

JAI PRAKASH ASSOCIATES LIMITED

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STATEMENT OF AUDITED FINANCIAL RESULTS
 FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	STANDALONE					CONSOLIDATED	
	Quarter Ended			Year Ended		Year Ended	
	31.03.2018 [Audited]	31.12.2017 [Unaudited]	31.03.2017 [Audited]	31.03.2018 [Audited]	31.03.2017 [Audited]	31.03.2018 [Audited]	31.03.2017 [Audited]
1 Income							
Revenue from Operations	160661	110860	175593	614308	661584	776133	1425956
Other Income	8767	3061	7818	14502	14084	14559	14432
Total Income	167428	113921	183411	628810	675668	790692	1440388
2 Expenses							
[a] Cost of Materials Consumed	72100	35885	56580	188985	200661	305782	519972
[b] Purchase of Stock-in-trade	2916	3638	594	7226	677	17483	11344
[c] Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	(1683)	(3235)	10450	803	25183	(8502)	15821
[d] Direct Construction, Manufacturing, Real Estate, Hotel/Hospitality & Power Expenses	44384	35768	57830	175568	191706	264810	384420
[e] Excise Duty on Sale of Goods	-	-	10865	9,404	39652	11681	50053
[f] Employee Benefits Expense	10088	11074	15977	50050	63934	65688	90759
[g] Finance Costs	17300	20842	91368	96754	356728	244049	740654
[h] Depreciation and Amortisation Expense	9791	9972	21908	50675	87820	78207	188830
[i] Other Expenses	20164	13672	38938	75701	145818	115924	188617
Total Expenses	175060	127616	304630	655166	1112179	1095132	2191670
3 Profit/(Loss) before Exceptional Items, Share of Profit/(Loss) in Associates and Tax [1 - 2]	(7632)	(13695)	(121219)	(26358)	(436511)	(304440)	(751282)
4 Exceptional Items	(238)	(1115)	(48034)	61527	(48034)	111635	(308999)
5 Profit/(Loss) before Share of Profit/(Loss) in Associates and Tax [3 + 4]	(7870)	(14810)	(169253)	35171	(484545)	(192805)	(1060281)
6 Share of Profit/(Loss) in Associates	-	-	-	-	-	(66936)	13
7 Profit/(Loss) before Tax [5 + 6]	(7870)	(14810)	(169253)	35171	(484545)	(259741)	(1060268)
8 Tax Expense							
[a] Current Tax	-	-	-	-	-	197	873
[b] Provision for Income Tax of Earlier Years	-	-	-	-	-	-	176
[c] Deferred Tax	-	-	18987	-	(48388)	(276)	(120058)
Total Tax Expense	-	-	18987	-	(48388)	(79)	(119009)
9 Net Profit/(Loss) after Tax [7 - 8]	(7870)	(14810)	(188240)	35171	(436157)	(259662)	(941259)
10 Profit/(Loss) from Continuing Operations	(7863)	(14810)	(125409)	53974	(330300)	(235157)	(868274)
11 Tax expense of Continuing Operations	-	-	18658	-	(49544)	1511	(117085)
12 Profit/(Loss) from Continuing Operations after Tax [10 - 11]	(7863)	(14810)	(144067)	53974	(280756)	(236668)	(751189)
13 Profit/(Loss) from Discontinued Operations	(7)	-	(43844)	(18803)	(154245)	(24584)	(191994)
14 Tax expense of Discontinued Operations	-	-	329	-	1156	(1590)	(1924)
15 Profit/(Loss) from Discontinued Operations after Tax [13 - 14]	(7)	-	(44173)	(18803)	(155401)	(22994)	(190070)
16 Net Profit/(Loss) after Tax [12 + 15]	(7870)	(14810)	(188240)	35171	(436157)	(259662)	(941259)
17 Non Controlling Interest	-	-	-	-	-	(65932)	(70651)
18 Net Profit/(Loss) after Tax and Non-Controlling Interest [16 - 17]	(7870)	(14810)	(188240)	35171	(436157)	(193730)	(870608)
19 Other Comprehensive Income							
a(i) Items that will not be reclassified to Profit/(Loss)	(564)	(186)	(113)	(1000)	(554)	(1217)	(35)
(ii) Income Tax relating to Items that will not be reclassified to Profit/(Loss)	-	-	39	-	192	14	13
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	(564)	(186)	(74)	(1000)	(362)	(1203)	(22)
20 Non-Controlling Interest [Other Comprehensive Income]	-	-	-	-	-	8	16
21 Other Comprehensive Income after Non-Controlling Interest [19 - 20]	(564)	(186)	(74)	(1000)	(362)	(1211)	(38)
22 Total Comprehensive Income for the period [16 + 19] [comprising Profit/(Loss) and Other Comprehensive Income]	(8434)	(14996)	(188314)	34171	(436519)	(260865)	(941281)
23 Total Non-Controlling Interest [17 + 20]	-	-	-	-	-	(65924)	(70635)
24 Total Comprehensive Income for the period after Non-Controlling Interest [22 - 23] [comprising Profit/(Loss) and Other Comprehensive Income for the period]	(8434)	(14996)	(188314)	34171	(436519)	(194941)	(870646)
25 Paid-up Equity Share Capital [of ₹ 2/- per share]	48649	48649	48649	48649	48649	48649	48649
26 Other Equity [excluding Revaluation Reserve]	-	-	-	984464	707250	419225	332382
27 Earnings Per Share [of ₹ 2/- per share] [for continuing operations]							
Basic	₹ (0.30)	₹ (0.61)	₹ (5.42)	₹ 2.22	₹ (11.54)	₹ (7.06)	₹ (28.05)
Diluted	₹ (0.30)	₹ (0.61)	₹ (5.42)	₹ 2.22	₹ (11.54)	₹ (7.06)	₹ (28.05)
Earnings Per Share [of ₹ 2/- per share] [for discontinued operations]							
Basic	₹ -	₹ -	₹ (1.82)	₹ (0.77)	₹ (6.39)	₹ (0.90)	₹ (7.74)
Diluted	₹ -	₹ -	₹ (1.82)	₹ (0.77)	₹ (6.39)	₹ (0.90)	₹ (7.74)
Earnings Per Share [of ₹ 2/- per share] [for discontinued and continuing operations]							
Basic	₹ (0.30)	₹ (0.61)	₹ (7.24)	₹ 1.45	₹ (17.93)	₹ (7.96)	₹ (35.79)
Diluted	₹ (0.30)	₹ (0.61)	₹ (7.24)	₹ 1.45	₹ (17.93)	₹ (7.96)	₹ (35.79)

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**AUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018**

(₹ in Lakhs)

Particulars	STANDALONE					CONSOLIDATED	
	Quarter Ended			Year Ended		Year Ended	
	31.03.2018 [Audited]	31.12.2017 [Unaudited]	31.03.2017 [Audited]	31.03.2018 [Audited]	31.03.2017 [Audited]	31.03.2018 [Audited]	31.03.2017 [Audited]
1. Segment Revenue							
[a] Cement & Cement Products	51179	43800	115026	206815	440613	251148	521712
[b] Construction	75442	39291	37341	205307	144910	203856	144456
[c] Power	6626	5398	6996	22165	18305	22165	428329
[d] Hotel/Hospitality & Golf Course	7010	7524	6501	26301	23886	26301	23886
[e] Sport Events	130	183	259	756	924	771	1788
[f] Real Estate	19174	13544	5870	150075	26172	95938	26172
[g] Investments	-	-	-	-	-	-	-
[h] Infrastructure	-	-	-	-	-	(1448)	101261
[i] Fertilizers	-	-	-	-	-	220322	218592
[j] Health Care	-	-	-	-	-	26817	19703
[k] Others	2515	2151	4900	7700	11180	11090	7050
[l] Unallocated	162	143	232	587	745	128	36
Total	162238	112034	177125	619706	666735	857088	1492985
Less: Inter-segment Revenue	1577	1174	1532	5398	5151	80955	67029
Revenue from Operations	160661	110860	175593	614308	661584	776133	1425956
2. Segment Results							
[a] Cement & Cement Products	933	2828	(10412)	(15303)	(18911)	(24760)	(36390)
[b] Construction	3779	626	(3650)	3293	(19452)	(5498)	(35696)
[c] Power	325	158	538	1731	158	(899)	90235
[d] Hotel/Hospitality & Golf Course	1	1316	158	1439	564	1436	564
[e] Sport Events	(3542)	(2612)	(1471)	(11766)	(13452)	(11758)	(13942)
[f] Real Estate	4563	4495	(19723)	86627	(32900)	43775	(4334)
[g] Investments	3537	981	3495	5902	3825	2345	283
[h] Infrastructure	-	-	-	-	-	(67004)	(25856)
[i] Fertilizers	-	-	-	-	-	15985	15880
[j] Health Care	-	-	-	-	-	(4256)	(5733)
[k] Others	(610)	(907)	(200)	(2744)	(2839)	(2370)	(2886)
	8986	6885	(31265)	69179	(83007)	(53004)	(17875)
Less:							
[a] Finance Costs	17300	20842	91368	96754	356728	244049	740654
[b] Other Un-allocable Expenditure net off Un-allocable Income	(682)	(262)	(1415)	(1219)	(3224)	7387	(7247)
	(7632)	(13695)	(121218)	(26356)	(436511)	(304440)	(751282)
Exceptional Items	(238)	(1115)	(48035)	61527	(48034)	111635	(308999)
Profit/(Loss) from Ordinary Activities before Tax	(7870)	(14810)	(169253)	35171	(484545)	(192805)	(1060281)
3. Segment Assets							
[a] Cement & Cement Products	507163	522212	1413251	507163	1413251	641286	1807961
[b] Construction	514062	507658	554818	514062	554818	495914	509927
[c] Power	206886	217068	312276	206886	312276	206886	306197
[d] Hotel/Hospitality & Golf Course	82163	82755	84033	82163	84033	82030	83808
[e] Sports Events	246206	256307	262255	246206	262255	244316	260533
[f] Real Estate	1109871	1074944	1051790	1109871	1051790	1052290	977523
[g] Infrastructure	-	-	-	-	-	1542310	1461536
[h] Investments	751065	761806	760364	751065	760364	131775	212700
[i] Fertilizers	-	-	-	-	-	196050	207012
[j] Health Care	-	-	-	-	-	95596	84491
[k] Others	15830	16228	14638	15830	14638	44980	47155
[l] Un-allocated	206360	235553	192090	206360	192090	187657	135308
Total Segment Assets	3639606	3674531	4645515	3639606	4645515	4921090	6094151
4. Segment Liabilities							
[a] Cement & Cement Products	68301	88164	186365	68301	186365	104347	245961
[b] Construction	177949	164880	170382	177949	170382	125482	99424
[c] Power	15546	13975	6553	15546	6553	4934	6553
[d] Hotel/Hospitality & Golf Course	16075	15306	12760	16075	12760	16073	12760
[e] Sports Events	42503	49012	54100	42503	54100	41480	52410
[f] Real Estate	209302	224993	274458	209302	274458	209901	236399
[g] Infrastructure	-	-	-	-	-	423637	402991
[h] Investments	-	-	-	-	-	-	-
[i] Fertilizers	-	-	-	-	-	45076	45364
[j] Health Care	-	-	-	-	-	25263	9302
[k] Others	3053	4162	3159	3053	3159	2569	4143
[l] Un-allocated	223739	245931	408927	223739	408927	412209	375500
Total Segment Liabilities	756468	806423	1116704	756468	1116704	1410971	1490807

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STATEMENT OF ASSETS AND LIABILITIES				
(₹ in Lakhs)				
Particulars	STANDALONE		CONSOLIDATED	
	As At 31.03.2018 [Audited]	As At 31.03.2017 [Audited]	As At 31.03.2018 [Audited]	As At 31.03.2017 [Audited]
A ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	671495	644902	946698	928076
(b) Capital Work-in-Progress	120068	178930	146337	236744
(c) Investment Property	-	-	-	-
(d) Goodwill	-	-	4	4632
(e) Other Intangible Assets	13	14	968429	926189
(f) Intangible Assets under Development	-	-	-	9814
(g) Biological Assets other than bearer plants	-	-	-	-
	<u>791576</u>	<u>823846</u>	<u>2061468</u>	<u>2145455</u>
(h) Financial Assets				
(i) Investments	703404	715138	131715	208246
(ii) Trade Receivables	265542	299105	265542	299105
(iii) Loans	6429	5740	-	-
(iv) Other Financial Assets	3681	4013	3774	5021
(i) Deferred Tax Assets [Net]	-	-	25378	26680
(j) Other Non-Current Assets	165944	153441	209353	191667
Total - Non-current Assets	<u>1936576</u>	<u>2001283</u>	<u>2697230</u>	<u>2876174</u>
2 CURRENT ASSETS				
(a) Inventories	388823	874789	1371449	1229997
(b) Financial Assets				
(i) Investments	6889	4454	60	4454
(ii) Trade Receivables	116001	131417	193647	186303
(iii) Cash and Cash Equivalents	27123	22341	34979	30420
(iv) Bank Balances other than Cash and Cash Equivalents	25136	7236	30043	12305
(v) Loans	-	-	-	-
(vi) Other Financial Assets	156844	226320	88544	107602
(c) Current Tax Assets [Net]	-	-	-	-
(d) Other Current Assets	293927	225154	366813	259251
Total - Current Assets	<u>1014743</u>	<u>1491711</u>	<u>2085536</u>	<u>1830332</u>
3. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	688287	1152521	179820	1428855
TOTAL - ASSETS	<u>3639606</u>	<u>4645515</u>	<u>4962585</u>	<u>6135361</u>
B EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	48649	48649	48649	48649
(b) Other Equity	984464	707250	419225	332382
Total - Equity	<u>1033113</u>	<u>755899</u>	<u>467874</u>	<u>381031</u>
2 NON-CONTROLLING INTEREST	-	-	97332	146463
3 LIABILITIES				
(i) NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	536122	1525617	2570589	2657791
(ii) Trade Payables	11833	61903	11834	13434
(iii) Other Financial Liabilities	58059	68120	192190	27160
(b) Provisions	9497	9936	10638	9122
(c) Deferred Tax Liabilities [Net]	-	-	-	-
(d) Deferred Revenue	-	-	-	-
(e) Other Non-Current Liabilities	13502	19058	23920	30041
Total - Non-current Liabilities	<u>629013</u>	<u>1684634</u>	<u>2809171</u>	<u>2737548</u>
(ii) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	18674	300768	69517	350444
(ii) Trade Payables	127028	154830	229956	224796
(iii) Other Financial Liabilities	191390	1286517	560422	1561152
(b) Other Current Liabilities	299060	276393	608350	499274
(c) Provisions	223	216	442	413
(d) Current Tax Liabilities [Net]	-	-	-	-
Total - Current Liabilities	<u>636375</u>	<u>2018724</u>	<u>1468687</u>	<u>2636079</u>
4 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	1341105	186258	119521	234240
TOTAL - EQUITY AND LIABILITIES	<u>3639606</u>	<u>4645515</u>	<u>4962585</u>	<u>6135361</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 identified Cement Plants transferred to M/s UltraTech Cement Limited by the Company and its wholly owned subsidiary Jaypee Cement Corporation Limited on 29th June, 2017 and hence standalone figures for the three months and twelve months ended 31st March, 2018 and consolidated figures for the twelve month ended 31st March, 2018 are not comparable with the previous corresponding period.
2. During the quarter, the Company has received Letter of Award for execution of the work of "Construction of NH-56, 4-lane bypass of average length of 31.745 km in the State of Uttar Pradesh (Lucknow) on EPC mode (Package – 1) from NHA. The total Contract Price is ₹ 899 Crores.
3. [a] The Lenders of the Company in their Joint Lenders forum (JLF) meeting held on 22nd June, 2017 have approved restructuring/ realignment/ reorganisation of debt of the Company & its wholly owned subsidiary, JCCL. The Company has reworked the finance cost pertaining to Financial Year 2016-17 in accordance with the Lenders approved debt restructuring /realignment/ reorganisation scheme.
 [b] For the FY 2017-18, the Company has provided interest expenses on the debt portion that will remain with the company in accordance with the restructuring Scheme approved and Master Re-structuring Agreement (MRA) signed with the Lenders. Interest aggregating to ₹ 796.39 Crores on debt portion of ₹ 11091.27 Crores which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited (JIDL) on Order by Hon'ble National Company Law Tribunal (NCLT), Allahabad with appointed date of 01st 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.
 [c] As a part of restructuring / reorganisation / realignment of the debt of the Company, the Scheme of Demerger of the Undertaking (SDZ -RE) comprising identified moveable and immovable assets and liabilities to be transferred to and vested in the wholly owned subsidiary of the Company, namely, Jaypee Infrastructure Development Limited (JIDL) as a going concern, on a slump exchange basis is pending sanction by NCLT Allahabad and the long stop date provided in the Scheme has been extended till 31.12.2018.
4. [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 ₹ 1,323.60 Crores on the Company. The Company filed an Appeal against the said Order before the Competition Appellate Tribunal wherein the Tribunal granted stay on deposit of the penalty imposed subject to the condition that the company shall deposit 10% of the penalty calculated on the profit earned by the cement business i.e. ₹ 23.77 Crores, which was duly deposited. Thereafter, the matter was heard on various dates by Hon'ble National Company Law Appellate Tribunal (to whom the powers in such matters have been transferred) and the Order has been reserved.
 [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. The Tribunal stayed the operation of impugned order and further proceedings will commence after the Order in the matter referred at Sl. No.4[a] above, is passed.
 Based on the advice of the Company's counsels, the Company believes 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 Rs 2645.45 Crore, outstanding as at 31st March 2018 (Rs 2983.52 Crore, outstanding as at 31st March 2017) 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 these receivables are recoverable.
6. Standalone Loss before tax for the quarter and year ended 31st March, 2018 includes ₹ 0.07 Crores & ₹ 188.03 Crores respectively from discontinuing operations of the Company as against loss before tax ₹ 438.44 Crores & ₹ 1542.45 Crores for the quarter and year ended 31st March, 2017 respectively.
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%.
8. IDBI Bank Limited had filed Petition with Hon'ble National Company Law Tribunal, Allahabad Bench [the NCLT] U/s 7 of Insolvency & Bankruptcy Code, 2016 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 to carry the functions as mentioned under the Code. Hon'ble Supreme Court is seized of the matter and has issued various directions from time to time, latest being dated 16th May, 2018.
 Further NCLT has vide its Order dated 16th May, 2018 allowed the application of IRP relating to the mortgage of JIL's land in favour of lenders of the Company. Since the entire transaction was at the behest of the banks in normal course of business and providing collateral security on unencumbered asset at fair market price was acceptable practice therefore as an obedient borrower company has co-operated with the banks. The Company is filing appeal against the said order of NCLT.
9. Figures for the quarter ended 31st March, 2018 and 31st March, 2017 are the balancing figures in respect of full financial years and figures published for nine months period ended 31st December, 2017 and 31st December, 2016 respectively.
10. The above audited Financial results for the quarter & year ended 31st March, 2018 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 19th May, 2018.

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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 31.03.2018
[a]	Debt-Equity Ratio [in times]	1.79
[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 half year ended 31.03.2018 [PBIT excluding exceptional items / (Gross Interest + Long-term Principal Repayment)]	0.49
[g]	Interest Service Coverage Ratio [(in times) for half year ended 31.03.2018 (PBIT excluding exceptional items / Gross Interest)]	0.73
[h]	Debenture Redemption Reserve [₹ in Lakhs]	42297
[i]	Net Worth [₹ in Lakhs]	1033100
[j]	Net Profit after Tax for the year ended 31.03.2018 [₹ in Lakhs]	35171
[k]	Basic Earnings per Share for the year ended 31.03.2018 (in ₹)	1.45

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

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

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

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

Place: New Delhi
Dated:19th May, 2018

S. K. Sharma
SUNIL KUMAR SHARMA
Executive Vice Chairman



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 2018 and the year to date results for the period from 1 April 2017 to 31 March 2018 (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 2018 and the published year-to-date figures up to December 31, 2017, 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.

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:

Note No.41 of standalone financial statements regarding the insolvency petition filed by IDBI with the Hon'ble National Company Law Tribunal (the NCLT), Allahabad against the Jaypee Infratech Limited (JIL) "Subsidiary" of the company. The petition has been admitted and Interim Resolution Professional (IRP) personal has been appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petitions/Interventions filed by certain home buyers of Jaypee Infratech Limited and directed the company to deposit Rs. 2000 Crores with its Registry. The said order was modified by the Hon'ble Supreme Court of India and accordingly company has deposited Rs. 550 crores upto 31 March 2018.

In view of the pendency /ongoing Corporate Insolvency Resolution Process/legal proceedings with the NCLT Allahabad and the Hon'ble Supreme Court of India, the impact on the carrying value of the Non Current Investment in the equity of JIL amounting to Rs. 849.26 Crores, Current Receivables Rs. 341.75 Crores, Corporate Guarantees amounting to Rs.232.17 Crores, to the lenders of JIL and deposit with the Hon'ble Supreme Court of India, is not ascertainable.



A handwritten signature in black ink, appearing to be "Rd".

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 prepared standalone results 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 2018 as well as the year to date results for the period from 1 April 2017 to 31 March 2018.

5. Emphasis of matter:

We draw attention to the following matters:

- 1) As Stated in Note No. 32 [d] of the standalone financial statements,
 - [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 has filed an appeal against the said Order before the Competition Appellate Tribunal wherein the Tribunal vide its order dated 15th November, 2016 read with order dated 7th December, 2016 granted stay in depositing the penalty imposed subject to the condition that the company shall deposit 10% of the penalty calculated on the profit earned by the cement business i.e. Rs.23.77 Crores, which was duly deposited. Thereafter, the matter was heard on various dates by the Hon'ble National Company Law Tribunal (to whom the power in such matters has been transferred) and the Order has been reserved.
 - [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 appeal against the Order. The Competition Appellate Tribunal stayed the operation of impugned order and further proceedings will commence after the Order in the matter referred in SL. No. d [i] above, is passed.
- 2) As stated in Note No. 38 [i] of the standalone financial statements, State Bank of India has invoked the pledge of 10,00,00,000 Equity Shares of Jaypee Infratech Limited (JIL) held by the company and had sold 3,18,96,744 Equity Shares in the open market during the quarter ended March 31, 2018. The impact of the above said sale of shares has been taken in the standalone Financial Statements. Balance shares aggregating to 6,81,03,256 are held with trusteeship as at 31.03.2018. Pending disposal of balance shares by the Lender, the balance shares continue to be shown as part of Current Investments at cost.
- 3) As Stated in Note No. 39 of the standalone financial statement, Non-Current Trade receivables include Rs. 2645.45 Crore, outstanding as at 31 March 2018 (Rs. 2983.52 Crore, outstanding as at 31st March 2017) 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 and legal advice, the management considers these receivables are recoverable.



- 4) As stated in Note No. 40 of the standalone financial statements, the company has made an 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 Venture Limited ('JPVL') [Holding Company of PPGCL] on 18th December 2017 due to default in payment of interest to Banks/Financial Institutions. 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.
- 5) As Stated in Note No. 42 of the standalone financial statement, 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 JAL in the form of Performance Security. The Hon'ble High Court has granted a 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 293 Crores as on 31.03.2018 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, no provision has been considered necessary to be made in the standalone financial statements.
- 6) As Stated in Note No. 43 of the standalone financial statement, the Confirmations/ Reconciliation of balances of certain secured & unsecured loans, balances with banks, trade receivables, trade and other payables (including capital creditors) (including receivable/ payables from/ to related parties) and loans and advances are pending. The management is confident that on confirmation / reconciliation there will not be any material impact on the standalone financial statements.
- 7) As stated in Note No. 45 of the standalone financial statement, there are certain Entry tax matters under Appeals aggregating to Rs. 510.59 Crores (excluding interest, currently unascertainable) pertaining to the State of Uttar Pradesh, Madhya Pradesh and Himachal Pradesh. The Company has challenged these on account of Constitutional Validity etc. in Hon'ble High Courts/ Supreme Court. No provision has been made of the above in the standalone financial statements and management is of the opinion that the Company will succeed in the appeal. The Company has already deposited Rs.299.93 Crores and also furnished Bank Guarantees of Rs. 202.66 Crores against the above.
- 8) [i] As stated in Note no. 46 of the 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, JCCL. The Company has reworked the finance cost pertaining to Financial Year 2016-17 in accordance with the Lenders approved debt restructuring /realignment/ reorganization scheme.
- [ii] For the FY 17-18, 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 aggregating to Rs. 796.39 Crores on debt portion of Rs.11,091.27 Crores which will be transferred to Real Estate SPV namely Jaypee Infrastructure Development Limited (JIDL) on order of 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 and as such no further impact in this respect on the financial results is envisaged.
- [iii] As a part of restructuring / reorganization / realignment of the debt of the Company, the Scheme of Demerger of the Undertaking (SDZ -RE) comprising identified moveable and immovable assets and liabilities to be transferred to and vested in the wholly owned subsidiary of the Company, namely, Jaypee Infrastructure Development Limited (JIDL) as a going concern, on a slump exchange basis is pending for sanction with NCLT Allahabad.

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

6. The comparative financial information for year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone financial results have been audited by the predecessor auditor. The report of the predecessor auditor dated 29 May 2017 on the comparative financial information expressed an unmodified opinion. The comparative quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended 31 March 2017 and the published year-to-date figures up to 31 December 2016, being the date of the end of the third quarter of the previous financial year.

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

R.K. Goel
Partner
Membership No. 006154
Place: New Delhi
Dated: 19th May 2018



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 (collectively referred to as 'the Group') and its associates for the period from 01 April, 2017 to 31 March, 2018, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March, 2018 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'), 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, 2018.
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 qualified opinion.
3. **Basis of Qualified opinion**
Attention is drawn to:

- 1) Note No. 38 of the consolidated financial statements regarding the insolvency petition filed by IDBI with the Hon'ble National Company Law Tribunal ('the NCLT'), Allahabad against the Jaypee Infratech Limited ('JIL') "Subsidiary" of the company. The petition has been admitted and Interim Resolution Professional ("IRP") personal has been appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petitions/Interventions filed by certain home buyers of Jaypee Infratech Limited and directed the Holding company to deposit Rs. 2000 Crores with its Registry. The said order was modified by the Hon'ble Supreme Court of India and accordingly company has deposited Rs. 550 crores upto 31 March 2018.

We also draw attention to emphasis by the Independent Auditor of Jaypee Infratech Limited that:

As the Company is under Corporate Insolvency Resolution Process (CIRP), the financial statements have been presented on a going concern basis. As per the CIRP, Resolution Plan submitted by prospective Resolution Applicant has not been approved by COC within the mandatory 270 days period. Until further direction by the Hon'ble Supreme Court, the financial statements have been prepared on a going concern basis. The Interest on the debt for the period 09.08.2017 to 31.03.2018 provided in the books of accounts and charged to statement of profit & loss, is subject to the outcome of CIRP.



A handwritten signature in black ink, appearing to be "R. Goel".

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.

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 of Subsidiaries and on other financial information of the Subsidiaries and Associates, the consolidated financial results:

- a) includes the financial results for the year ended 31 March 2018, of the following entities:

Subsidiaries

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

- 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 2018.



5. Emphasis of matter:

We draw attention to the following matters:

- 1) As Stated in Note No. 32 [d] of the consolidated financial statements,
 - [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 has filed an appeal against the said Order before the Competition Appellate Tribunal wherein the Tribunal vide its order dated 15th November, 2016 read with order dated 7th December, 2016 granted stay in depositing the penalty imposed subject to the condition that the company shall deposit 10% of the penalty calculated on the profit earned by the cement business i.e. Rs.23.77 Crores, which was duly deposited. Thereafter, the matter was heard on various dates by the Hon'ble National Company Law Tribunal (to whom the power in such matters has been transferred) and the Order has been reserved.
 - [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 appeal against the Order. The Competition Appellate Tribunal stayed the operation of impugned order and further proceedings will commence after the Order in the matter referred in SL. No. d [i] above, is passed.
- 2) As stated in Note No. 35 [j] of the consolidated financial statements, State Bank of India has invoked the pledge of 10,00,00,000 Equity Shares of Jaypee Infratech Limited (JIL) held by the company and had sold 3,18,96,744 Equity Shares in the open market during the quarter ended March 31, 2018. The impact of the above said sale of shares has been taken in the consolidated financial statements. Balance shares aggregating to 6,81,03,256 are held with trusteeship as at 31.03.2018.
- 3) As Stated in Note No. 36 of the consolidated financial statements, Non-Current Trade receivables include Rs. 2645.45 Crore, outstanding as at 31 March 2018 (Rs. 2983.52 Crore, outstanding as at 31st March 2017) 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 and legal advice, the management considers these receivables are recoverable.
- 4) As stated in Note No. 37 of the consolidated financial statements, the company has made an 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 Venture Limited ('JPVL') [Holding Company of PPGCL] on 18th December 2017 due to default in payment of interest to Banks/Financial Institutions. 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.
- 5) As Stated in Note No. 39 of the consolidated 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 JAL in the form of Performance Security. The Hon'ble High Court has granted a 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 293 Crores as on 31.03.2018 in the development of the Coal Block and impact of the invocation of the Performance



Guarantee is uncertain, no provision has been considered necessary to be made in the financial statements.

- 6) As Stated in Note No. 40 of the consolidated financial statements, the Confirmations/ Reconciliation of balances of certain secured & unsecured loans, balances with banks, trade receivables, trade and other payables (including capital creditors) (including receivable/ payables from/ to related parties) and loans and advances are pending. The management is confident that on confirmation / reconciliation there will not be any material impact on the consolidated financial statements.
- 7) As stated in Note No. 42 of the consolidated financial statements, there are certain Entry tax matters under Appeals pertaining to Holding Company aggregating to Rs. 510.59 Crores (excluding interest, currently unascertainable) pertaining to the State of Uttar Pradesh, Madhya Pradesh and Himachal Pradesh. The Company has challenged these on account of Constitutional Validity etc. in Hon'ble High Courts/ Supreme Court. No provision has been made of the above in the consolidated financial statements and management is of the opinion that the Company will succeed in the appeal. The Holding Company has already deposited Rs.299.93 Crores and also furnished Bank Guarantees of Rs. 202.66 Crores against the above.
- 8) [i] As stated in Note no. 43 of the consolidated financial statements, the Lenders of the Holding Company & JCCL in their Joint Lenders forum ("JLF") meeting held on 22nd June, 2017 have approved restructuring/ realignment/ reorganization of debt of the Holding Company & its wholly owned subsidiary, JCCL. The Holding Company & JCCL has reworked the finance cost pertaining to Financial Year 2016-17 in accordance with the Lenders approved debt restructuring /realignment/ reorganization scheme.
- [ii] For the FY 17-18, the Holding Company has provided interest expenses on the debt portion that will remain with the company in accordance with the restructuring Scheme approved and Master Re-structuring Agreement (MRA) signed with the Lenders. Interest aggregating to Rs. 796.39 Crores on debt portion of Rs.11,091.27 Crores which will be transferred to Real Estate SPV namely Jaypee Infrastructure Development Limited (JIDL) on order of 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 and as such no further impact in this respect on the financial results is envisaged.
- [iii] As a part of restructuring / reorganization / realignment of the debt of the Holding Company, the Scheme of Demerger of the Undertaking (SDZ -RE) comprising identified moveable and immoveable assets and liabilities to be transferred to and vested in the wholly owned subsidiary of the Company, namely, Jaypee Infrastructure Development Limited (JIDL) as a going concern, on a slump exchange basis is pending for sanction with NCLT Allahabad.

The Independent Auditors of certain subsidiaries in their audit report on the financial statements for the year ended on 31 March, 2018 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 Hockey (India) Limited, Jaypee Infrastructure Development Limited, Jaypee Ganga Infrastructure Corporation Limited, Yamuna Expressway Tolling Limited, subsidiaries of the Companies, indicates that these companies have accumulated losses which are more than fifty percent of Net worth and 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.

- 2) The 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 venturers, 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 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) 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.
- 5) 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.
- 6) 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.
- 7) Jaiprakash Agri Initiatives Company Limited, a subsidiary of the Company, is yet to appoint 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.
- 8) Jaypee Ganga Infrastructure Corporation Limited, a subsidiary of the Company, is yet to appoint key Managerial personnel other than Company Secretary as per the requirement of section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 9) In the case of Bhilai Jaypee Cement Limited, a subsidiary of the company, no provision against Entry Tax amounting to Rs. 36.99 crores (including interest) has been made as the impact of the same is unascertainable. The concerned authority has not issued the exemption certificate from payment of Entry Tax till date for which the subsidiary has made the representations before the concerned authority and the management is confident for favorable outcome. Subsidiary has deposited the Rs.5,85 crores is under protest. Also in the opinion of the auditor, deferred tax assets aggregating to Rs 16,116.07 lakhs by the company in the financials may not be available. Also in the opinion of the auditor, the subsidiary has not considered the claim of a supplier of raw material of Rs. 26.86 crores for compensation for short lifting of annual Agreed Quantity of Granulated Slag. The subsidiary has also made a counter claim against the party for not complying with the terms of the contract like non furnishing the bank guarantee etc. As such the auditor is unable to comment to the extent to which this liability will be settled.



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

6. Other Matters:

We did not audit the financial statements of twenty one subsidiary whose financial statements reflect Total Assets of Rs. 2,744,792.44 Lacs, Net Assets of Rs. 608,221.06 Lacs, and Net cash flows of Rs. 323.96 Lacs, As at 31 March 2018, Total Revenue (including other income) of Rs. 323,192.16 Lacs, Total Profit/(Loss) after tax of Rs. (212,665.75) Lacs and Other Comprehensive Income of Rs.216.87 Lacs. 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.

7. The comparative financial information for year ended 31 March 2017 prepared in accordance with Ind AS included in these consolidated financial results have been audited by the predecessor auditor on which they had expressed an unmodified opinion vide report dated 29 May 2017. Our opinion is not modified in respect of this matter.

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

R.K. Goel
Partner
Membership No. 006154
Place: New Delhi
Dated: 19th May 2018



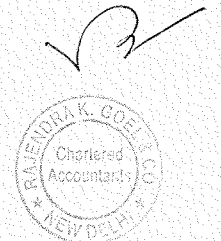
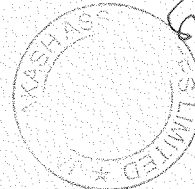
ANNEXURE-I

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018

(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	628810	628810
	2.	Total Expenditure	655166	655166
	3.	Exceptional and Extraordinary items (Net) Loss/ (Gain)	(61527)	(61527)
	4.	Net Profit/(Loss) (1-2-3) before tax	35171	35171
	5.	Earnings Per Share for discontinued and continued operations Basic (₹)	1.45	1.45
	6.	Total Assets	3639606	3639606
	7.	Total Liabilities	2606493	2606493
	8.	Net Worth	1033100	1033100



9.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. **(a) Audit Qualification:**

Attention is drawn to:

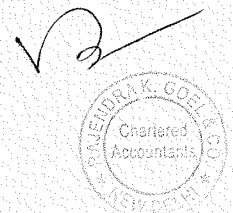
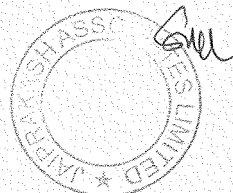
Note No.41 of standalone financial statements regarding the insolvency petition filed by IDBI with the Hon'ble National Company Law Tribunal (the NCLT), Allahabad against the Jaypee Infratech Limited ('JIL') "Subsidiary" of the company. The petition has been admitted and Interim Resolution Professional ('IRP') personal has been appointed by the NCLT.

The Hon'ble Supreme Court of India also admitted the Petitions/Interventions filed by certain home buyers of Jaypee Infratech Limited and directed the company to deposit Rs. 2000 Crores with its Registry. The said Order was modified by Hon'ble Supreme Court of India and accordingly company has deposited Rs. 550 crores upto 31 March 2018.

In view of the pendency /ongoing Corporate Insolvency process /legal proceedings with NCLT Allahabad and the Hon'ble Supreme Court of India, the impact on the carrying value of the Non Current Investment in the equity of JIL amounting to Rs. 849.26 Crores, Current Receivables Rs. 341.75 Crores, Corporate Guarantees amounting to Rs. 232.17 Crores, to the lenders of JIL and deposit with Hon'ble Supreme Court of India, is unascertainable.

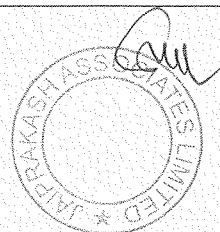
Management Response to the Qualification in the Standalone Annual Audited Financial Statements:-

The Insolvency Petition has been admitted and is currently underway.

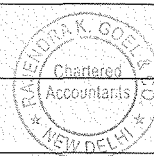


	<p>Hon'ble Supreme Court while hearing the petition of the home buyers has issued various directions from time to time, last of which is on 16th May, 2018.</p> <p>In view of the status of the petitions as mentioned above, presently Impact on the qualification of the Auditor could not be quantified at this point of time.</p>
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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: First 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 : Response : Since the case is still pending with the Hon'ble Supreme Court/ NCLT the management is of the view that impact on the qualification could not be estimated at this point of time.
	(iii)	Auditors' Comments on (i) or (ii) above Response : In view of the Auditor, management could not estimate the impact of the qualification on the reasons explained by the management in (ii) above.



VI.	Signatories	
	• Sunil Kumar Sharma (Executive Vice Chairman)	S. K. Sharma
	• S. K.Thakral (CFO)	S. K. Thakral
	• K.N.Bhandari (Chairman-Audit Committee)	K. N. Bhandari
	• Statutory Auditors: Rajendra K. Goel & Co., Chartered Accountants	Rajendra K. Goel
	Place: New Delhi	
	Date :19 th May 2018	



4

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, 2018				
(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	790692	790692
	2.	Total Expenditure	1095132	1095132
	3.	Exceptional and Extraordinary items (Net) Loss/ (Gain)	(111635)	(111635)
	4.	Net Profit/(Loss) (1-2-3) before tax	(192805)	(192805)
	5.	Earnings Per Share for discontinued and continued operations Basic (₹)	(7.96)	(7.96)
	6.	Total Assets	4962585	4962585
	7.	Total Liabilities	4397379	4397379
	8.	Net Worth	467870	467870
	9.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	(a) Audit Qualification: Attention is drawn to: 1. Note No. 38 of the consolidated financial statements regarding the			



insolvency petition filed by IDBI with the Hon'ble National Company Law Tribunal ('the NCLT'), Allahabad against the Jaypee Infratech Limited ('JIL') "Subsidiary" of the company. The petition has been admitted and Interim Resolution Professional ('IRP') personal has been appointed by the NCLT. The Hon'ble Supreme Court of India also admitted the Petitions/Interventions filed by certain home buyers of the Jaypee Infratech Limited and directed the Holding company to deposit Rs. 2000 Crores with its Registry. The said order was modified by the Hon'ble Supreme Court of India and accordingly Holding company has deposited Rs. 550 crores upto 31 March 2018.

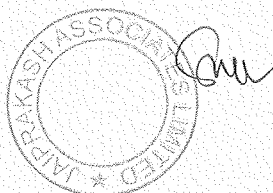
We also draw attention to emphasis by the Independent Auditor of Jaypee Infratech Limited that :

"As the Company is under Corporate Insolvency Resolution Process (CIRP), the financial statements have been presented on a going concern basis. As per the CIRP, Resolution Plan submitted by prospective Resolution Applicant has not been approved by COC within the mandatory 270 days period. Until further direction by the Hon'ble Supreme Court, the financial statements have been prepared on a going concern basis. The Interest on the debt for the period 09.08.2017 to 31.03.2018 provided in the books of accounts and charged to statement of profit & loss, is subject to the outcome of CIRP."

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.

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

The Insolvency Petition against JIL has been admitted and is currently



underway.

Hon'ble Supreme Court while hearing the petition of the home buyers has issued various directions from time to time, last of which is on 16th May, 2018.


In view of the status of the petitions as mentioned above, presently Impact on the qualification of the Auditor could not be quantified at this point of time.

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: First 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 : Response : Since the case is still pending with the Supreme Court/ NCLT the management is of the view that impact on the qualification could not be estimated at this point of time.
	(iii)	Auditors' Comments on (i) or (ii) above Response : In view of the Auditor, management could not estimate the impact of the qualification on the reasons explained by the management in (ii) above.



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VI.	Signatories	
	<ul style="list-style-type: none"> Sunil Kumar Sharma (Executive Vice Chairman) 	<i>S. K. Sharma</i>
	<ul style="list-style-type: none"> S. K.Thakral (CFO) 	<i>S. K. Thakral</i>
	<ul style="list-style-type: none"> K.N.Bhandari (Chairman-Audit Committee) 	<i>K. N. Bhandari</i>
	<ul style="list-style-type: none"> Statutory Auditors: Rajendra K. Goel & Co., Chartered Accountants 	<i>Rajendra K. Goel</i>
	Place: New Delhi	
	Date :19 th May 2018	