Operations		
Sale of Products (Refer Note 26.1)	13,807	15,088
Sale of Services (Refer Note 26.2)	1,788	1,649
Other Operating Revenues (Refer Note 26.3)	1,012	1,069
	<u>16,607</u>	<u>17,806</u>
NOTE 26.1		
SALE OF PRODUCTS		
Asbestos Sheets Sales	13,807	15,088
	<u>13,807</u>	<u>15,088</u>
NOTE 26.2		
SALE OF SERVICES		
Manpower Supply	1,788	1,649
	<u>1,788</u>	<u>1,649</u>
NOTE 26.3		
OTHER OPERATING REVENUE		
Lease Rent	960	960
Sale of Scrap	6	4
Sundry Balance Written Back (Net)	4	1
Other Receipts	42	105
	<u>1,012</u>	<u>1,069</u>
NOTE 27		
OTHER INCOME		
Interest	50	52
Rent	2	1
Miscellaneous	472	486
	<u>524</u>	<u>539</u>
NOTE 28		
COST OF MATERIALS CONSUMED		
Raw Materials Consumed	8,552	8,122
Stores & Spares Consumed	361	415
	<u>8,914</u>	<u>8,537</u>
NOTE 29		
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening Stocks		
Finished Goods	1,951	1,836
Stock-In-Process	1,108	766
	<u>3,059</u>	<u>2,602</u>
Less: Closing Stocks		
Finished Goods	3,157	1,951
Stock-In-Process	816	1,108
	<u>3,973</u>	<u>3,059</u>
	<u>(914)</u>	<u>(457)</u>

NOTE 30**MANUFACTURING EXPENSES**

Hire Charges & Lease rental of Machineries	104	-
Power , Electricity & Water Charges	753	844
Repairs & Maintainance of Machinery	309	213
Repairs to Buildings	12	129
Freight, Octroi & Transportation charges	30	48
	<u>1,208</u>	<u>1,234</u>

NOTE 31**EMPLOYEE BENEFITS EXPENSES**

Salaries, Wages & Bonus	3,137	3,166
Gratuity	53	55
Contribution to Provident & Other Funds	191	178
Staff Welfare	45	68
	<u>3,425</u>	<u>3,467</u>

NOTE 32**FINANCE COSTS**

Interest on Term Loans	7,981	280
Interest on Bank Borrowings & Others	808	659
Interest on Liability Component of Preferential shares	12,315	10,996
Financing Charges	1	31
Finance Cost of Lease Liability (Ind AS - 116)	6	-
	<u>21,112</u>	<u>11,965</u>

NOTE 33**DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation on Property, Plant & Equipment	4,197	4,194
	<u>4,197</u>	<u>4,194</u>

NOTE 34**OTHER EXPENSES**

Loading , Transportation & Other Charges	2,489	2,898
Commission & Discount On Sales	-	2
Sales Promotion	323	254
Rent	31	91
Rates & taxes	70	4
Insurance	35	39
Travelling & conveyence	129	144
Bank Charges & Guarantee Commission	26	43
Loss on Sale / Disposal / write off of Assets (Net)	9	-
Postage & Telephone	7	12
Vehicle running & Maintainance	13	14
Legal & Professional	118	116
Security & Medical Services	106	103
Directors' fee	4	3
Auditors' Remuneration		
Audit Fee	2	2
Tax Audit Fee	1	1
Miscellaneous Expenses	50	52
	<u>3,412</u>	<u>3,778</u>



NOTE 35

31st March, 2020

31st March, 2019

Contingent Liabilities not provided for :

(a)	Claims against the Company not acknowledged as debts	7,740	7,613
	Amount deposited under protest	1,915	1,894
	Bank Guarantee Against Above	138	138
(b)	Outstanding amount of Bank Guarantees	6,685	6,685
	Margin Money deposited against the above	189	189
(c)	Excise matters under appeal	3,622	3,764
	Amount deposited under protest	271	272
(d)	Entry Tax/VAT/Sales/Commercial Tax matters under appeal	629	445
	Amount deposited under protest	152	44
(e)	Gujrat Green Cess Act 2011	139	139
	Deposit Against Above	65	65

NOTE 36

The company has amounts due to suppliers registered under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March, 2020. The Disclosure as required in terms of Notification No. G.S.R. 679 (E) dated 4th September, 2015 issued by the Ministry of Corporate Affairs read with notification dated 22nd January 2019 (As certified by the Management):

SN Particulars

(a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	Principal:	16	24
	Interest:	-	1
(b)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day.	-	-
(c)	Interest accrued and remaining unpaid at the end of the accounting year	-	1
(d)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTE 37

The accumulated losses of the company as at 31st March, 2020 are Rs. 94,590 lacs, as per financial statements prepared on going concern basis and paid up share capital of Rs. 62,750 lacs. The company's ability to continue as a going concern is dependent upon the continuing financial support of the Holding Company (Previous Year Rs. 20,540 lacs).

NOTE 38

In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on 25 March 2020, which has impacted the business activities of the Company. The Company has assessed the impact that may result from this pandemic on its liquidity position, carrying amounts of receivables, inventories, tangible and intangible assets, and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has considered internal and external information available till the date of approval these financial statements and has assessed its situation.

In that context and based on the current estimates, the Company believes that COVID 19 is not likely to have any material impact on its financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID 19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant periods.



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Note 39

Deferred Tax Assets/Deferred Tax Liabilities for FY 2019-20

Particulars	Opening balance	Recognised in Profit or loss	Recognised in other comprehensive income	(Rs. in Lacs)	
				Closing balance	
Deferred tax (liabilities)/assets in relation to:					
Provision for diminution in value of Investment	-	-	-	-	-
Provision for doubtful trade receivables/advances	-	3	-	3	3
Provision for employee benefits	249	(146)	-	103	103
Unabsorbed depreciation Business loss & Tax disallowance benefit carried forward and others	53,929	(53,929)	-	-	-
Others	-	383	-	383	383
Deferred Tax Assets	54,178	(53,689)	-	489	
Deferred tax liabilities on account of					
Due to depreciation	27,175	(16,068)	-	11,106	11,106
Others	-	499	-	499	499
Deferred Tax Liabilities	27,175	(15,569)	-	11,606	
Deferred Tax (Net)	27,003	(38,120)	-	(11,116)	



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NOTE 40

Segment Information

The Company's operating segments are identified on the basis of those components of the Company that are evaluated regularly by 'Chief Operating Decision Maker' [CODM], in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

[i] Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable". Sales between segments are carried out at cost.

[ii] Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Deferred tax liability and loans that cannot be allocated to a segment on reasonable basis have been separately disclosed.

Primary Segment Information:

	(Rs. in Lacs)					
	2019-2020			2018-2019		
	Segment Revenue		Segment Result	Segment Revenue		Segment Result
External	Inter Segment Revenue	before Tax & Finance Cost	External	Inter Segment Revenue	before Tax & Finance Cost	
Asbestos	13,700	106	(26,103)	15,079	9	(2,218)
Manpower Supply & lease Rent	-	2,748	(283)	-	2,609	(148)
Other Operating Income	49	4	(99)	106	4	(16)
	13,749	2,858	(26,485)	15,184	2,622	(2,382)
Less: Finance Costs			21,112			11,965
Profit/(Loss) before Tax and Exceptional Items			(47,597)			(14,347)
Exceptional Items						
Unallocated- Provision for Impairment of Investment		11,668	11,668			-
Profit/(Loss) before Tax			(35,929)			(14,347)
Provision for Tax						
Current Tax						
Deferred Tax		38,120	38,120			
Profit/(Loss) for the year after Tax			(74,048)			(14,347)

Other Information

	2019-2020		2018-2019	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Asbestos	1,45,561	1,83,511	1,70,362	1,72,748
Manpower Supply & lease Rent	15,000	(2,369)	18,522	911
Other Operating Income	552	696	1,231	1,250
Segment Total	1,61,113	1,81,838	1,90,115	1,74,909
Deferred Tax Liabilities (Net)	-	11,116	27,003	-
Total as per Balance Sheet	1,61,113	1,92,954	2,17,118	1,74,909

	2019-2020			2018-2019		
	Capital Expenditure	Depreciation & Amortisation	Impairment loss	Capital Expenditure	Depreciation & Amortisation	Impairment loss
Asbestos	1	3,080	-	345	3,039	-
Manpower Supply & lease Rent	-	1,106	-	-	1,133	-
Other Operating Income	-	12	-	3	22	-
	1	4,198	-	348	4,194	-

[a] Segments have been identified in accordance with Indian Accounting Standard on Operating Segment [IND AS-108] taking into account the organisation structure as well as differential risk and returns of these segments.

[b] Business segment has been disclosed as the primary segment.

[c] The Company has identified following reporting segment based on the information reviewed by the Company's Chief Operating Decision Maker [CODM]:

- | | |
|-----------------------------------|---|
| [i] Asbestos | Manufacturing of Asbestos |
| [ii] Manpower Supply & lease Rent | Includes Lease Rentals & Man Power Supply |
| [iii] Other Operating Income | Includes Scrap Sales & other receipts |

The above business segments have been identified considering - [i] the nature of product and services, [ii] differing risks and returns, [iii] the internal organisation and management structure and [iv] the internal financial reporting system.



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NOTE 41

Investment in Preference Shares has been fair valued as on date of acquisition in accordance with Ind AS. The impact of fair valuation from the date of acquisition till date of transition and at each reporting date thereafter has been taken to retained earnings and statement of Profit & Loss respectively.

NOTE 42	2019-20	(Rs. In lacs) 2018-19
Value of Imports (on CIF basis)		
Raw Materials	3,503	3,273
	3,503	3,273

NOTE 43**Earnings Per Equity Share (EPS) in accordance with Accounting Standards (IND AS - 33)**

Profit/(Loss) after Tax for the year (Rs. In Lacs)	(74,048)	(14,347)
Nominal value per Equity Share (in Rs.)	10.00	10.00
Number of Equity Shares at the beginning of the year	62,75,00,000	62,75,00,000
Number of Equity Shares issued during the year	-	-
Number of Equity Shares at the end of the year	62,75,00,000	62,75,00,000
Weighted Average No. of Equity Shares	62,75,00,000	62,75,00,000

Earnings per Equity Share

Basic (In Rs.)	(11.80)	(2.29)
Diluted (In Rs.)	(11.80)	(2.29)



Note 44

Related Party Disclosures, as required in terms of 'Indian Accounting Standard (IND AS) - 24' are given below:

(l) **Relationships:**

- (a) **Holding Company:** Jaiprakash Associates Limited.
(b) **Subsidiary Company:** Jaiprakash Agri Initiatives Company Limited

(c) **Fellow Subsidiary Companies (including their subsidiaries):**

- (i) Jaypee Infratech Limited
(ii) Jaypee Ganga Infrastructure Corporation Limited
(iii) Jaypee Fertilizers & Industries Limited
(iv) Jaypee Agra Vikas Limited
(v) Jaypee Cement Hockey (India) Limited
(vi) Jaypee Assam Cement Limited
(vii) Bhilai Jaypee Cement Limited.
(viii) Gujarat Jaypee Cement & Infrastructure Limited.
(ix) Himalayan Expressway Limited.
(x) Jaypee Infrastructure Development Limited
(xi) Himalayaputra Aviation Limited
(xii) Jaypee Healthcare Limited (subsidiary of Jaypee Infratech Limited)
(xiii) Yamuna Expressway Tolling Limited
(xiv) Jaypee Uttar Bharat Vikas Private Limited.
(xv) Kanpur Fertilizers & Cement Limited.

(d) **Associate Companies:**

- (i) Jaypee Infra Ventures Private Limited (formerly Jaypee Infra Ventures)
(ii) JIL Information Technology Limited (subsidiary of Jaypee Infra Ventures Private Limited).
(iii) Jaypee Development Corporation Limited (subsidiary of Jaypee Infra Ventures Private Limited).
(iv) Indesign Enterprises Private Limited (subsidiary of Jaypee Infra Ventures Private Limited)
(v) Andhra Cements Limited. (subsidiary of Jaypee Development Corporation Limited).
(vi) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
(vii) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited).
(viii) Ibonshourne Limited (subsidiary of Indesign Enterprises Private Limited)
(ix) RPJ Minerals Private Limited
(x) Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited).
(xi) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited).
(xii) Madhya Pradesh Jaypee Minerals Limited.
(xiii) MP Jaypee Coal Limited.
(xiv) MP Jaypee Coal Fields Limited.
(xv) Sonbhadra Minerals Private Limited.



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- (xvi) JC World Hospitality Private Limited
- (xvii) Jaiprakash Exports Private Limited
- (xviii) JC Wealth & Investment Private Limited
- (xix) C K World Hospitality Private Limited
- (xx) Librans Venture Private Limited
- (xxi) Jaypee Hotels Limited
- (xxii) Ceekay Estates Private Limited
- (xxiii) Jaypee Technical Consultants Private Limited
- (xxiv) Think Different Enterprises Private Limited
- (xxv) Samvridhi Advisors LLP
- (xxvi) Kram Infracon Private Limited
- (xxvii) Jaypee Jan Sewa Sansthan [Not for Profit Private Limited Company]
- (xxviii) First Light Estates Private Limited
- (xxix) Jaiprakash Power Ventures Limited
- (xxx) Jaypee Powergrid Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxi) Jaypee Arunachal Power Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxii) Sangam Power Generation Company Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxiii) Jaypee Meghalaya Power Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxiv) Bina Power Supply Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxv) AVU Enterprises Private Limited
- (xxxvi) Dixit Holdings Private Limited
- (xxxvii) iValue Advisors Private Limited
- (xxxviii) Bhumi Estate Developers Private Limited
- (xxxix) Kenbee Consultants LLP

(e) Key Management Personnel

- (i) Shri Manoj Gaur, Chairman
- (ii) Shri Pankaj Gaur, Director
- (iii) Shri Alok Gaur, Whole time Director
- (iv) Shri Naveen Kumar Singh, Director
- (v) Shri R B Singh, Director

Note: Related party relationships are as identified by the company and relied upon by the Auditors.

Transactions carried out with related parties referred to above in ordinary course of business



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[Signature]

(II) Transactions carried out with related parties referred to above in the ordinary course of business:

(Rs in Lacs)

Nature of Transactions	Referred in (a) above	Referred in (b) above	Referred in (c) above	Referred in (d) above
Receipts				
Sales	106 (9)	- -	3 (-)	- (3)
Manpower Supply	1,788 (1,649)	- -	- -	- -
Services	4 (4)	- -	- -	- -
Rent	960 (960)	- -	- -	- -
Expenditure				
Purchases	3,392 (3,454)	- -	- -	30 (45)
Other Expenses	295 (331)	- -	- -	68 (95)
Outstanding				
Receivable	- (7,700)	3,107 (2,397)	430 (427)	267 (267)
Payable	11,381 -	- -	115 (115)	209 (188)

Previous Year figures are given in brackets



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Note 45

Fair Value Measurement

(i) Financial instruments by category

(Rs. in lacs)

	31st March, 2020		31st March, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
- Equity Shares	-	-	1,668	-
- Preference Shares	-	-	4,934	-
Trade Receivables	-	1,174	-	1,179
Loans	-	-	-	5,066
Other Financial Assets	-	7,511	-	22,109
Cash and Cash Equivalents	-	501	-	1,476
Bank Balance Other than Cash and Cash Equivalents	-	878	-	200
Total Financial Assets	-	10,063	6,602	30,030
Financial Liabilities				
Borrowings	-	32,483	-	52,258
Trade Payables	-	16,692	-	3,566
Other Financial Liabilities	-	1,27,825	-	1,14,191
Total Financial Liabilities	-	1,77,000	-	1,70,015

Fair value hierarchy

The fair value hierarchy of assets and liabilities measured at fair value as on 31st March 2020: Nil

The fair value hierarchy of assets and liabilities measured at fair value as on 31st March 2019 are as follows:

(Rs. in lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment at FVTPL				
Equity investment-Unquoted	-	1,668	-	1,668
Preference Shares	-	4,934	-	4,934
Total Financial Assets	-	6,602	-	6,602

Level 1:

This hierarchy includes financial instruments measured using quoted prices. **Not Applicable**

Level 2:

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case of unlisted equity shares and preference shares. The fair value of preference shares is determined using discounted cash flow analysis.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no significant changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities during FY 2019-20.

(ii) Valuation technique used to determine fair value (Level 1): Not Applicable

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31st March, 2020 and 31st March, 2019

(Rs. in lacs)

Particulars	Unquoted Equity Share		Preference Shares	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
As at 1st April	1,668	1,668	4,934	4,934
Gain / (Loss) recognised in profit or loss	(1,668)	-	(4,934)	-
As at 31st March	-	1,668	-	4,934

(iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents, bank balances are considered to be the same as their fair values.

The fair value for loans, security deposits are calculated based on cash flows discounted using a current lending rate.

The fair value of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.



For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 46

Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(A) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Credit risk management

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Trade receivables, Loans and Other receivables are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of the adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies and the Company's historical experience for customers.

Credit risk exposure

The allowance for life time ECL on trade receivables and other receivables for the year ended 31st March, 2020 Rs. 13 lacs and for the year ended 31st March, 2019: Rs. 13 Lacs

Particulars	(Rs. in lacs)					
	Trade Receivables		Other Receivables		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
As at 1st April	13	13	-	-	13	13
Impairment loss recognised	-	-	-	-	-	-
As at 31st March	13	13	-	-	13	13

Credit risk on cash and cash equivalents and bank balances is limited as the Company generally invest in deposits with banks. Investments primarily include investments in unquoted equity shares and Preference Shares.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

(i) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance lease. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits.

(ii) Maturity of financial liabilities

The detail of contractual maturities of significant financial liabilities as on 31st March 2020 are as follows:

(Rs. in lacs)

Particulars	Less Than One Year	More than One Year	Total
Borrowings	817	32,483	33,300
Trade payables	13,126	3,566	16,692
Other financial liabilities	1,801	1,25,207	1,27,008
Total financial liabilities	15,744	1,61,256	1,77,000

The detail of contractual maturities of significant financial liabilities as on 31st March 2019 are as follows:

(Rs. in lacs)

Particulars	Less Than One Year	More than One Year	Total
Borrowings	1,192	52,258	53,450
Trade payables	3,566	-	3,566
Other financial liabilities	1,665	1,11,333	1,12,999
Total financial liabilities	6,424	1,63,591	1,70,015

(C) Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.



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(i) Foreign Currency Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not exposed to foreign exchange risk arising from foreign currency borrowings. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a forecast of highly probable foreign currency cash flows.

Foreign Currency Risk Management

The Company's risk management team is responsible to frame, implement and monitor the risk management plan of the Company. The team carry out risk assessment with regard to foreign exchange variances and suggests risk minimization procedures and implement the same.

Foreign Currency Risk Exposure

Foreign Currency Exposure as on 31.03.2020: **NIL**

The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses as at 31st March 2020.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs: **NIL**

Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rates from foreign currency denominated financial instruments.- **Not Applicable**

(ii) Interest Rate Risk

The Company's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

Interest Rate Risk Management

The Company's risk management team ensures all the current and future material risk exposures are identified, assessed, quantified, appropriately mitigated, minimised, managed and critical risks when impact the achievement of the Company's objective or threatens its existence are periodically reviewed.

Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

(iii) Price Risk

The price risk for the company is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Price Risk Management

To manage its price risk arising from investments, the Company diversifies its portfolios. Diversification of the portfolio is done in accordance with the limits set by the Company.

Price risk exposure

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet as fair value through profit or loss.

Note 47

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The objective of the company's capital management is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital structure using gearing ratio, which is net debt divided by total equity plus net debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents excluding discontinued operations.

(Rs. in lacs)

Particulars	31.03.2020	31.03.2019
Borrowings	33,300	53,450
Trade payables	16,692	3,566
Other financial liabilities	1,801	1,665
	51,793	58,682
Less: Cash and cash equivalents	(501)	(1,476)
(a) Net debt	51,292	57,206
Total Equity	(31,840)	42,210
(b) Total equity plus net debt	19,452	99,416
Gearing ratio (a/b)	264%	58%



NOTE 48

(a) Provident Fund - Defined Contribution Plan:

All employees are entitled to Provident Fund benefits. A sum of **Rs. 191 Lacs** (Previous year Rs. 178 Lacs) has been debited to Statement of Profit & Loss during the year.

(b) Gratuity and Leave Encashment-Defined Benefit Plans – Provision has been made as per actuarial valuation. Jaiprakash Associates Limited (JAL) (the holding company) has constituted a Gratuity Fund Trust under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated 30th March, 2009 for JAL and its subsidiaries. SBI Life Insurance Company Limited and ICICI Prudential Life Insurance Company Limited have been appointed for management of the Trust Fund for the benefits of the employees. As a subsidiary of JAL, the company is participating in the Trust Fund by contributing its liability accrued upto the close of each financial year to the Trust Fund:

SN	Particulars	FY 2019-20		FY 2018-19	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	Expenses recognised in the Statement of Profit and Loss / IEDC for the year ended 31st March, 2020				
	1 Current Service Cost	33	21	34	23
	2 Interest Cost	20	11	21	11
	3 Expected return on plan assets	-	-	-	-
	4 Actuarial (Gains) / Losses	-	7	-	9
	5 Net impact on Profit/(Loss) before Tax	53	39	55	43
II	Expenses recognised in the Statement of Other comprehensive income for the year ended 31st March, 2020				
	1 Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-	-	-
	2 Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(5)	(2)	(1)	(1)
	3 Actuarial (Gain)/Loss on arising from Experience Adjustment	41	9	(25)	10
	4 Actuarial (Gain)/Loss for the year on Asset	-	-	-	-
	5 Net impact on other comprehensive income	37	7	(26)	9
III	Net Asset/ (Liability) recognised in the Balance Sheet as at 31st March, 2020				
	1 Present Value of Defined Benefit Obligation	305	130	271	138
	2 Fair Value of Plan Assets	39	-	11	-
	3 Funded Status [Surplus/ (Deficit)]	(266)	(130)	(260)	(138)
	4 Net Asset/ (Liability)	(266)	(130)	(260)	(138)
IV	Change in Present Value of Obligation during the Year				
	1 Present value of Defined Benefit Obligation at the beginning of the year	271	138	282	145
	2 Liability transferred to other company during the year	-	-	-	-
	3 Current Service Cost	33	21	34	23
	4 Interest Cost	21	11	21	11
	5 Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-	-	-
	6 Actuarial (Gain)/Loss on arising from Change in Financial Assumption	36	7	(28)	9
	7 Actuarial (Gain)/Loss on arising from change in Experience Adjustment	-	-	-	-
	8 Benefit Payments	(57)	(47)	(38)	(50)
	9 Present Value of Defined Benefit Obligation at the end of the year	305	130	271	138



SN	Particulars	FY 2019-20		FY 2018-19	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
V	Change in Fair value of Assets during the Year				
	1 Plan Assets at the beginning of the year	11	-	(20)	-
	2 Expected return on plan assets	-	-	(1)	-
	3 Actuarial Gains/ (Losses)	-	-	-	-
	4 Contribution by employer	57	-	50	-
	5 Actual Benefit Paid	(30)	-	(17)	-
	6 Plan Assets at the end of the year	39	-	12	-
VI	Maturity Profile of Defined Benefit Obligation				
	1 Within the next 12 months (next annual reporting period)	26	14	14	12
	2 Between 2 and 5 years	72	33	64	27
	3 Beyond 5 years	206	83	201	99
	Total	305	130	279	138
VII	Sensitivity Analysis of the defined Benefit Obligations				
	Impact of the change in Discount Rate				
	1 Impact due to increase of 0.50%	(13)	(6)	311	138
	2 Impact due to decrease of 0.50%	14	6	(12)	(7)
	3 Present Value obligation at the end of the Year	305	130	13	7
	Impact of the change in Salary Increase				
	1 Impact due to increase of 0.50%	14	6	271	138
	2 Impact due to decrease of 0.50%	(13)	(6)	13	7
	3 Present Value obligation at the end of the year	305	130	(13)	(7)

C Actuarial Assumptions**Economic Assumptions**

- (i) Discount Rate
(ii) Future Salary Increase

6.80% [Previous year 7.65%]

4.00% [Previous year 5.00%]

Demographic Assumptions

- (i) Mortality
(ii) Turnover Rate

100% of IALM [2006-08]

Upto 30 years - 2%, 31-44 years - 5%, Above 44 years - 3%

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Note 49

Figures for the previous year have been regrouped/recast/rearranged wherever considered necessary.

Note 50

All the figures have been rounded off to the nearest Rs. in Lacs.

Note 51

The financial statements were approved by the Board of Directors of the company at its meeting held on 26th May, 2020 at Vasant Vihar, New Delhi - 110057

As per our report of even date annexed

For R Nagpal Associates
Chartered Accountants
Firm Registration No. 002626N



Ravinder Nagpal
Partner
M.No. 081594

Place: New Delhi
Dated: 26th May, 2020

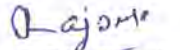
For and on behalf of the Board



Manoj Gaur
Chairman
DIN: 00008480



R B Singh
Director
DIN: 00229692



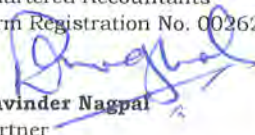
R S Kuchhal
Company Secretary

Registered office: Sector, 128, Noida - 201304

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lacs)

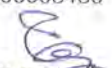
PARTICULARS	2019-20	2018-19
(A) Cash flow from Operating Activities:		
Profit / (Loss) before Tax as per statement of Profit and Loss Account	(74,050)	(14,612)
Add Back:		
(a) Finance Costs	21,112	11,965
(b) Loss on Impairment of Investment	6,602	-
(c) Deferred Tax	38,120	-
(d) Depreciation & Ammortisation	4,197	4,194
	70,031	16,159
Deduct		
Interest Income	50	52
	50	52
Operating Profit before working Capital Changes	(4,069)	1,495
Change in Working Capital		
Deduct		
(a) Decrease / (Increase) in Trade Payable	(13,125)	1,835
(b) Increase/(Decrease) in Loans & Advances	(5,001)	535
(c) Increase in Inventories	425	1
(d) Decrease in Provisions	2	49
	(17,699)	2,420
Add		
(a) Increase in Current Liabilities	553	310
(b) Increase / (Decrease) in other Current & Non Current Assets	12,929	3,352
(c) Increase / (Decrease) in Trade Receivables	5	47
(d) Decrease in prepaid exps & income tax deducted at source	78	321
(e) Increase / (Decrease) in Long term Liabilities	4,529	15,380
	18,094	19,411
Cash Generated from Operations	31,724	18,486
Deduct		
Tax paid	-	-
Net Cash flow from Operating Activities	31,724	18,486
(B) Cash flow from Investing Activities:		
Inflow		
(a) Interest Income	50	52
(b) Decrease in Investment	-	543
	50	595
Outflow		
(a) Purchases/ Constructions of Fixed Assests (Inclusive of Capital Work-in-progress)	8	245
(b) Increase / (Decrease) in Deposits with Banks	695	35
(C) Increase / (Decrease) in Capital Advances	(288)	823
	414	1,103
Net Cash flow from Investing Activities	(365)	(508)
(C) Cash flow from Financing Activities:		
Inflow:		
(a) Decrease in Other Financial Assets	55	49
(b) Decrease / (Increase) in Short Term Borrowings	37,038	(1,089)
	37,093	(1,040)
Outflow:		
(a) Finance Costs	21,112	11,965
(b) Increase / (Decrease) in LongTerm Borrowings	48,315	4,976
	69,428	16,941
Cash flow from Financing Activities	(32,335)	(17,981)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(975)	(3)
Cash and Cash Equivalents at the beginning of the year (Opening balance)	1,476	1,478
Cash and Cash Equivalents at the end of the year (Closing balance)	501	1,476

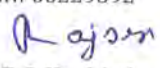
For R. Nagpal Associates
Chartered Accountants
Firm Registration No. 002626N

Ravinder Nagpal
Partner
M.No. 081594



For and on behalf of the Board


Manoj Gaur
Chairman
DIN: 00008480


R B Singh
Director
DIN: 00229692


R S Kuchhal
Company Secretary

Place: New Delhi
Dated: 26th May, 2020

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

(Rs. in lacs)

Particulars	No. of Shares	Amount
As at 1st April, 2018	62,75,00,000	62,750
Changes in the Equity Share Capital during the year	-	-
As at 31st March, 2019	62,75,00,000	62,750
Changes in the Equity Share Capital during the year	-	-
As at 31st March, 2020	62,75,00,000	62,750

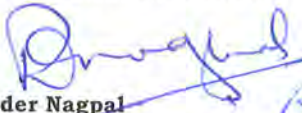
B. Other Equity

(Rs. in lacs)

Particulars	Security Premium Reserve	Equity component of Preference Shares	Retained Earnings	Other comprehensive income	Total
Balance at the beginning of the year 01.04.2018	49,662	2,54,666	(3,10,383)	127	(5,927)
Total comprehensive income/(loss) for the year	-	-	(14,639)	26	(14,613)
Balance at the end of year 31.03.2019	49,662	2,54,666	(3,25,021)	153	(20,540)
Total comprehensive income/(loss) for the year	-	-	(74,013)	(37)	(74,050)
Balance at the end of year 31.03.2020	49,662	2,54,666	(3,99,034)	116	(94,590)

As per our report attached.

For R. Nagpal Associates
Chartered Accountants
Firm Registration No. 002626N


Ravinder Nagpal
Partner
M.No. 081594



Place: New Delhi
Dated: 26th May, 2020

For and on behalf of the Board


Manoj Gaur
Chairman
DIN: 00008480


R B Singh
Director
DIN: 00229692


R S Kuchhal
Company Secretary

Registered office: Sector, 128, Noida - 201304