

Ref: JAL:SEC:2019

28th May, 2019

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

The Manager
Listing Department
National Stock Exchange of India Ltd
“Exchange Plaza”, C-1, Block G,
Bandra-Kurla Complex,
Bandra (E), , Mumbai - 400 051

SCRIP CODE: 532532

NAME OF SCRIP: JPASSOCIAT

Sub: Outcome of the Board Meeting held on 28th May, 2019

Dear Sirs,

1. In the Board Meeting held today i.e. 28th May, 2019, the Board has approved Audited Standalone and Consolidated Financial Results of the Company for the Quarter and Year ended 31st March, 2019 in terms of Regulation 33 (3)(d) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of the same is enclosed alongwith Report of Statutory Auditors M/s. Rajendra K. Goel & Co., Chartered Accountants, New Delhi-**Annexure - 1.**

Further, we would like to state that Statutory Auditors of the Company have issued Audit Reports with modified opinion on both Standalone and Consolidated Financial Results. Accordingly, in terms of Regulation 33/52 of SEBI (LODR) Regulations, 2015, a Statement on Impact of Audit Qualifications is also enclosed - **Annexure - 2.**

2. Based on the recommendations of Nomination & Remuneration Committee, the Board of Directors of the Company, in the meeting held on **28th May, 2019**, subject to the approval of shareholders and other approvals as may be required, has approved the re-appointment of (i) Shri Sunny Gaur, Managing Director (Cement) for a further term of 3 (three) years w.e.f. 31st December, 2019 and (ii) Shri Pankaj Gaur, Jt. Managing Director (Construction) for a further term of 3 (three) years w.e.f. 1st July, 2019.

The profiles of Shri Sunny Gaur and Shri Pankaj Gaur are given in **Annexure-3.**



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

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

3. Based on the recommendations of Nomination & Remuneration Committee and Audit Committee, the Board approved the appointment of Shri Ashok Soni as Chief Financial Officer w.e.f. 1st June, 2019 in place of Shri S.K. Thakral who has resigned from the post w.e.f. 31st May, 2019.

The brief profile of Shri Ashok Soni is given in **Annexure-4**.

The meeting commenced at 12.00 Noon and concluded at 6:15 P.M.

Thanking you,

Yours faithfully,
For JAIPRAKASH ASSOCIATES LIMITED



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

Encl: As above

JAI PRAKASH ASSOCIATES LIMITED

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

Annexure-1

STATEMENT OF AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	STANDALONE					CONSOLIDATED	
	Quarter Ended			Year Ended		Year Ended	
	31.03.2019 [Audited]	31.12.2018 [Unaudited]	31.03.2018 [Audited]	31.03.2019 [Audited]	31.03.2018 [Audited]	31.03.2019 [Audited]	31.03.2018 [Audited]
1 Income							
Revenue from Operations	172118	151735	160661	683323	614308	1082075	776133
Other Income	11659	1487	6767	15115	14502	7041	14559
Total Income	183777	153222	167428	698438	628810	1089116	790692
2 Expenses							
[a] Cost of Materials Consumed	53770	52874	72100	209234	188985	365061	305782
[b] Purchase of Stock-in-trade	(43)	101	2,916	1418	7226	11532	17332
[c] Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	9996	1507	(1683)	24572	803	25974	(8341)
[d] Direct Construction, Manufacturing, Real Estate, Infrastructure Hotel/Hospitality & Power Expenses	67238	57146	44384	268177	175568	396561	264810
[e] Excise Duty on Sale of Goods	-	-	-	-	9404	-	11681
[f] Employee Benefits Expense	14461	11625	10088	47777	50050	64495	65688
[g] Finance Costs	18631	14126	17300	72380	96754	255760	244049
[h] Depreciation and Amortisation Expense	9935	9836	9791	39535	50675	73647	78207
[i] Other Expenses	21674	15782	20164	70369	75701	105093	115924
Total Expenses	195662	162997	175060	733462	655166	1298123	1095132
3 Profit/(Loss) before Exceptional Items, Share of Profit/(Loss) in Associates and Tax [1 - 2]	(11885)	(9775)	(7632)	(35024)	(26356)	(209007)	(304440)
4 Exceptional Items	(23138)	-	(238)	(42344)	61527	(32818)	111635
5 Profit/(Loss) before Share of Profit/(Loss) in Associates and Tax [3 + 4]	(35023)	(9775)	(7870)	(77368)	35171	(241825)	(192805)
6 Share of Profit/(Loss) in Associates	-	-	-	-	-	(10669)	(66936)
7 Profit/(Loss) before Tax [5 + 6]	(35023)	(9775)	(7870)	(77368)	35171	(252494)	(259741)
8 Tax Expense							
[a] Current Tax	-	-	-	-	-	46	197
[b] Deferred Tax	-	-	-	-	-	18411	(276)
Total Tax Expense	-	-	-	-	-	18457	(79)
9 Net Profit/(Loss) after Tax [7 - 8]	(35023)	(9775)	(7870)	(77368)	35171	(270951)	(259662)
10 Profit/(Loss) from Continuing Operations	(35011)	(9773)	(7863)	(77350)	53974	(252476)	(240938)
11 Tax expense of Continuing Operations	-	-	-	-	-	18457	(79)
12 Profit/(Loss) from Continuing Operations after Tax [10 - 11]	(35011)	(9773)	(7863)	(77350)	53974	(270933)	(240859)
13 Profit/(Loss) from Discontinued Operations	(12)	(2)	(7)	(18)	(18803)	(18)	(18803)
14 Tax expense of Discontinued Operations	-	-	-	-	-	-	-
15 Profit/(Loss) from Discontinued Operations after Tax [13 - 14]	(12)	(2)	(7)	(18)	(18803)	(18)	(18803)
16 Net Profit/(Loss) after Tax [12 + 15]	(35023)	(9775)	(7870)	(77368)	35171	(270951)	(259662)
17 Non Controlling Interest	-	-	-	-	-	(59915)	(65932)
18 Net Profit/(Loss) after Tax and Non-Controlling Interest [16 - 17]	(35023)	(9775)	(7870)	(77368)	35171	(211036)	(193730)
19 Other Comprehensive Income							
a(i) Items that will not be reclassified to Profit/(Loss)	311	-	(564)	311	(1000)	337	(1217)
(ii) Income Tax relating to Items that will not be reclassified to Profit/(Loss)	-	-	-	-	-	1	14
b(i) Items that will be reclassified to Profit/(Loss)	-	-	-	-	-	-	-
(ii) Income Tax relating to Items that will be reclassified to Profit/(Loss)	-	-	-	-	-	-	-
Total Other Comprehensive Income	311	-	(564)	311	(1000)	338	(1203)
20 Non-Controlling Interest [Other Comprehensive Income]	-	-	-	-	-	-	8
21 Other Comprehensive Income after Non-Controlling Interest [19 - 20]	311	-	(564)	311	(1,000)	338	(1211)
22 Total Comprehensive Income for the period [16 + 19] [comprising Profit/(Loss) and Other Comprehensive Income]	(34712)	(9775)	(8434)	(77057)	34171	(270613)	(260865)
23 Total Non-Controlling Interest [17 + 20]	-	-	-	-	-	(59915)	(65924)
24 Total Comprehensive Income for the period after Non-Controlling Interest [22 - 23] [comprising Profit/(Loss) and Other Comprehensive Income for the period]	(34712)	(9775)	(8434)	(77057)	34171	(210698)	(194941)
25 Paid-up Equity Share Capital [of ₹ 2/- per share]	48649	48649	48649	48649	48649	48649	48649
26 Other Equity [excluding Revaluation Reserve]	-	-	-	826697	984464	56937	419225
27 Earnings Per Share [of ₹ 2/- per share] [for continuing operations]							
Basic	₹ (1.44)	₹ (0.40)	₹ (0.30)	₹ (3.18)	₹ 2.22	₹ (8.68)	₹ (7.19)
Diluted	₹ (1.44)	₹ (0.40)	₹ (0.30)	₹ (3.18)	₹ 2.22	₹ (8.68)	₹ (7.19)
Earnings Per Share [of ₹ 2/- per share] [for discontinued operations]							
Basic	₹ -	₹ -	₹ -	₹ -	₹ (0.77)	₹ -	₹ (0.77)
Diluted	₹ -	₹ -	₹ -	₹ -	₹ (0.77)	₹ -	₹ (0.77)
Earnings Per Share [of ₹ 2/- per share] [for discontinued and continuing operations]							
Basic	₹ (1.44)	₹ (0.40)	₹ (0.30)	₹ (3.18)	₹ 1.45	₹ (8.68)	₹ (7.96)
Diluted	₹ (1.44)	₹ (0.40)	₹ (0.30)	₹ (3.18)	₹ 1.45	₹ (8.68)	₹ (7.96)

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AUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019							
(₹ in Lakhs)							
Particulars	STANDALONE					CONSOLIDATED	
	Quarter Ended			Year Ended		Year Ended	
	31.03.2019 [Audited]	31.12.2018 [Unaudited]	31.03.2018 [Audited]	31.03.2019 [Audited]	31.03.2018 [Audited]	31.03.2019 [Audited]	31.03.2018 [Audited]
1. Segment Revenue							
[a] Cement & Cement Products	52607	50124	51179	198077	206815	239566	251148
[b] Construction	73444	58451	75442	261441	205307	266199	203856
[c] Power	5792	6255	6626	21774	22165	21774	22165
[d] Hotel/Hospitality & Golf Course	8170	7565	7010	27882	26301	27881	26301
[e] Sport Events	174	264	130	893	756	893	771
[f] Real Estate	32392	29747	19174	173718	150075	173718	95938
[g] Investments	-	-	-	-	-	-	-
[h] Infrastructure	-	-	-	-	-	133722	(1448)
[i] Fertilizers	-	-	-	-	-	246915	220322
[j] Health Care	-	-	-	-	-	31850	26817
[k] Others	2817	2394	2515	9277	7700	16039	11090
[l] Unallocated	35	98	162	469	587	470	128
Total	175431	154898	162238	693531	619706	1159027	857088
Less: Inter-segment Revenue	3313	3163	1577	10208	5398	76952	80955
Revenue from Operations	172118	151735	160661	683323	614308	1082075	776133
2. Segment Results							
[a] Cement & Cement Products	(2030)	(3098)	933	(5422)	(15303)	(10169)	(24760)
[b] Construction	(2572)	1377	3779	1944	3293	(1547)	(5498)
[c] Power	255	(2266)	325	(3846)	1731	(3846)	(899)
[d] Hotel/Hospitality & Golf Course	1035	1170	1	2043	1439	2043	1436
[e] Sport Events	(3006)	(2930)	(3542)	(11904)	(11766)	(11911)	(11758)
[f] Real Estate	3862	9340	4563	47077	86627	49242	43775
[g] Investments	9460	(25)	3537	7340	5902	(2338)	2345
[h] Infrastructure	-	-	-	-	-	16764	(67004)
[i] Fertilizers	-	-	-	-	-	10865	15985
[j] Health Care	-	-	-	-	-	(1126)	(4256)
[k] Others	(1738)	(859)	(610)	(4302)	(2744)	(5203)	(2370)
	5266	2709	8986	32930	69179	42774	(53004)
Less:							
[a] Finance Costs	18631	14126	17300	72380	96754	255760	244049
[b] Other Un-allocable Expenditure net off Un-allocable Income	(1480)	(1642)	(682)	(4426)	(1219)	(3979)	7387
	(11885)	(9775)	(7632)	(35024)	(26356)	(209007)	(304440)
Exceptional Items	(23138)	-	(238)	(42344)	61527	(32818)	111635
Profit/(Loss) from Ordinary Activities before Tax	(35023)	(9775)	(7870)	(77368)	35171	(241825)	(192805)
3. Segment Assets							
[a] Cement & Cement Products	484258	497380	507163	484258	507163	622566	641287
[b] Construction	510809	528002	514062	510809	514062	499592	495914
[c] Power	198602	203370	206886	198602	206886	198601	206886
[d] Hotel/Hospitality & Golf Course	85569	81247	82163	85569	82163	85367	82030
[e] Sports Events	240965	244887	246206	240965	246206	239276	244316
[f] Real Estate	1310545	1285728	1109871	1310545	1109871	1254758	1052290
[g] Infrastructure	-	-	-	-	-	2087656	1542310
[h] Investments	743124	744336	751065	743124	751065	121047	131775
[i] Fertilizers	-	-	-	-	-	207046	196050
[j] Health Care	-	-	-	-	-	93234	95596
[k] Others	13849	15567	15830	13849	15830	40856	44980
[l] Un-allocated	194355	211732	206360	194355	206360	179207	187657
Total Segment Assets	3782076	3812249	3639606	3782076	3639606	5629206	4921091
4. Segment Liabilities							
[a] Cement & Cement Products	94107	95203	68301	94107	68301	126672	104347
[b] Construction	168647	199517	177949	168646	177949	126612	125482
[c] Power	14879	18627	15546	14879	15546	5850	4934
[d] Hotel/Hospitality & Golf Course	24252	20135	16075	24252	16075	24252	16073
[e] Sports Events	13661	14941	14259	13661	14259	12702	13236
[f] Real Estate	391126	416912	237546	391126	237546	362904	238145
[g] Infrastructure	-	-	-	-	-	1068581	423637
[h] Investments	-	-	-	-	-	-	-
[i] Fertilizers	-	-	-	-	-	59787	45076
[j] Health Care	-	-	-	-	-	27642	25263
[k] Others	3992	3659	3053	3992	3053	3167	2569
[l] Un-allocated	354443	313844	223739	354443	223739	727088	412209
Total Segment Liabilities	1065107	1082838	756468	1065106	756468	2545257	1410971

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STATEMENT OF ASSETS AND LIABILITIES				
(₹ in Lakhs)				
Particulars	STANDALONE		CONSOLIDATED	
	Year Ended As At 31.03.2019 [Audited]	Year Ended As At 31.03.2018 [Audited]	Year Ended As At 31.03.2019 [Audited]	Year Ended As At 31.03.2018 [Audited]
A ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	709766	671495	1026990	1002958
(b) Capital Work-in-Progress	47216	120068	67330	146545
(c) Investment Property	-	-	-	-
(d) Goodwill	-	-	-	4
(e) Other Intangible Assets	12	13	950894	968429
(f) Intangible Assets under Development	-	-	-	-
(g) Biological Assets other than bearer plants	-	-	-	-
	<u>756994</u>	<u>791576</u>	<u>2045214</u>	<u>2117936</u>
(h) Financial Assets				
(i) Investments	743124	744176	121047	131715
(ii) Trade Receivables	266134	265542	269617	265542
(iii) Loans	9107	10094	6588	3665
(iv) Other Financial Assets	6542	3681	8297	3774
(i) Deferred Tax Assets [Net]	-	-	23,083	41,494
(j) Other Non-Current Assets	138803	162037	192572	207973
Total - Non-current Assets	<u>1920704</u>	<u>1977106</u>	<u>2666418</u>	<u>2772099</u>
2 CURRENT ASSETS				
(a) Inventories	486479	388823	2189676	1373479
(b) Financial Assets				
(i) Investments	-	6889	-	60
(ii) Trade Receivables	104080	116001	213860	194075
(iii) Cash and Cash Equivalents	12695	27123	19046	35537
(iv) Bank Balances other than Cash and Cash Equivalents	20833	25136	21990	30089
(v) Loans	141	156	173	156
(vi) Other Financial Assets	166399	157081	82227	88695
(c) Current Tax Assets [Net]	-	-	-	-
(d) Other Current Assets	310263	293776	358899	368395
Total - Current Assets	<u>1100890</u>	<u>1014985</u>	<u>2885871</u>	<u>2090486</u>
3 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	760482	647515	100000	100000
TOTAL - ASSETS	<u>3782076</u>	<u>3639606</u>	<u>5652289</u>	<u>4962585</u>
B EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	48649	48649	48649	48649
(b) Other Equity	826697	984464	56937	419225
Total - Equity	<u>875346</u>	<u>1033113</u>	<u>105586</u>	<u>467874</u>
2 NON-CONTROLLING INTEREST	-	-	33340	97332
3 LIABILITIES				
(I) NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	496253	536122	2476294	2570589
(ii) Trade Payables	8273	11833	8542	11834
(iii) Other Financial Liabilities	59402	58059	325623	193099
(b) Provisions	8914	9497	10848	11265
(c) Deferred Tax Liabilities [Net]	-	-	-	-
(d) Deferred Revenue	-	-	-	-
(e) Other Non-Current Liabilities	18728	16760	27563	23920
Total - Non-current Liabilities	<u>591570</u>	<u>632271</u>	<u>2848870</u>	<u>2810707</u>
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	34638	18674	95456	73991
(ii) Trade Payables				
Due to Micro & Small Enterprises	612	-	885	-
Due to Creditors Other than Micro & Small Enterprises	160100	126405	288873	234684
(iii) Other Financial Liabilities	217798	188287	796066	563945
(b) Other Current Liabilities	345607	299528	1305293	613572
(c) Provisions	77717	223	77920	480
(d) Current Tax Liabilities [Net]	-	-	-	-
Total - Current Liabilities	<u>836472</u>	<u>633117</u>	<u>2564493</u>	<u>1486672</u>
4 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	1478688	1341105	100000	100000
TOTAL - EQUITY AND LIABILITIES	<u>3782076</u>	<u>3639606</u>	<u>5652289</u>	<u>4962585</u>

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Notes:

1. Figures for the previous periods have been regrouped to conform to the classification of the current period, wherever necessary. Further, the Results exclude the financial results for the Cement Plants transferred to M/s UltraTech Cement Limited by the Company on 29th June, 2017 and hence figures for the Year ended 31st March, 2019 are not comparable with the previous corresponding year.
2. The Comprehensive Re-organization and Restructuring Plan (CRRP) for the Company and Jaypee Cement Corporation Limited was duly approved by the Joint Lenders' Forum on 22nd June, 2017, based on the recommendations of the Independent Evaluation Committee (IEC) appointed by the Reserve Bank of India envisaging bifurcation of the entire debt of the Company into two parts – 'Sustainable Debt' and 'Other Debt'. The entire outstanding debt has been put in three buckets making provisions for settlement/continuation of each category of debt as under :

[i] Bucket 1 Debt of ₹ 11,689 Crores which is part of the 'other debt' was to be discharged against the sale of identified Cement Plants of the Company and its Wholly owned Subsidiary to UltraTech Cement Limited. The transaction of the said sale stands consummated and Bucket 1 Debt stands settled in July, 2017.

[ii] Bucket 2a Debt of ₹ 6,367 Crores, being 'sustainable debt' will continue as debt of the Company for which Master Restructuring Agreement (MRA) dated 31st October, 2017 has been executed by the concerned 32 Lenders. The terms of the MRA are being complied including creation of security in favour of Lenders.

[iii] Bucket 2b Debt of ₹ 11,833.55 Crores (₹ 13,590 Crores original amount as reduced by ₹ 2543.55 Crores settled through direct Debt Assets Swap), which is part of 'Other Debt' is to be transferred to a Special Purpose Vehicle (SPV) alongwith identified land of the Company. The Scheme of Arrangement (Scheme) for the said hive off duly approved by the Stock Exchanges, Shareholders, Creditors, other Regulators is pending sanction by National Company Law Tribunal (NCLT), which Scheme, on sanction, shall be effective from 1st July, 2017, being the Appointed Date.

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

In terms of the duly approved CRRP, as aforesaid, the Company has provided interest expenses on debt portion that will remain with it. Interest for the quarter ended 31st March, 2019 aggregating ₹ 281.39 Crores (₹ 1099.12 Crores for year ended 31st March, 2019 and ₹ 796.39 Crores till 31st March, 2018) on debt portion which will be transferred to Real Estate SPV on sanction of the Scheme of Arrangement by NCLT with Appointed Date of 1st July, 2017, has been added to the carrying cost of the Inventory / Projects under development in respect of SDZ Real Estate Undertaking (SDZ-RE), since the same has to be serviced from the assets / development of Assets of SDZ-RE.

3. Pending sanction of the Scheme by NCLT, ICICI Bank Limited on the directions of the RBI has filed an application with Hon'ble NCLT, Allahabad Bench U/s 7 of Insolvency & Bankruptcy Code, 2016 against the Company which is pending.
4. [a] The Competition Commission of India (CCI) vide its Order dated 31st August, 2016 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 during F.Y. 2009-10 & 2010-11 and imposed a penalty of ₹ 1,323.60 Crores on the Company. The Company had filed an Appeal against the said Order which was heard on various dates by Hon'ble National Company Law Appellate Tribunal (NCLAT). NCLAT vide its Order dated 25th July 2018 has rejected the appeals of all the cement manufacturers including that of the Company without interfering in the penalty, though, if calculated on the basis of profits earned by the Cement business, the same would have been ₹ 237.70 Crores only as against the penalty of ₹ 1323.60 Crores calculated on the profits for all business segments of the Company. The Company has filed appeal with the Hon'ble Supreme Court and the case has since been admitted and the Order of NCLAT has been stayed with the direction that interim Order passed earlier by NCLAT in these cases will continue in the meantime.
- [b] The Competition Commission of India vide its other order dated 19th January, 2017 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 in the State of Haryana during F.Y. 2012-13 to F.Y. 2014-15 and imposed a penalty of ₹ 38.02 Crores on the Company. The Company had filed an appeal against the Order before NCLAT which has stayed the operation of impugned order and further proceedings are progressing in the matter.

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

5. Non Current Trade receivables include ₹ 2661.34 Crores, outstanding as at 31st March, 2019 (₹ 2645.45 Crores, outstanding as at 31st March 2018) which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed / suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the Management is of the view that these receivables are recoverable.
6. The Company has aligned its policy of revenue recognition with Ind AS 115 "Revenue from Contract with Customers" effective from April 1, 2018. Accordingly, revenue of real estate business is recognised on completion of performance obligation as against recognition on percentage of completion method followed hitherto as per the guidance note issued by ICAI which has since been withdrawn. Accordingly, the figures for the current periods are not comparable with the corresponding periods of previous year.

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7. The principal outstanding of privately placed listed Non-Convertible Debentures (NCDs) is fully secured by way of equitable mortgage/registered mortgage/hypothecation of certain fixed assets of the Company and of its subsidiary having security cover of more than 100%. As per the CRRP duly approved by the lenders, the outstanding NCDs including interest due thereon, are to be converted into Rupee Term Loan and repayable as per conditions of the said Plan.
8. Exceptional Item [in Standalone] for the quarter ended 31st March, 2019 represents provision for impairment on investments/ advances for ₹ 174.92 Crores, expenses of ₹ 78 Crores towards Entry Tax Liability in the State of Uttar Pradesh including interest, gain of ₹ 75.53 Crores on account of inventory disposed/ settled by lender on invoking security and other expense/ provisions to the extent of ₹ 53.99 Crores.
- 9 [a] IDBI Bank Limited has filed a Petition with Hon'ble NCLT, Allahabad Bench, U/S 7 of Insolvency & Bankruptcy Code, 2016 (IBC) in respect of Jaypee Infratech Limited (JIL) [Subsidiary of the Company] which was admitted vide Order dated 9th August, 2017 and Interim Resolution Professional (IRP) was appointed. However some of the home buyers approached Hon'ble Supreme Court against the said order of Hon'ble NCLT. Hon'ble Supreme Court gave various interim directions from time to time including continuation of Corporate Insolvency Resolution Process (CIRP). Hon'ble Supreme Court, while disposing off the matters before it, interalia directed recommencement of CIRP of JIL w.e.f. the date of its order dated 09th August, 2018, which is in progress.

[b] The appeals filed by various lenders and the Company before Hon'ble NCLAT against the order of Hon'ble NCLT dated 16th May, 2018 allowing the application of the then IRP of JIL alleging contraventions of some of the provisions of IBC in respect of mortgage of land of JIL to secure the loans of Company being the holding company, have been admitted by NCLAT and said Order of Hon'ble NCLT has been stayed. The matter is pending before NCLAT.
- 10 Figures for the quarters ended 31 March 2019 and 31 March 2018 are the balancing figures between the audited financial statements for the years ended on that date and the unaudited year to date figures upto the end of third quarter of the respective financial year.
- 11 The above Financial results for the quarter/ year ended 31st March, 2019 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 28th May, 2019.

Contd.....6



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

Sl. No.	Particulars	As At 31.03.2019
[a]	Debt-Equity Ratio [in times]	2.10
[b]	Previous due date for the payment of interest of Non-Convertible Debentures [NCDs]	
(i)	11.90% NCDs issued on 19.09.2014 and 08.10.2014	}
(ii)	12.00% NCDs issued on 25.07.2012	}
(iii)	10.50% NCDs issued on 16.07.2010	}
(iv)	11.75% NCDs issued on 26.11.2009	}
(v)	12.40% NCDs issued on 04.11.2008	}
(vi)	11.80% NCDs issued on 11.08.2008	}
	Interest has been repaid	Refer Note No.(o) below
[c]	Previous due date for the repayment of Principal of NCDs	
(i)	11.90% NCDs issued on 19.09.2014 and 08.10.2014	}
(ii)	12.00% NCDs issued on 25.07.2012	}
(iii)	10.50% NCDs issued on 16.07.2010	}
(iv)	11.75% NCDs issued on 26.11.2009	}
(v)	12.40% NCDs issued on 04.11.2008	}
(vi)	11.80% NCDs issued on 11.08.2008	}
	Principal has been repaid	Refer Note No.(o) below
[d]	Next due date and amount for the payment of interest of NCDs	Refer Note No.(o) below
[e]	Next due date and amount for the repayment of Principal of NCDs	Refer Note No.(o) below
[f]	Debt Service Coverage Ratio [in times] for the year ended 31.03.2019 [PBIT excluding exceptional items / (Gross Interest + Long-term Principal Repayment)]	0.34
[g]	Interest Service Coverage Ratio [(in times) for the year ended 31.03.2019 (PBIT excluding exceptional items / Gross Interest)]	0.52
[h]	Debenture Redemption Reserve [₹ in Lakhs]	42297
[i]	Net Worth [₹ in Lakhs]	875334
[j]	Net Profit/(Loss) after Tax for the year ended 31.03.2019 [₹ in Lakhs]	(77368)
[k]	Basic Earnings per Share for the year ended 31.03.2019 (in ₹)	(3.18)

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

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

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

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

Place: Greater Noida
Dated:28th May, 2019




MANOJ GAUR
Executive Chairman
DIN - 00008480

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

To
The Board of Directors of
Jaiprakash Associates Limited

1. We have audited the accompanying standalone financial results of **JAIPRAKASH ASSOCIATES LIMITED** (the Company) for the quarter ended 31 March 2019 and the year to date results for the period from 1 April 2018 to 31 March 2019 (the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended 31 March 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. These quarterly standalone financial results as well as the year to date Standalone financial results have been prepared on the basis of the reviewed Standalone financial results up to the end of the third quarter and audited annual Standalone Financial Statements, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit of such Standalone Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with regulation 33 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

3. Basis of Qualified opinion
Attention is drawn to:

Refer Note No. 45 of Standalone Financial Statements, the insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited (JIL) (Subsidiary of the company) was admitted and Interim Resolution Professional ('IRP') personnel was appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petition/Intervention filed by certain home buyers of Jaypee Infratech Limited and gave various interim directions from time to time including continuation of Corporate Insolvency Resolution Process (CIRP).

The Hon'ble Supreme Court vide its final order dated August 09, 2018 while disposing the case inter-alia directed recommencement of CIRP with effect from the date of the Order. The Apex Court also ordered transfer of Rs. 750 Crores deposited by the Company to NCLT.



In view of the pendency / ongoing IRP proceedings with the NCLT Allahabad;

- i. The impact on the carrying value of the following is not ascertainable:
 - Current receivable of Rs. 306.36 Crores,
 - Corporate guarantees amounting to Rs. 254.24 Crores to the lenders of the JIL. No fair valuation of which has been done as per requirements of Ind-AS 113 and as such impact of which is not ascertainable.
 - Deposit of Rs. 750 Crores lying with NCLT.
- ii. The company's Non-current investment in the equity shares of JIL is Rs. 849.26 Crores. The market value of JIL share as on 31.03.2019 being Rs. 2.45 of Rs. 10 each per share. The impairment based on the market value of share amounts to Rs. 641.75 Crores which have not been considered in the accounts by the management in view of pending/ongoing IRP proceeding and offer of JAL under section 12A of Insolvency and Bankruptcy Code 2016. Had this provision been made the loss would have increased to that extent.

Matters stated above have also been qualified in our report in preceding quarters/year.

4. Qualified opinion:

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanation given to us, except for the effects/possible effects of our observations in para 3 above, these quarterly as well as the year to date results:

- a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- b) give a true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 31 March 2019 as well as the year to date results for the period from 1 April 2018 to 31 March 2019.

5. Emphasis of matter:

We draw attention to the following matters:

1. Refer Note No. 31 [d] [i] & [ii] of Standalone Financial Statements,
 - a. The Competition Commission of India vide its Order dated 31st August, 2016 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 during F.Y. 2009-10 & 2010-11 and imposed a penalty of Rs. 1,323.60 Crores on the Company. The Company had filed an Appeal against the said Order which was heard on various dates by Hon'ble National Company Law Appellate Tribunal (NCLAT). NCLAT vide its Order dated 25th July 2018 has rejected the appeals of all the cement manufacturers including that of the Company without interfering in the penalty, though, if calculated on the basis of profits earned by the Cement business, the same would have been Rs. 237.70 Crores only as against the penalty of Rs. 1,323.60 Crores calculated on the profits for all business segments of the Company. The Company has filed appeal with the Hon'ble Supreme Court and the case has since been admitted and the Order of NCLAT has been stayed with the direction that interim order passed earlier by NCLAT in these cases will continue in the meantime.
 - b. The Competition Commission of India vide its other order dated 19th January, 2017 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 in the State of Haryana during F.Y. 2012-13 to F.Y. 2014-15 and imposed a penalty of Rs. 38.02 Crores on the Company. The Company had filed an appeal against the Order before NCLAT which has stayed the operation of impugned order and further proceedings are progressing in the matter.



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

2. Refer Note No. 39 of Standalone Financial Statements, Yes Bank Limited (YBL) invoked entire pledged equity share 28,09,66,000 of Rs. 10/- each of Bhilai Jaypee Cement Limited (BJCL) (a subsidiary of the company) and also recalled outstanding loan and invoked corporate guarantee and shortfall undertaking given by the company against the loan facility of Rs. 465 Crores and Rs.45 Crores to JCCL a fully owned subsidiary of the company. YBL assigned the same in favor of Assets Care and Reconstruction Enterprise Limited (ACRE) The ACRE informed the about the transfer of the entire pledged/NDU share of BJCL in its name. However the company is contesting the assignment on the basis of the fact that these facilitates has been covered under the Comprehensive Reorganization & Re-structuring Plan (CRRP) of Company & Jaypee Cement Corporation Limited (JCCL) duly approved by the consortium of lenders including YBL at its meeting held on 22nd June, 2017. Hence, the carrying value of above said equity share of BJCL and 752 Equity Shares held in the name of nominee shareholders continue to be included as part of Non-Current investment of the company in the financial statements.

However based on certain estimates on the subsidiary future business plan, growth prospects and valuation report from independent valuer on the assets of the company the management believe that the realizable amount is higher than the carrying value of the Non-Current Investment including equity share held in the name of nominee shareholders and loan facility as mentioned above and is considered good and recoverable.

3. Refer Note No. 40 of Standalone Financial Statements, Yes Bank Limited /ARC has invoked pledged of 50,000 Equity shares of Rs 10/- each of Yamuna Expressway Tolling Limited (subsidiary Company) held by the Company. The company is contesting the invocation by the lenders. Pending settlement with the Lender/ARC, the company continues to show the above investments as non-current at carrying value.
4. Refer Note No. 41 of Standalone Financial Statements; lender of MP Jaypee Coal Limited (MPJPCL) has invoked the corporate guarantee given by the Company for financial assistance granted to MPJPCL and served a notice to the company to make payment of Rs. 25.75 Crores outstanding as on 31st August, 2018 (Rs. 22.24 Crores outstanding as on 31.03.2019). However the liability has not been considered in the books of accounts being unascertainable, as the Coal Block for which Mining Rights are held by MPJPCL is yet to be re-allotted by the Nominated Authority.
5. Refer Note No. 42 of Standalone Financial Statements, lender of Jaypee Cement Corporation Limited (JCCL) [subsidiary of the company] has invoked the corporate guarantee given by the company for financial assistance being granted to JCCL and asked to make payment for Rs. 438.36 Crores and Rs. 20.79 Crores, being amount outstanding as on 09.09.2018. However the liability has not been considered in the books of accounts being unascertainable, as the loan in question is part of approved Comprehensive Reorganization & Restructuring plan of JCCL and the Company. The company has made Non-Current Investment in equity of JCCL of Rs.1,454.71 Crores.

However in the view of the management the fair market value of the assets of the JCCL is much higher than their carrying value as such no provision for impairment in the carrying value of the investment is required.

6. Refer Note No. 43 of Standalone Financial Statements, Non-Current Trade receivables include Rs. 2661.34 Crores, outstanding as at 31st March 2019 (Rs. 2645.45 Crores, outstanding as at 31st December 2018) which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims



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

7. Refer Note No. 44 of Standalone Financial Statements, the company has made a Non-Current Investment of Rs. 340 Crores (34 crores Equity Shares of Rs 10/- each, fully paid up) in Prayagraj Power Generation Company limited ('PPGCL'), an associate company. Lenders of PPGCL has invoked the entire pledged share of PPGCL held by Jaiprakash Power Ventures Limited ('JPVL') [Holding Company of PPGCL] on 18th December 2017 due to default in payment to Banks/Financial Institutions. Thereafter State bank of India had invited the bid for sale of share of PPGCL and issued Letter of Intent to Resurgent Power Venture Pte Limited and executed share purchase agreement as on 13.11.2018. UPPCL/UPERC has also approved the transfer of shares/ change in management subject to certain conditions. State Bank of India has also filled an insolvency application for PPGCL before NCLT, Allahabad. Keeping in the view of above facts, the impact on the carrying amount of Equity Shares of PPGCL held by the company is currently unascertainable and considered at book value by the management.
8. Refer Note No. 47 of Standalone Financial Statements, the company has made investment in equity shares (Quoted) of Rs. 1,742.62 Crores in Jaiprakash Power Ventures Limited (JPVL) an associate company (earlier subsidiary) of the company. The company is under debt restructuring and all the Lenders have approved the resolution plan and signed the framework Agreement on 18th April, 2019. Further as envisaged in the resolution plan, the Company is in the process of issuing compulsory convertible preference share (CCPSs) (@0.01% to be converted as per prevailing guidelines) in respect of part of the debt of the Lenders. Considering the present status of Debt Resolution Process, valuation of certain assets of JPVL and further better prospects no diminution is envisaged by the management in the carrying value in the financial statement on the basis of quoted share price of JPVL being less than the carrying value.
9. Refer Note No. 49 of Standalone Financial Statements, in the opinion of the management in the case of loss making segments of the company no impairment in the assets of the segment is required in view of temporary nature of the losses, Valuation report, circle rates of the immovable property and future cash flows which are higher than the carrying value of the assets.
10. Refer Note No. 50 of Standalone Financial Statements, the Company has received Termination Notice for the Mandla North Coal Mine allotted by Nominated Authority, Ministry of Coal on account of not meeting eligibility criteria mentioned in the Coal Mines Development and Production Agreement along with instructions for invocation of the Bank Guarantee submitted by the company in the form of Performance Security. The Hon'ble High Court has granted stay against the Termination Notice and invocation of Performance Guarantee. Since, the matter is now being sub-judice in High Court, the recoverability of the amount invested aggregating to Rs.294.82 Crores as on 31.03.2019 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, As such no provision has been considered necessary to be made in the financial statement by the management.
11. Refer Note No. 51 of Standalone Financial Statements, the Confirmations/ Reconciliation of balances of secured & unsecured loans, certain balances with banks including certain fixed deposits, trade receivables, trade and other payables (including micro and small enterprises and 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.



12. Refer Note No. 52 of Standalone Financial Statements, the Company has made payment to its Managerial Personnel in terms of their respective appointments and within the limits prescribed under the Companies Act, 2013 during the year. However, in view of default in repayment of principal and/ or interest to Banks and Financial Institutions during the current year, the Company, in terms of the amended Sec 197 of the Companies Act, 2013 and schedule V thereof and pursuant to approval of NRC & Board, has approached lenders for approval of remuneration aggregating Rs. 21.86 Crores paid to all the managerial personnel during the year. The lenders have approved the same. Similarly lenders has also accorded approval of the re-appointment and remuneration of Shri Manoj Gaur (Executive Chairman & CEO) for the period of 01.04.2016 to 31.03.2019, the Company's application for which was abated in view of change in law w.e.f. 12.09.2018 in terms of amendment to Section 197 of the Act. Shareholders' approval for all the above is to be taken by the company in due course.

Regarding the Central Government's direction to recover remuneration to the company vide letter dated 27-12-2017 paid to managerial personnel (Managing Director & Whole time Directors) for the year 2014-15 and 2015-16 (upto 31.10.2015), the company pursuant to approval of the NRC & Board had approached lenders for approval for waiver of recovery of remuneration. Similarly, the application of the Central Government for approval of re-appointment and remuneration of Shri Rahul Kumar (for the period from 31.10.2015 to 30.10.2018) was rejected on account on non-recovery of remuneration paid to above managerial personnel. The Company's request to Lenders for waiver of above totaling Rs. 28.14 Crores was not considered favorably but company represented again and the same is subject to their further review.

The Company has sought clarification from Ministry of Corporate Affairs (MCA) based on the facts that no remuneration is recoverable by the Company since all managerial personnel were paid as per provisions of the Companies Act, 1956/2013. Clarification requested from MCA is awaited where after suitable actions are required under the amended Section 197 ibid would be taken including approval of shareholders.

13. Refer Note No. 53 of Standalone Financial Statements, there are certain Entry tax matters under Appeals aggregating to Rs. 297.82 Crores (excluding interest, currently unascertainable) pertaining to the State of Madhya Pradesh and Himachal Pradesh. The Company has challenged these on account of various grounds in Hon'ble High Courts. No provision has been considered of the above in the Statement as management is of the opinion that the Company will succeed in the appeal. The Company has already deposited Rs.166.79 Crores and also furnished Bank Guarantees of Rs. 125.43 Crores against the above.
14. Refer Note No. 54 of Standalone Financial Statements, the Lenders of the company in their Joint Lenders Forum (JLF) meeting held on 22nd June, 2017 have approved restructuring / realignment/ reorganization of debt of the Company & its wholly owned subsidiary, Jaypee Cement Corporation Limited (JCCCL) being Restructuring Scheme.

The company has provided interest expenses on the debt portion the debt portion that will remain with the company in accordance with the Restructuring Scheme approved and Master Re-structuring Agreement (MRA) signed with the Lenders. Interest for the quarter and twelve month ended 31st March 2019 aggregating to Rs. 281.39 Crores and Rs.1099.12 Crores respectively and Rs. 1895.51 Crores till 31st March 2019 on debt portion which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited' (JIDL) on sanction of the scheme of Arrangement by Hon'ble National Company Law Tribunal (NCLT), Allahabad with appointed date of 1st July, 2017 has been added to the carrying cost of the Inventory/ Projects under development in respect of SDZ Real Estate Undertaking [SDZ-RE], since the same has to be serviced from the assets/development of Assets of SDZ-RE.

However before the order on the above restructuring scheme by the Hon'ble NCLT, ICICI Bank Limited on the direction of RBI had filed an application with Hon'ble NCLT,



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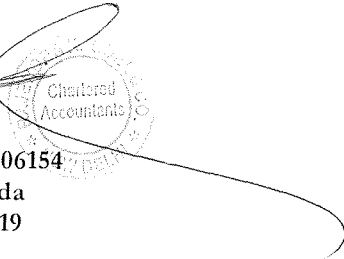
Allahabad bench U/s 7 of Insolvency & Bankruptcy Code, 2016 against the company which is pending.

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

Our opinion is not modified in respect of above stated matters in para (1) to (14).

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

R/K. Goel
Partner
Membership No. 006154
Place: Greater Noida
Dated: 28th May 2019



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

To The Board of Directors of Jaiprakash Associates Limited

1. We have audited the consolidated financial results of Jaiprakash Associates Limited ('the Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates for the year ended 31 March, 2019, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations'). These consolidated financial results are based on the consolidated financial statements for the year ended 31 March, 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act'), and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November, 2015 and CIR/CFD/CMD/15/2015 dated 5 July, 2016 which are the responsibility of the Holding Company's management and have been approved by the Board of Directors of the Holding Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March, 2019.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on the test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provide a reasonable basis for our opinion.
3. **Basis of Qualified opinion**

Attention is drawn to:

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

The Hon'ble Supreme Court vide its final order dated August 09, 2018 while disposing the case inter-alia directed recommencement of CIRP with effect from the date of the Order. The Apex Court also ordered transfer of Rs. 750 Crores deposited by the Company to NCLT.

We also draw attention to Emphasis of Matter by the Independent Auditor of JIL that:

The Company is undergoing corporate insolvency resolution process (CIRP), under the provision of the Insolvency and Bankruptcy Code 2016 (Insolvency Code) in terms of order dated August 9, 2017 passed by the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench.



As per Corporate Insolvency Resolution Process (CIRP), the Resolution Plan submitted by prospective Resolution Applicant as shortlisted by Committee of Creditors (CoC) and put to vote was not approved by CoC. The Hon'ble Supreme Court of India, in disposal of writ petition (Civil) No. 744/2017 filed by some of the home buyers as revived the period prescribed under Insolvency Code in other 180 days w.e.f. the date of order i.e. 9th August 2018 and did direct the IRP to follow provision of Insolvency Code afresh in all respects. The orders also permit the NCLT to grant a further extension of 90 days, if required, in accordance with provisions of Insolvency Code. NCLT wide its Order dated 28/01/2019 has extended the CIRP for a period of 90 days beyond 180 days.

The CIRP as directed by Hon'ble Supreme Court of India came to an end on 06/05/2019. The Hon'ble NCLT, Allahabad, an application filed by the IDBI Bank directed as per its order dated 06.05.2019/21.05.2019 that CoC and IRP must be allowed to proceed further with the CIRP process in accordance with Law and adjourned the matter for 29th July 2019.

As per terms of Section 20 of Insolvency Code, the management and operations of the company are being by IRP/RP on a going concern basis.

As the powers of the Board of Directors have been suspended, the result has not been adopted by the Board of Directors. However, the same has been signed by Chairman cum Managing Director of the Company confirming accuracy and completeness of results. The financial results have there after being taken on record by the IRP on May 27, 2019 for filing with the Stock Exchanges.

The opinion of Auditor of JIL is not modified in respect of above matter.

In view of the pendency / ongoing IRP proceedings with the NCLT Allahabad, the impact on the net worth of JIL, included in the consolidated financial statements is currently not ascertainable.

Matter stated above has also been qualified in our report in preceding year.

The Independent Auditor of certain subsidiary has qualified their audit report on the financial statements for the year ended on 31 March, 2019.

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

- [i] The financial statement of the Company is prepared on going concern basis. During the year the Company has incurred a Net Loss of Rs.4,162.99 lakhs resulting into accumulated losses of Rs. 40,878.63 lakhs against equity capital of Rs.37,968.48 lakhs and erosion of net worth as at March 31, 2019. Further, the Company's current liabilities exceed current assets. The matters require the company to generate additional cash flow to fund the operations as well as payment to lender, creditors and the statutory obligations. The appropriateness of assumption of going concern is dependent upon generation of additional cash flow to fund the operations and meet its obligations and implementation of business plan which are critical to the Company's ability to continue as going concern. Accordingly, we are unable to comment on the consequential impact on, if any, on the financial statement.



- [ii] The Company had not provided compensation for short lifting of annual Agreed Quantity of Granulated Slag of Rs.5,457.48 lakhs upto March 31, 2019 (including Rs. 2685.79 lakhs upto September 30, 2017 already demanded by the supplier). The Company has, however, disputed the claim as the material could not be lifted due to non-furnishing of bank guarantee, auction of quantity in open market etc. being default of the supplier and the company also have filed counter claim with the party for contribution loss suffered by the Company. The same being under negotiation, the company has not provided any expenses during the year. Hence, we are unable to comment to the extent to which this liability will be settled.

4. Qualified opinion:

In our opinion and to the best of our information and according to the explanation given to us, except for the effects/possible effects of our observations in para 3 above, and based on the consideration of the reports of the other auditors on separate financials results and on other financial information of the subsidiaries, Associates and Joint Venture, the consolidated financial results:

- a) includes the financial results for the year ended 31 March 2019, of the following entities:

Subsidiaries

- 1) Jaypee Infratech Limited
- 2) Himalayan Expressway Limited
- 3) Jaypee Cement Hockey (India) Limited
- 4) Jaypee Infrastructure Development Limited
- 5) Jaypee Ganga Infrastructure Corporation Limited
- 6) Jaypee Agra Vikas Limited
- 7) Yamuna Expressway Tolling Limited
- 8) Gujarat Jaypee Cement and Infrastructure Limited
- 9) Jaypee Assam Cement Limited
- 10) Jaypee Agri Initiative Limited
- 11) Kanpur Fertilizers and Cement Limited
- 12) Jaypee Fertilizers and Industries Limited
- 13) Jaypee Uttar Bharat Vikas Private Limited
- 14) Himalyaputra Aviation Limited
- 15) Jaypee Health Care Limited
- 16) Jaypee Cement Corporation Limited
- 17) RPJ Minerals Private Limited
- 18) Sonebhadra Minerals Private Limited
- 19) Sarveshwari Stone Products Private Limited
- 20) Rock Solid Cement Limited
- 21) Bhilai Jaypee Cement Limited

Associates

- 1) Prayagraj Power Generation Limited
- 2) Madhya Pradesh Jaypee Minerals Limited,
- 3) MPJP Coal Limited
- 4) MPJP Coal Fields Limited
- 5) Jaiprakash Power Ventures Limited

Joint Venture

- 1) JAL-KDSPL-JV



- b) are prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- c) give a true and fair view of the consolidated financial performance (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under section 133 of the Act for the year ended on 31 March 2019.

5. Emphasis of matter:

We draw attention to the following matters:

1)

- [i] The Competition Commission of India vide its Order dated 31st August, 2016 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 during F.Y. 2009-10 & 2010-11 and imposed a penalty of Rs. 1,323.60 Crores on the Company. The Company had filed an Appeal against the said Order which was heard on various dates by Hon'ble National Company Law Appellate Tribunal (NCLAT). NCLAT vide its Order dated 25th July 2018 has rejected the appeals of all the cement manufacturers including that of the Company without interfering in the penalty, though, if calculated on the basis of profits earned by the Cement business, the same would have been Rs. 237.70 Crores only as against the penalty of Rs. 1,323.60 Crores calculated on the profits for all business segments of the Company. The Company has filed appeal with the Hon'ble Supreme Court and the case has since been admitted and the Order of NCLAT has been stayed with the direction that interim order passed earlier by NCLAT in these cases will continue in the mean time.
- [ii] The Competition Commission of India vide its other order dated 19th January, 2017 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 in the State of Haryana during F.Y. 2012-13 to F.Y. 2014-15 and imposed a penalty of Rs. 38.02 Crores on the Company. The Company had filed an appeal against the Order before NCLAT which has stayed the operation of impugned order and further proceedings are progressing in the matter.

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

- 2) Yes Bank Limited (YBL) invoked entire pledged equity share 28,09,66,000 of Rs. 10/- each of Bhilai Jaypee Cement Limited (BJCL) and also recalled outstanding loan and invoked corporate guarantee and shortfall undertaking given by the company against the loan facility of Rs. 465 Crores and Rs.45 Crores to JCCL a fully owned subsidiary of the company. YBL assigned the same in favor of Assets Care and Reconstruction Enterprise Limited (ACRE) The ACRE informed about the transfer of the entire pledged/NDU share of BJCL in its name. However the company is contesting the assignment on the basis of the fact that these facilitates has been covered under the Comprehensive Reorganization & Re-structuring Plan (CRRP) of Company & Jaypee Cement Corporation Limited (JCCL) duly approved by the consortium of lenders including YBL at its meeting held on 22nd June, 2017. However the company still consolidating BJCL as a subsidiary.
- 3) Yes Bank Limited /ARC has invoked pledged of 50,000 Equity shares of Rs 10/- each of Yamuna Expressway Tolling Limited (YETL) (subsidiary Company) held by the Company. The company is contesting the invocation by the lenders. The matter is pending for settlement with lenders. The company continues to consolidate YETL as subsidiary.



- 4) Lender of MP Jaypee Coal Limited (MPJPCL) has invoked the corporate guarantee given by the Company for financial assistance granted to MPJPCL and served a notice to the company to make payment of Rs. 25.75 Crores outstanding as on 31st August, 2018 (Rs. 22.24 Crores outstanding as on 31.03.2019). However the liability has not been considered in the books of accounts being unascertainable, as the Coal Block for which Mining Rights are held by MPJPCL is yet to be re-allotted by the Nominated Authority.
- 5) Lender of Jaypee Cement Corporation Limited (JCCL) [subsidiary of the company] has invoked the corporate guarantee given by the company for financial assistance being granted to JCCL and asked to make payment for Rs. 438.36 Crores and Rs. 20.79 Crores, being amount outstanding as on 09.09.2018. However the liability has not been considered in the books of accounts being unascertainable, as the loan in question is part of approved Comprehensive Reorganization & Restructuring plan of JCCL and the Company.
- 6) Non-Current Trade receivables include Rs. 2661.34 Crores, outstanding as at 31st March 2019 (Rs. 2645.45 Crores, outstanding as at 31st December 2018) which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.
- 7) The company has made a Non-Current Investment of Rs. 340 Crores (34 crores Equity Shares of Rs 10/- each, fully paid up) in Prayagraj Power Generation Company limited ('PPGCL'), an associate company. Lenders of PPGCL has invoked the entire pledged share of PPGCL held by Jaiprakash Power Ventures Limited ('JPVL') [Holding Company of PPGCL] on 18th December 2017 due to default in payment to Banks/Financial Institutions. Thereafter State bank of India had invited the bid for sale of share of PPGCL and issued Letter of Intent to Resurgent Power Venture Pte Limited and executed share purchase agreement as on 13.11.2018. UPPCL/UPERC has also approved the transfer of shares/ change in management subject to certain conditions. State Bank of India has also filed an insolvency application for PPGCL before NCLT, Allahabad. Keeping in the view of above facts, the impact on the carrying amount of Equity Shares of PPGCL held by the company is currently unascertainable and considered at book value by the management.
- 8) The company has made investment in equity shares (Quoted) of Rs. 1,742.62 Crores in Jaiprakash Power Ventures Limited (JPVL) an associate company (earlier subsidiary) of the company. The company is under debt restructuring and all the Lenders have approved the resolution plan and signed the framework Agreement on 18th April, 2019. Further as envisaged in the resolution plan, the Company is in the process of issuing compulsory convertible preference share (CCPSs) (@0.01% to be converted as per prevailing guidelines) in respect of part of the debt of the Lenders. Considering the present status of Debt Resolution Process, valuation of certain assets of JPVL and further better prospects no diminution is envisaged by the management in the carrying value in the consolidated financial statements on the basis of quoted share price of JPVL being less than the carrying value.
- 9) In the opinion of the management in the case of loss making segments of the company, no impairment in the assets of the segment is required in view of temporary nature of the losses, Valuation report, circle rates of the immovable property and future cash flows which are higher than the carrying value of the assets.



- 10) The Company has received Termination Notice for the Mandla North Coal Mine allotted by Nominated Authority, Ministry of Coal on account of not meeting eligibility criteria mentioned in the Coal Mines Development and Production Agreement along with instructions for invocation of the Bank Guarantee submitted by the company in the form of Performance Security. The Hon'ble High Court has granted stay against the Termination Notice and invocation of Performance Guarantee. Since, the matter is now being sub-judice in High Court, the recoverability of the amount invested aggregating to Rs.294.82 Crores as on 31.03.2019 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, As such no provision has been considered necessary to be made in the consolidated financial statements by the management.
- 11) The Confirmations/ Reconciliation of balances of secured & unsecured loans, certain balances with banks including certain fixed deposits, trade receivables, trade and other payables (including micro and small enterprises and 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.
- 12) The Company has made payment to its Managerial Personnel in terms of their respective appointments and within the limits prescribed under the Companies Act, 2013 during the year. However, in view of default in repayment of principal and/ or interest to Banks and Financial Institutions during the current year, the Company, in terms of the amended Sec 197 of the Companies Act, 2013 and schedule V thereof and pursuant to approval of NRC & Board, has approached lenders for approval of remuneration aggregating Rs. 21.86 Crores paid to all the managerial personnel during the year. The lenders have approved the same. Similarly lenders has also accorded approval of the re-appointment and remuneration of Shri Manoj Gaur (Executive Chairman & CEO) for the period of 01.04.2016 to 31.03.2019, the Company's application for which was abated in view of change in law w.e.f. 12.09.2018 in terms of amendment to Section 197 of the Act. Shareholders' approval for all the above is to be taken by the company in due course.

Regarding the Central Government's direction to recover remuneration to the company vide letter dated 27-12-2017 paid to managerial personnel (Managing Director & Whole time Directors) for the year 2014-15 and 2015-16 (upto 31.10.2015), the company pursuant to approval of the NRC & Board had approached lenders for approval for waiver of recovery of remuneration. Similarly, the application of the Central Government for approval of re-appointment and remuneration of Shri Rahul Kumar (for the period from 31.10.2015 to 30.10.2018) was rejected on account on non recovery of remuneration paid to above managerial personnel. The Company's request to Lenders for waiver of above totaling Rs. 28.14 Crores was not considered favorably but company represented again and the same is subject to their further review.

The Company has sought clarification from Ministry of Corporate Affairs (MCA) based on the facts that no remuneration is recoverable by the Company since all managerial personnel were paid as per provisions of the Companies Act, 1956/2013. Clarification requested from MCA is awaited where after suitable actions are required under the amended Section 197 ibid would be taken including approval of shareholders.

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



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

The company has provided interest expenses on the debt portion that will remain with the company in accordance with the Restructuring Scheme approved and Master Restructuring Agreement (MRA) signed with the Lenders. Interest for the quarter and twelve month ended 31st March 2019 aggregating to Rs. 281.39 Crores and Rs.1,099.12 Crores respectively and Rs. 1,895.51 Crores till 31st March 2019 on debt portion which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited' (JIDL) on sanction of the scheme of Arrangement by Hon'ble National Company Law Tribunal (NCLT), Allahabad with appointed date of 1st July, 2017 has been added to the carrying cost of the Inventory/ Projects under development in respect of SDZ Real Estate Undertaking [SDZ-RE], since the same has to be serviced from the assets/development of Assets of SDZ-RE.

However before the order on the above restructuring scheme by the Hon'ble NCLT, ICICI Bank Limited on the direction of RBI had filed an application with Hon'ble NCLT, Allahabad bench U/s 7 of Insolvency & Bankruptcy Code, 2016 against the company which is pending.

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

Our opinion is not modified in respect of above stated matters in para (1) to (14).

The Independent Auditors of certain subsidiaries in their audit report on the financial statements for the year ended on 31 March, 2019 have drawn emphasis of matter paragraphs incorporated by us as under:

- 1) The financial statements of Sonebhadra Minerals Private Limited, Jaiprakash Agri Initiatives Company Limited, Jaypee Assam Cement Limited, Jaypee Cement Corporation Limited, Jaypee Cement Hockey (India) Limited, Jaypee Infrastructure Development Limited, Jaypee Ganga Infrastructure Corporation Limited, Yamuna Expressway Tolling Limited, Himalyaputra Aviation limited, subsidiaries of the Companies, indicates that these companies have accumulated losses which are more than fifty percent of Net worth and in some cases the net worth has been fully eroded, these company has incurred cash loss during the current year and previous year(s) and these companies current liabilities have exceeded the respective current assets of the companies at the balance sheet date. These conditions, along with other matters indicate the existence of a material uncertainty that may cast significant doubt about these Companies ability to continue as a going concern. However, the financial statements of these companies have been prepared on a going concern basis which is dependent upon continuous support of its holding company.
- 2) Board of Directors of Gujarat Jaypee Cement & Infrastructure Limited, a subsidiary of the Company; have decided to terminate the Share Holder Agreement between the joint ventures, Jaiprakash Associates and Gujarat Mineral Development Corporation and initiate winding up of the Company once approval for termination from the board of GMDC is received.



Since the purpose for which the company was formed is not to be pursued any more, the going concern assumption is vitiated and accordingly, the assets and liabilities have been stated at their net realizable value. However, as per the management, it is not possible to ascertain the net realizable value of the freehold land held by the Company and as such the same has been stated at the historical cost.

- 3) In case of Jaypee Cement Corporation Limited, a subsidiary of the Company, Confirmations/ Reconciliation of balances of certain secured & unsecured loans, balances with banks, trade receivables, trade and other payables (including capital creditors) and loans and advances are pending. The management is confident that on confirmation / reconciliation there will not be any material impact on the financial statements.
- 4) In the case of Bhilai Jaypee Cement Limited (a subsidiary of the company), no provision has been considered necessary by the management against Entry Tax amounting to Rs. 3,408.62 lakhs (including interest) as demanded by the Commercial Tax Department. The company has filed Writ Petition in Hon'ble High Court of Chhattisgarh against the order of Commercial Tax Department. Further the company has filed for the exemption certificate regarding payment of entry tax which was rejected by the Department of Commerce & Industries, Chhattisgarh. During the year, the company has filed an appeal before the State Appellate Forum, Department of Commerce & Industries, (Government of Chhattisgarh) against the order of the Department of Commerce & Industries, Chhattisgarh. The management is confident for favorable outcome in both the above-mentioned cases. Moreover, Rs.684.35 lakhs have been deposited against the entry tax demand till date and shown as part of other non-current assets which is in the opinion of the management is good and recoverable.

Our opinion is not modified in respect of above stated matters in para (1) to (4).

6. Other Matters:

- (a) Auditors of the respective subsidiary companies have drawn attention to following matters in their reports under the heading 'Report on Other Legal and Regulatory Requirements'.
 - [i] Himalyaputra Aviation Limited, a subsidiary of the Company, is yet to appoint Chief Financial Officer as key Managerial personnel as per the requirement of section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
 - [ii] Jaypee Uttar Bharat Vikas Private Limited, a subsidiary of the Company, is yet to appoint Company Secretary as key Managerial personnel as per the requirement of section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
 - [iii] Jaypee Fertilizers & Industries Limited, a subsidiary of the Company, is yet to appoint Company Secretary and Chief Financial Officer as key Managerial personnel as per the requirement of section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



[iv] Jaypee Ganga Infrastructure Corporation Limited and Jaiprakash Agri Initiatives Company Limited have Report, there is no Key Managerial Person (KMP) as on 31.3.2019, other than Company Secretary as required by section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(b) We did not audit the financial statements of twenty one subsidiary and a joint venture, whose financial statements reflect total assets of Rs. 33,04,414 lacks , net assets of Rs. 3,44,482 lacks, and net cash flows of Rs. 2448 lacks As at 31 March 2019, total revenue of Rs. 4,69,554 lacks, total profit/(loss) after tax of Rs. (1,81,911) lacks And other comprehensive income of Rs. 26 lacks for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Regulation 33 of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circulars CIR/CFD/CMD/15/2015 dated 30 November, 2015 and CIR/CFD/FAC/62/2016 dated 5 July, 2016, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of such auditors.

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

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

R.K. Goel
Partner
Membership No. 006154
Place: Greater Noida
Dated: 28th May 2019



ANNEXURE-I

Annexure -2

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019				
(Amount in Rs. Lakhs)				
I.	S. No.	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)	
	1.	Turnover/ Total Income	698438	698438
	2.	Total Expenditure	733462	733462
	3.	Exceptional and Extraordinary items (Net) Loss/ (Gain)	42344	106519
	4.	Net Profit/(Loss) (1-2-3) before tax	(77368)	(141543)
	5.	Earnings Per Share for discontinued and continued operations Basic (₹)	(3.18)	(5.82)
	6.	Total Assets	3782076	3717901
	7.	Total Liabilities	2906730	2906730
	8.	Net Worth (6-7)	875346	811171
	9.	Any other financial item(s) (as felt appropriate by the management)	-	-



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II.

(a) Audit Qualification:

Attention is drawn to:

Refer Note No. 45 of Standalone Financial Statements. The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited (JIL) (Subsidiary of the company) was admitted and Interim Resolution Professional ('IRP') personnel was appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petition/Intervention filed by certain home buyers of Jaypee Infratech Limited and gave various interim directions from time to time including continuation of Corporate Insolvency Resolution Process (CIRP).

The Hon'ble Supreme Court vide its final order dated August 09, 2018 while disposing the case inter-alia directed recommencement of CIRP with effect from the date of the Order. The Apex Court also ordered transfer of Rs. 750 Crores deposited by the Company to NCLT.

In view of the pendency / ongoing IRP proceedings with the NCLT Allahabad;

- i. The impact on the carrying value of the following is not ascertainable:
 - Current receivable of Rs. 306.36 Crores,
 - Corporate guarantees amounting to Rs. 254.24 Crores to the lenders of JIL. No fair valuation of which has been done as per requirements of IndAS 113 and as such impact of which is not ascertainable.
 - Deposit of Rs. 750 Crores lying with NCLT.
- ii. The company's Non current investment in the equity shares of JIL is Rs. 849.26 Crores. The market value of JIL share as on 31.03.2019 being Rs. 2.45 of Rs. 10 each per share. The impairment based on the market value of share amounts to Rs. 641.75 crores which have not been considered in the accounts

by the management in view of pending/ongoing IRP proceeding and offer of JAL under section 12A of Insolvency and Bankruptcy Code 2016. Had this provision been made the loss would have increased to that extent.

Matters stated above has also been qualified in our report in preceding quarters/year.



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II	b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion : Modified opinion by Auditors
II	c.	Frequency qualification: Whether appeared first time/ repetitive / since how long continuing: - This qualification has come for the second time.
II	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <u>Management Response to the Qualification at Sl no (ii) of Audit Qualification:-</u> Pursuant to the Hon'ble Supreme Court Order dated 09 August 2018 giving directions for recommencement of Corporate Insolvency Resolution Process (CIRP), the Insolvency Process for Jaypee Infratech Limited is currently underway. The Company has also represented to resolve the matter and given an offer within Section 12A of the Insolvency & Bankruptcy Code, 2016. In view of the current status of the process, presently management is of the view that Impact on carrying value of investment by the Company in JIL is of temporary nature and uncertain hence not provided, however, the Auditor is of the view that impairment to the extent of carrying amount being more than the market value of shares should be provided.
II	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimations on the impact of Audit qualifications : Response : The impact of the qualification is unascertainable at this point of time on (i) of Audit qualification (ii) If management is unable to estimate the impact, reasons for the same : Response : In view of the CIRP process undergoing, impact on current receivable by



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the company to the extent of Rs 306.36 crores from JIL could not be ascertained. Company has already filed the claim as an operational creditor towards receivables outstanding with IRP of JIL.

Impact that may arise on the Company on account of corporate guarantee given by the company to lenders of JIL for financial assistance being granted to JIL could not be ascertained. Outstanding amount of loan for which corporate guarantee is being given as on 31st March 2019 is Rs 254.24 crores.

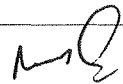
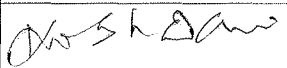
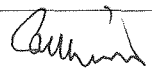
Since, the period of repayment of financial assistance by JIL for which the company has given corporate guarantee is completed and JIL is under CIRP therefore no guarantee valuation could be done at this point of time.

Regarding refund of deposit with NCLT Rs.750 Cr (transferred from the Hon'ble Supreme Court) the matter is sub-judice at NCLT Allahabad. The management expects that the NCLT will give favourable decision and refund the deposit. Therefore the impact on the deposit is also not ascertainable.


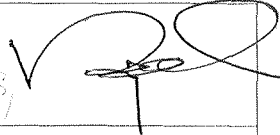
(iii)

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

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

VI.	Signatories	
	• Manoj Gaur (Executive Chairman)	
	• K.N.Bhandari (Chairman-Audit Committee)	
	• S. K.Thakral (CFO)	



	<ul style="list-style-type: none">Statutory Auditors: Rajendra K. Goel & Co., Chartered Accountants	 
	Place: Greater Noida	
	Date :28 th May 2019	

ANNEXURE-I

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

(Amount in Rs. Lakhs)

I.	S. No.		Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total Income	1089116	1089116
	2.	Total Expenditure	1298123	1298123
	3.	Exceptional and Extraordinary items (Net) Loss/ (Gain)	32818	32818
	4.	Net Profit/(Loss) (1-2-3) before tax & share in associate	(241825)	(241825)
	5.	Earnings Per Share for discontinued and continued operations Basic (₹)	(8.68)	(8.68)
	6.	Total Assets	5652289	5652289
	7.	Total Liabilities	5513363	5513363
	8.	Net Worth	138926	138926
	9.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	(a) Audit Qualification: Attention is drawn to: 1. The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited			



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As the powers of the Board of Directors have been suspended, the result has not been adopted by the Board of Directors. However, the same has been signed by Chairman cum Managing Director of the Company confirming accuracy and completeness of results. The financial results have there after being taken on record by the IRP on May 27, 2019 for filing with the Stock Exchanges.

The opinion of Auditor of JIL is not modified in respect of above matter.

In view of the pendency / ongoing IRP proceedings with the NCLT Allahabad, the impact on the net worth of JIL, included in the consolidated financial statements is currently not ascertainable.

In view of the pendency / ongoing CIRP/legal proceedings before the NCLT Allahabad and the Hon'ble Supreme Court of India, the impact on the Net Worth of JIL, included in the consolidated Financial Statements is currently not ascertainable.

The Independent Auditor of certain subsidiary has qualified their audit report on the financial statements for the year ended on 31 March, 2019.

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

2(i) The financial statement of the Company is prepared on going concern basis. During the year the Company has incurred a Net Loss of Rs.4,162.99 lakhs resulting into accumulated losses of Rs. 40,878.63 lakhs against equity capital of Rs.37,968.48 lakhs and erosion of net worth as at March 31, 2019. Further, the Company's current liabilities exceed current assets. The matters require the company to generate additional cash flow to fund the operations as well as payment to lender, creditors and the statutory obligations. The appropriateness of assumption of going concern is dependent upon generation of additional cash flow to fund the operations and meet its obligations and implementation of business plan which are critical to the Company's ability to continue as going concern. Accordingly, we are unable to comment on the consequential impact on, if any, on the financial statement.

2(ii) The Company had not provided compensation for short lifting of annual Agreed Quantity of Granulated Slag of Rs.5,457.48 lakhs upto



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	<p>March 31, 2019 (including Rs. 2685.79 lakhs upto September 30, 2017 already demanded by the supplier). The Company has, however, disputed the claim as the material could not be lifted due to non-furnishing of bank guarantee, auction of quantity in open market etc. being default of the supplier and the company also have filed counter claim with the party for contribution loss suffered by the Company. The same being under negotiation, the company has not provided any expenses during the year. Hence, we are unable to comment to the extent to which this liability will be settled.</p>

II	b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion : Modified opinion by Auditors
II	c.	Frequency qualification: Whether appeared first time/ repetitive / since how long continuing: Qualification has come for the second time.
II	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: No quantification has been given by the Auditor.
II	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i)	Management's estimations on the impact of Audit qualifications : Response: The impact of the qualification is unascertainable at this point of time.
	(ii)	If management is unable to estimate the impact, reasons for the same : <u>Management Response to the Qualification in the Consolidated Annual Audited Financial Statements:-</u> Response for qualification at serial No.1:- Response for Qualification: Pursuant to the Hon'ble Supreme Court Order dated 09 August 2018 giving directions for recommencement of Corporate Insolvency



(JIL) (Subsidiary of the company) was admitted and Interim Resolution Professional (IRP) personnel was appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petition/Intervention filed by certain home buyers of Jaypee Infratech Limited and gave various interim directions from time to time including continuation of Corporate Insolvency Resolution Process (CIRP).

The Hon'ble Supreme Court vide its final order dated August 09, 2018 while disposing the case inter-alia directed recommencement of CIRP with effect from the date of the Order. The Apex Court also ordered transfer of Rs. 750 Crores deposited by the Company to NCLT.

We also draw attention to Emphasis of Matter by the Independent Auditor of JIL that:

The Company is undergoing corporate insolvency resolution process (CIRP), under the provision of the Insolvency and Bankruptcy Code 2016 (Insolvency Code) in terms of order dated August 9, 2017 passed by the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench.

As per Corporate Insolvency Resolution Process (CIRP), the Resolution Plan submitted by prospective Resolution Applicant as shortlisted by committee of Creditors (CoC) and put to vote was not approved by CoC. The Hon'ble Supreme Court of India, in disposal of writ petition (Civil) No. 744/2017 filed by some of the home buyers as revived the period prescribed under Insolvency Code in other 180 days w.e.f. the date of order i.e. 9th August 2018 and did direct the IRP to follow provision of Insolvency Code afresh in all respects. The orders also permit the NCLT to grant a further extension of 90 days, if required, in accordance with provisions of Insolvency Code. NCLT vide its Order dated 28/01/2019 has extended the CIRP for a period of 90 days beyond 180 days.

The CIRP as directed by Hon'ble Supreme Court of India came to an end on 06/05/2019. The Hon'ble NCLT, Allahabad, an application filed by the IDBI Bank directed as per its order dated 06.05.2019/21.05.2019 that CoC and IRP must be allowed to proceed further with the CIRP process in accordance with Law and adjourned the matter for 29th July 2019.

As per terms of Section 20 of Insolvency Code, the management and operations of the company are being by IRP/RP on a going concern basis.



A handwritten signature in black ink, appearing to be "S. M. S." or similar.

Resolution Process (CIRP), the Insolvency Process for Jaypee Infratech Limited is currently underway. The Company has also represented to resolve the matter and given an offer within Section 12A of the Insolvency & Bankruptcy Code, 2016.

In view of the current status of the process, presently management is of the view that Impact on net worth of JIL, included in Consolidated financial statements is currently not ascertainable.

Response to Serial No 2(i): BJCL has assets at two plants and based on valuation report and future plans of the management, there is no loss expected and all accumulated losses could be recovered. Hence, impact could not be ascertained.

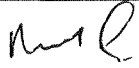

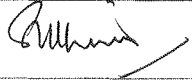

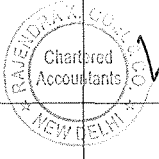
Response to Serial No.2(ii): The matter is under dispute the company is not accepting any claim of the supplier. Hence, no loss could be ascertained at this point in time.

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

(iii) **Response : In view of the reasons stated by the Company, currently impact could not be ascertained.**



SM

VI.	Signatories	
	<ul style="list-style-type: none"> Manoj Gaur (Executive Chairman) 	
	<ul style="list-style-type: none"> K.N.Bhandari (Chairman-Audit Committee) 	
	<ul style="list-style-type: none"> S. K.Thakral (CFO) 	
	<ul style="list-style-type: none"> Statutory Auditors: Rajendra K. Goel & Co., Chartered Accountants 	 
	Place: Greater Noida	
	Date :28 th May 2019	

Annexure-3

Jaiprakash Associates Limited

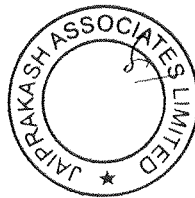
Profiles of Shri Sunny Gaur, Managing Director (Cement) and Shri Pankaj Gaur, Jt. Managing Director (Construction):

- (1) **Shri Sunny Gaur**, aged about 50 years, is a graduate having 29 years' experience in various aspects of the cement business, including setting up, operation and maintenance of cement plants. He is Managing Director (Cement) of Jaiprakash Associates Limited & Managing Director of Jaypee Healthcare Limited. He is also Director in other Jaypee Group companies.

Shri Sunny Gaur, Managing Director (Cement) is son of Shri Jaiprakash Gaur and brother of Shri Manoj Gaur, Executive Chairman.

- (2) **Shri Pankaj Gaur**, 48, is B.E. (Instrumentation), having 25 years' experience in engineering, construction & cement business. He initially worked in cement business of the Company and since 1999 branched out to Engineering & Construction division. He is Joint Managing Director (Construction) of Jaiprakash Associates Limited since 14th December, 2007 and presently responsible for several hydro projects in India, Nepal and Bhutan for the Company.

Shri Pankaj Gaur, Jt. Managing Director (Construction) is not related to any other Director of the Company.



Annexure-4

Jaiprakash Associates Limited

Profile of Shri Ashok Soni, Chief Financial Officer

Shri Ashok Soni, aged about 56 years, is a Chartered Accountant and has more than 31 years' experience in the field of Finance, administration and accounting, internal control & productivity improvements, taxation, etc.

Shri Ashok Soni has worked as CFO in Maharashtra Seamless Limited, Gurgaon (4.5 years), HIL Limited (C.K. Birla Group Company – 6.5 years), J.K. Group (around 20 years).

Shri Ashok Soni is not related to any Director of the Company.

