

Jorabat Shillong Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax :** 022-26523979
CIN : U45203MH2010PLC204456

August 11, 2023

To,
Vice President,
Listing Department,
National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Re: Outcome of Board of Directors Meeting held on August 11, 2023

Ref: Listed, Rated, Redeemable, Secured, Non-Convertible Debentures ("NCD")

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 52 read with Part B of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Board of Directors of the Company at its meeting held on August 11, 2023 has inter alia considered and approved the Unaudited Financial Results along with the Limited Review Report thereon for the quarter ended June 30, 2023 and in this regards please find attached herewith the following documents and information:

Unaudited Financial Results for the quarter ended June 30, 2023, along with the Limited Review Report thereon.

The Board Meeting commenced at 03.30 p.m. and concluded at 03.52 p.m.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For Jorabat Shillong Expressway Limited

Rajnish Saxena
Non-Executive Director
DIN: 05188337

Encl: a/a

Independent Auditor's Review Report on Unaudited Quarterly Standalone Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To the Board of Directors,
Jorabat Shillong Expressway Limited**

We have reviewed the accompanying statement of unaudited financial results of **M/s Jorabat Shillong Expressway Limited** ("the Company") for the three months period ended 30 June 2023, being submitted by the company pursuant to the requirements of Regulations 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on these financial statements based on our review.

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

Attention is drawn to the matters described in the "Emphasis of Matter" para of this report.

Based on our review conducted as above, *except to the effect of matters stated in the Basis of Qualified Conclusion paragraph of our report*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the matter in which it is to be disclosed, or that it contains any material misstatement.

Basis of Qualified Conclusion

We draw attention to the Note No. 5 of the accompanying unaudited financial statements wherein the company has disclosed that an impairment loss as at 31 March 2019, for its financial assets based on the bid received by the holding company for divestment of its stake in the company, which is based on the enterprise value, which is not in line with the requirements of Ind AS 36, Impairment of Assets, the impact thereof, if any, is not determinable. The same was also a subject matter of the audit report issued for the previous year i.e. 31 March 2023.

Material Uncertainty related to Going Concern

We draw attention to the Note No. 8 of the accompanying financial statements wherein the company has indicated that the company has accumulated losses and its net worth as been fully eroded, the company has earned a net profit in current year, however there are losses in previous years, the company's current liabilities exceeded its current assets as at the reporting date and it may be unable to meet its obligations (financial and operational) as and when they fall due. These conditions along with other matters including mitigating factor considered by the management, set forth in Note No. 8, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Our conclusion is not qualified in respect of this matter.

Emphasis of Matter

1. We draw attention to the Note No. 6 of the accompanying unaudited financial statements wherein the company has stated that the Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS (ultimate holding company) and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of investigation of affairs of ITNL (the Holding Company), SFIO has also been seeking from ITNL various information including relating to project undertaken by the Company (for which ITNL acted as Development Contractor and promoter). The investigation is in progress and it is understood that the relevant information is being provided by ITNL to the agency. At this stage, no material impact/ implications had arisen from the aforesaid developments. However, an uncertainty relating to the future outcome of the regulatory actions is not determinable at this stage.
2. We draw attention to the Note No. 7 of the accompanying unaudited financial statements wherein the company has stated that the Company is not in compliance with the Companies Act 2013, as applicable to the Company. These non-compliances pertain to filings with Regulators and appointment of Key Management personnel. These do not have an impact on financial reporting.
3. We draw attention to the Note No. 8 of the accompanying unaudited financial statements wherein the company has stated that the National Company Law Appellate Tribunal ("NCLAT") had passed an order on October 15, 2018 ("Interim Order") in Company Appeal (AT) 346 of 2018, imposing moratorium on the creditors of IL&FS and its 348 group companies, which includes the Company. Further, NCLAT vide its order dated February 11, 2019 had also classified the Company under the "Amber Category" based on a 12-month cash flow solvency test, indicating it is not in a position to discharge its entire Debt as and when due. Accordingly, the Company is permitted to make only those payments necessary to maintain and preserve the going concern status. This consequently also resulted in downgrade of debt ratings of the Company. NCLAT vide its order dated March 12, 2020, had upheld its interim order of October 15, 2018. The said order specifies October 15, 2018 as the date of initiation of the Resolution Process of the Company. Accordingly, the Company has not accrued any interest, default interest, penal interest and any other similar charges after the said cut cut-off date of October 15, 2018 and also not repaid any principal amount of debt due. Consequently, the amount of unamortised transaction cost has only been amortised till the end of financial year 2018-19 and no such cost has been amortised after such periods till date.

4. We draw attention to the Note No. 9 of the accompanying unaudited financial statements wherein the company has stated that during the previous financial year 2022-23, the Company re-assessed the incurrence of periodic maintenance cost, leading to the requirement of incurring a major maintenance cost of Rs 4,098 Lakhs in the first quarter of the current financial year. However, the Company incurred a cost of Rs 1,311 Lakhs during the first quarter of the current financial year. In consideration of the project area experiencing heavy monsoon during the second quarter, the Company does not expect to incur major maintenance costs during this period. Instead, the major maintenance cost is expected to be incurred in the third quarter of the current financial year. As a result of this re-assessment, the Company recorded a modification gain of Rs 148 Lakhs (Previous year's quarter : Rs. 370 Lakhs) during the current financial year's first quarter, in accordance with the principles of IND-AS 109.
5. We draw attention to the Note No. 10 of the accompanying unaudited financial statements wherein the company has stated that during the previous financial year, authority recovered Rs 387 Lakhs towards various damages out of 14th Annuity. The Company has contested this deduction and initiated required steps to recover the said amount. Company is confident about recoverability of these amounts from the Authority and hence these are shown as receivables in the books.

Our conclusion is not modified in respect of this matter.

For K G Somani & Co LLP
Chartered Accountants

Firm Registration No. 006591N / N500377



KARAN
CHADHA

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Karan Chadha
Partner

M. No. 522201

UDIN: 23522201BGWMHL2450

Place: Delhi

Date: 11 August 2023

JORABAT SHILLONG EXPRESSWAY LIMITED

Registered Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai- 400051, India

Tel : 022-26533333 Fax : 022-26523979 Website : <https://www.itnlindia.com/JSEL-SPV.aspx>

CIN : U45203MH2010PLC204456

Statement of Unaudited Financial Results for the Quarter ended June 30, 2023

| Particulars | Quarter ended | | | |
|---|---------------|--------------|---------------|---------------|
| | Year ended | | Year ended | |
| | June 30, 2023 | Mar 31, 2023 | June 30, 2022 | Mar 31, 2023 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 Income from operations | | | | |
| (a) Revenue from operations | 3,136 | 2,263 | 1,999 | 7,897 |
| (b) Other income | 1,668 | 1,585 | 1,016 | 4,523 |
| Total income | 4,804 | 3,848 | 3,015 | 12,420 |
| 2 Expenses | | | | |
| (a) Construction Costs | - | 6 | - | 26 |
| (b) Operating expenses | 1,650 | 865 | 452 | 1,979 |
| (c) Employee benefits expense | - | - | - | - |
| (d) Finance costs (net) | 0 | 0 | 2 | 3 |
| (e) Modification Loss / (Gain) (Refer note 9 below) | - | - | - | 1,045 |
| (f) Balance written off | - | - | - | 1 |
| (g) Other expenses | 108 | 106 | 30 | 358 |
| Total expenses | 1,758 | 977 | 484 | 3,412 |
| 3 Profit before Tax | 3,046 | 2,871 | 2,531 | 9,008 |
| 4 Less : Tax expense | | | | |
| (1) Current Tax | - | - | - | - |
| (2) Deferred Tax | - | - | - | - |
| 5 Net profit after tax for the period/year | 3,046 | 2,871 | 2,531 | 9,008 |
| 6 Other Comprehensive Income / (Expense) (after tax) | - | - | - | - |
| 7 Total comprehensive income (after tax) | 3,046 | 2,871 | 2,531 | 9,008 |
| 8 i Paid-up equity share capital (face value - ₹ 10 per share) | 8,400 | 8,400 | 8,400 | 8,400 |
| 8 ii Paid-up Debt Capital | 1,33,169 | 1,33,169 | 1,33,169 | 1,33,169 |
| 9 Net worth | (2,394) | (5,439) | (11,916) | (5,439) |
| 10 Debenture Redemption Reserve | 8,162 | 8,162 | 8,162 | 8,162 |
| 11 Earnings per share (of ₹ 10/- each) : (*Not annualised): | | | | |
| (a) Basic | 3.63* | 3.42* | 3.01* | 10.72 |
| (b) Diluted | 3.63* | 3.42* | 3.01* | 10.72 |
| 12 Ratios | | | | |
| (a) Debt/Equity Ratio (number of times) | (55.62) | (24.48) | (11.18) | (24.48) |
| (b) Debt Service Coverage Ratio (DSCR) (number of times) (Refer note 8 below) | - | - | - | - |
| (c) Interest Service Coverage Ratio (ISCR) (number of times) (Refer note 11 below) | - | - | - | - |
| (d) Assets Coverage Ratio (ACR) (number of times) | 1.97 | 1.91 | 1.90 | 1.91 |
| (e) Current Ratio (number of times) | 4.40 | 4.64 | 4.00 | 4.64 |
| (f) Long term debt to working capital | 0.99 | 1.00 | 1.23 | 1.00 |
| (g) Bad debts to account receivable ratio (number of times) | NIL | NIL | NIL | NIL |
| (h) Current liability ratio (number of times) | 0.48 | 0.47 | 0.47 | 0.47 |
| (i) Total debts to total assets (number of times) | 0.84 | 0.86 | 0.90 | 0.86 |
| (j) Debtors turnover (number of times) | NA | NA | NA | NA |
| (k) Inventory turnover | NA | NA | NA | NA |
| (l) Operating Margin (in %) | 44% | 59% | 76% | 57% |
| (m) Net Profit Margin (in %) | 97% | 127% | 127% | 114% |
| See accompanying Notes 1 to 13 to the financial results | | | | |

Notes to the Unaudited Financial Results for Quarter Ended June 30, 2023

- 1 The above financial results of the Company has been approved by the Board of Directors at their meeting held on August 11 2023 and has been reviewed by the Statutory Auditor of the Company
- 2 All secured borrowings obtained by the Company are covered under a pari-passu first charge in favour of the Debenture Trustee on the project assets and all tangible and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds, etc.
- 3 The Company is engaged in the business of setting up of infrastructure facility by way of development of infrastructure projects, operation and maintenance of infrastructural facilities. As such, all activities undertaken by the Company are incidental to the main business. There are no separate reportable business segments as per IND AS 108 on "Operating Segment".
- 4 Net worth as per Listing Regulations means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.
- 5 IL & FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL & FS group. The resolution plan, inter alia, involves sale of assets / business / companies owned by IL & FS Group. Further, in this regard, IL & FS Board on December 21, 2018 invited public Expression of interest (EOI) as part of the divestment process. The holding company received a bid from an external party in respect of the company and the same has been accepted by the Board of Directors of ITNL and IL&FS (the ultimate holding Company). While the final price is subject to various adjustments, the Company has used the bid price to determine the fair value of the asset. Shortfall in the value of the bid as compared to the carrying cost of the assets in the books of the Company as on March 31, 2019 recognized as impairment in the value of these assets in the financial statement during previous year. As the bid being continued, management is of the view that no further impairment is required.
- 6 The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS (ultimate holding company) and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of investigation of affairs of ITNL (the Holding Company), SFIO has also been seeking from ITNL various information including relating to project undertaken by the Company (for which ITNL acted as Development Contractor and promoter). The investigation is in progress and it is understood that the relevant information is being provided by ITNL to the agency. At this stage, no material impact/ implications had arisen from the aforesaid developments. However, an uncertainty relating to the future outcome of the regulatory actions is not determinable at this stage.
- 7 The Company is not in compliance with the Companies Act 2013, as applicable to the Company. These non compliances pertain to filings with Regulators and appointment of Key Management personnel. These do not have an impact on financial reporting.
- 8 National Company Law Appellate Tribunal ("NCLAT") had passed an order on October 15, 2018 ("Interim Order") in Company Appeal (AT) 346 of 2018, imposing moratorium on the creditors of IL&FS and its 348 group companies, which includes the Company. Further, NCLAT vide its order dated February 11, 2019 had also classified the Company under the "Amber Category" based on a 12 month cash flow solvency test, indicating it is not in a position to discharge its entire Debt as and when due. Accordingly, the Company is permitted to make only those payments necessary to maintain and preserve the going concern status. NCLAT vide its order dated March 12, 2020, had upheld its interim order of October 15, 2018. The said order specifies October 15, 2018 as the date of initiation of the Resolution Process of the Company. Accordingly the Company has not accrued any interest, default interest, penal interest and any other similar charges after the said cut cut-off date of October 15,2018 and also not repaid any principle amount of debt due. Consequently, the amount of unamortised transaction cost has only been amortised till the end of the financial year 2018-19 and no such cost has been amortised after such periods till date
- 9 During the previous financial year 2022-23, the Company re-assessed the incurrence of periodic maintenance cost, leading to the requirement of incurring a major maintenance cost of Rs 4098 Lakhs in the first quarter of the current financial year. However, the Company incurred a cost of Rs 1311 Lakhs during the first quarter of the current financial year. In consideration of the project area experiencing heavy monsoon during the second quarter, the Company does not expect to incur major maintenance costs during this period. Instead, the major maintenance cost is expected to be incurred in the third quarter of the current financial year. As a result of this re-assessment, the Company recorded a modification gain of Rs 148 Lakhs (Previous year's quarter : Rs. 370 Lakhs) during the current financial year's first quarter, in accordance with the principles of IND-AS 109.
- 10 During the previous financial year, authority recovered Rs 387 Lakhs towards various damages out of 14th Annuity. The Company has contested this deduction and initiated required steps to recover the said amount. Company is confident about recoverability of these amounts from the Authority and hence these are shown as receivables in the books
- 11 Details of Credit Rating:
Non-convertible debentures ("NCDs"): CARE D, India Rating and Research Private Limited IND D
- 12 No complaints were received during the period. However, 7 (Seven) complaints are pending as on 30th June, 2023
- 13 Figures for the previous period / year have been regrouped, reclassified where necessary, to conform to the classification of the current period.

For and on behalf of the Board

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Rajnish Saxena
Non Executive Director
DIN:05188337

Date: August 11, 2023