

**JAIPRAKASH ASSOCIATES LIMITED**

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**STATEMENT OF UNAUDITED FINANCIAL RESULTS**  
FOR THE QUARTER ENDED 30TH JUNE, 2019

(₹ in Lakhs)

Particulars	STANDALONE				CONSOLIDATED			
	Quarter Ended		Year Ended		Quarter Ended		Year Ended	
	30.06.2019 [Unaudited]	31.03.2019 [Audited]	30.06.2018 [Unaudited]	31.03.2019 [Audited]	30.06.2019 [Unaudited]	31.03.2019 [Unaudited]	30.06.2018 [Unaudited]	31.03.2019 [Audited]
<b>1 Income</b>								
Revenue from Operations	119988	172118	169082	683323	241961	277810	262531	1082075
Other Income	7226	11662	958	15118	2885	3203	1493	7044
<b>Total Income</b>	<b>127214</b>	<b>183780</b>	<b>170040</b>	<b>698441</b>	<b>244846</b>	<b>281013</b>	<b>264024</b>	<b>1089119</b>
<b>2 Expenses</b>								
[a] Cost of Materials Consumed	45804	53770	51964	209234	82074	85541	87978	365061
[b] Purchase of Stock-in-trade	-	(43)	974	1418	2286	7398	1230	11532
[c] Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress	10	9996	12639	24572	515	5153	15362	25974
[d] Direct Construction, Manufacturing, Real Estate, Infrastructure Hotel/Hospitality, Event & Power Expenses	41928	67238	56228	268177	108960	98558	92846	396561
[e] Employee Benefits Expense	12250	14461	10850	47777	16868	20482	14477	64495
[f] Finance Costs	18800	18631	19050	72380	68069	65166	63081	255760
[g] Depreciation and Amortisation Expense	10134	9926	9861	39520	17203	24546	16437	73632
[h] Other Expenses	14164	21674	17783	70369	22405	39838	23730	105093
<b>Total Expenses</b>	<b>143090</b>	<b>195653</b>	<b>179349</b>	<b>733447</b>	<b>318380</b>	<b>346682</b>	<b>315141</b>	<b>1298108</b>
<b>3 Profit/(Loss) before Exceptional Items, Share of Profit/(Loss) in Associates and Tax [1 - 2]</b>	<b>(15876)</b>	<b>(11873)</b>	<b>(9309)</b>	<b>(35006)</b>	<b>(73534)</b>	<b>(65669)</b>	<b>(51117)</b>	<b>(208989)</b>
4 Share of Profit/(Loss) in Associates	-	-	-	-	(1323)	6188	(3534)	(10669)
<b>5 Profit/(Loss) before Exceptional Items and Tax [3 + 4]</b>	<b>(15876)</b>	<b>(11873)</b>	<b>(9309)</b>	<b>(35006)</b>	<b>(74857)</b>	<b>(59481)</b>	<b>(54651)</b>	<b>(219658)</b>
6 Exceptional Items	-	(23138)	(19191)	(42344)	-	(13628)	(19191)	(32818)
<b>7 Profit/(Loss) before Tax [5 + 6]</b>	<b>(15876)</b>	<b>(35011)</b>	<b>(28500)</b>	<b>(77350)</b>	<b>(74857)</b>	<b>(73109)</b>	<b>(73842)</b>	<b>(252476)</b>
8 Tax Expense								
[a] Current Tax	-	-	-	-	273	45	1	46
[b] Deferred Tax	-	-	-	-	(43)	18411	-	18411
Total Tax Expense	-	-	-	-	230	18456	1	18457
<b>9 Net Profit/(Loss) for the period from Continuing Operations after Tax [7 - 8]</b>	<b>(15876)</b>	<b>(35011)</b>	<b>(28500)</b>	<b>(77350)</b>	<b>(75087)</b>	<b>(91565)</b>	<b>(73843)</b>	<b>(270933)</b>
10 Profit/(Loss) from Discontinued Operations	(7)	(12)	(2)	(18)	(7)	(12)	(2)	(18)
11 Tax expense of Discontinued Operations	-	-	-	-	-	-	-	-
12 Profit/(Loss) from Discontinued Operations after Tax [10 - 11]	(7)	(12)	(2)	(18)	(7)	(12)	(2)	(18)
<b>13 Net Profit/(Loss) for the period after Tax [9 + 12]</b>	<b>(15883)</b>	<b>(35023)</b>	<b>(28502)</b>	<b>(77368)</b>	<b>(75094)</b>	<b>(91577)</b>	<b>(73845)</b>	<b>(270951)</b>
14 Non Controlling Interest	-	-	-	-	(17632)	(18629)	(13270)	(59915)
<b>15 Net Profit/(Loss) after Tax and Non-Controlling Interest [13 - 14]</b>	<b>(15883)</b>	<b>(35023)</b>	<b>(28502)</b>	<b>(77368)</b>	<b>(57462)</b>	<b>(72948)</b>	<b>(60575)</b>	<b>(211036)</b>
16 Other Comprehensive Income								
a(i) Items that will not be reclassified to Profit/(Loss)	-	311	-	311	2	332	2	337
(ii) Income Tax relating to Items that will not be reclassified to Profit/(Loss)	-	-	-	-	-	1	-	1
b(i) Items that will be reclassified to Profit/(Loss)	-	-	-	-	-	-	-	-
(ii) Income Tax relating to Items that will be reclassified to Profit/(Loss)	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income for the period [Comprising Profit/(Loss) and Other Comprehensive Income for the period]</b>	<b>-</b>	<b>311</b>	<b>-</b>	<b>311</b>	<b>2</b>	<b>333</b>	<b>2</b>	<b>338</b>
17 Non-Controlling Interest [Other Comprehensive Income]	-	-	-	-	-	(2)	1	-
18 Other Comprehensive Income after Non-Controlling Interest [16 - 17]	-	311	-	311	2	335	1	338
<b>19 Total Comprehensive Income for the period [13 + 16] [comprising Profit/(Loss) and Other Comprehensive Income]</b>	<b>(15883)</b>	<b>(34712)</b>	<b>(28502)</b>	<b>(77057)</b>	<b>(75092)</b>	<b>(91244)</b>	<b>(73843)</b>	<b>(270613)</b>
20 Total Non-Controlling Interest [14 + 17]	-	-	-	-	(17632)	(18631)	(13269)	(59915)
<b>21 Total Comprehensive Income for the period after Non-Controlling Interest [19 - 20] [comprising Profit/(Loss) and Other Comprehensive Income for the period]</b>	<b>(15883)</b>	<b>(34712)</b>	<b>(28502)</b>	<b>(77057)</b>	<b>(57460)</b>	<b>(72613)</b>	<b>(60574)</b>	<b>(210698)</b>
22 Paid-up Equity Share Capital [of ₹ 2/- per share]	48649	48649	48649	48649	48469	48469	48469	48649
23 Other Equity [excluding Revaluation Reserve]				826697				56937
<b>24 Earnings Per Share [of ₹ 2/- per share] [for continuing operations]</b>								
Basic	₹ (0.65)	₹ (1.44)	₹ (1.17)	₹ (3.18)	₹ (2.36)	₹ (3.00)	₹ (2.49)	₹ (8.68)
Diluted	₹ (0.65)	₹ (1.44)	₹ (1.17)	₹ (3.18)	₹ (2.36)	₹ (3.00)	₹ (2.49)	₹ (8.68)
<b>Earnings Per Share [of ₹ 2/- per share] [for discontinued operations]</b>								
Basic	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Diluted	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
<b>Earnings Per Share [of ₹ 2/- per share] [for discontinued and continuing operations]</b>								
Basic	₹ (0.65)	₹ (1.44)	₹ (1.17)	₹ (3.18)	₹ (2.36)	₹ (3.00)	₹ (2.49)	₹ (8.68)
Diluted	₹ (0.65)	₹ (1.44)	₹ (1.17)	₹ (3.18)	₹ (2.36)	₹ (3.00)	₹ (2.49)	₹ (8.68)

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**UNAUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES  
FOR THE QUARTER ENDED 30TH JUNE, 2019**

(₹ in Lakhs)

Particulars	STANDALONE				CONSOLIDATED			
	Quarter Ended		Year Ended		Quarter Ended		Year Ended	
	30.06.2019 [Unaudited]	31.03.2019 [Audited]	30.06.2018 [Unaudited]	31.03.2019 [Audited]	30.06.2019 [Unaudited]	31.03.2019 [Unaudited]	30.06.2018 [Unaudited]	31.03.2019 [Audited]
<b>1. Segment Revenue</b>								
[a] Cement & Cement Products	47994	52607	50080	198077	58373	61909	60894	239566
[b] Construction	44754	73444	70731	261441	46256	78202	70731	266199
[c] Power	6408	5792	5705	21774	6408	5,792	5,705	21774
[d] Hotel/Hospitality & Golf Course	6323	8170	6372	27882	6323	8169	6373	27881
[e] Sport Events	586	174	214	893	586	174	214	893
[f] Real Estate	13772	32392	35595	173718	13773	32392	35595	173718
[g] Investments	-	-	-	-	-	-	-	-
[h] Infrastructure	-	-	-	-	60255	39258	36803	133722
[i] Fertilizers	-	-	-	-	61331	59652	51808	246915
[j] Health Care	-	-	-	-	7714	7652	7631	31850
[k] Others	1308	2817	1504	9277	3336	5813	3099	16039
[l] Unallocated	75	35	323	469	75	36	323	470
<b>Total</b>	<b>121220</b>	<b>175431</b>	<b>170524</b>	<b>693531</b>	<b>264430</b>	<b>299049</b>	<b>279176</b>	<b>1159027</b>
Less: Inter-segment Revenue	1232	3313	1442	10208	22469	21239	16645	76952
<b>Revenue from Operations</b>	<b>119988</b>	<b>172118</b>	<b>169082</b>	<b>683323</b>	<b>241961</b>	<b>277810</b>	<b>262531</b>	<b>1082075</b>
<b>2. Segment Results</b>								
[a] Cement & Cement Products	344	(2030)	948	(5422)	(960)	(3654)	75	(10169)
[b] Construction	1565	(2572)	3590	1944	(2243)	(3394)	2965	(1547)
[c] Power	(1375)	255	(536)	(3846)	(1375)	255	(536)	(3846)
[d] Hotel/Hospitality & Golf Course	110	1035	191	2043	110	1035	191	2043
[e] Sport Events	(2657)	(2994)	(2910)	(11886)	(2651)	(2990)	(2910)	(11893)
[f] Real Estate	1132	3862	10615	47077	1133	4402	11157	49242
[g] Investments	4570	9460	(2071)	7340	(78)	(79)	(2106)	(2338)
[h] Infrastructure	-	-	-	-	(1508)	(776)	6646	16764
[i] Fertilizers	-	-	-	-	3242	5242	(2648)	10865
[j] Health Care	-	-	-	-	(667)	(115)	(559)	(1126)
[k] Others	(1086)	(1738)	(815)	(4302)	(677)	(1997)	(904)	(5203)
	2603	5278	9012	32948	(5674)	(2071)	11371	42792
Less:								
[a] Finance Costs	18800	18631	19050	72380	68069	65166	63081	255760
[b] Other Un-allocable Expenditure net off Un-allocable Income	(321)	(1480)	(729)	(4426)	(209)	(1568)	(593)	(3979)
	<b>(15876)</b>	<b>(11873)</b>	<b>(9309)</b>	<b>(35006)</b>	<b>(73534)</b>	<b>(65669)</b>	<b>(51117)</b>	<b>(208989)</b>
Share of Profit/(Loss) in Associates	-	-	-	-	(1323)	6188	(3534)	(10669)
Exceptional Items	-	(23138)	(19191)	(42344)	-	(13628)	(19191)	(32818)
<b>Profit/(Loss) before Tax from Continuing Operations</b>	<b>(15876)</b>	<b>(35011)</b>	<b>(28500)</b>	<b>(77350)</b>	<b>(74857)</b>	<b>(73109)</b>	<b>(73842)</b>	<b>(252476)</b>
<b>3. Segment Assets</b>								
[a] Cement & Cement Products	482875	484258	504027	484258	622470	622566	643008	622566
[b] Construction	520483	510809	525955	510809	507985	499592	510431	499592
[c] Power	196841	198602	207277	198602	196841	198601	207277	198601
[d] Hotel/Hospitality & Golf Course	79040	85569	81051	85569	78835	85367	80829	85367
[e] Sports Events	237825	240965	249116	240965	236126	239276	247299	239276
[f] Real Estate	1328069	1310545	1280820	1310545	1272205	1254758	1222469	1254758
[g] Infrastructure	-	-	-	-	2041158	2087656	2149475	2087656
[h] Investments	747771	743124	744230	743124	119724	121047	128181	121047
[i] Fertilizers	-	-	-	-	214227	207046	215520	207046
[j] Health Care	-	-	-	-	92439	93234	97236	93234
[k] Others	14464	13849	15931	13849	38067	40856	44911	40856
[l] Un-allocated	195353	194355	219737	194355	177841	179207	201438	179207
<b>Total Segment Assets</b>	<b>3802721</b>	<b>3782076</b>	<b>3828144</b>	<b>3782076</b>	<b>5597918</b>	<b>5629206</b>	<b>5748074</b>	<b>5629206</b>
<b>4. Segment Liabilities</b>								
[excluding Loans]								
[a] Cement & Cement Products	101011	94107	83851	94107	123547	126672	111519	126672
[b] Construction	179696	168646	180630	168646	138475	126612	131720	126612
[c] Power	13374	14879	16943	14879	8665	5850	6714	5850
[d] Hotel/Hospitality & Golf Course	19716	24252	16262	24252	19716	24252	16262	24252
[e] Sports Events	13454	13661	14172	13661	11344	12702	12871	12702
[f] Real Estate	385424	391126	488738	391126	357364	362904	489804	362904
[g] Infrastructure	-	-	-	-	1026389	1068581	1107035	1068581
[h] Investments	-	-	-	-	-	-	-	-
[i] Fertilizers	-	-	-	-	61577	59787	63619	59787
[j] Health Care	-	-	-	-	27739	27642	28280	27642
[k] Others	4564	3992	2851	3992	3279	3167	6227	3167
[l] Un-allocated	391708	354443	261209	354443	818295	727088	503989	727088
<b>Total Segment Liabilities</b>	<b>1108947</b>	<b>1065106</b>	<b>1064656</b>	<b>1065106</b>	<b>2596390</b>	<b>2545257</b>	<b>2478040</b>	<b>2545257</b>

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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.
2. The Comprehensive Re-organization and Restructuring Plan (CRRP) for the Company and Jaypee Cement Corporation Limited was duly approved by the Joint Lenders' Forum on 22nd June, 2017, based on the recommendations of the Independent Evaluation Committee (IEC) appointed by the Reserve Bank of India envisaging bifurcation of the entire debt of the Company into two parts – 'Sustainable Debt' and 'Other Debt'. The entire outstanding debt has been put in three buckets making provisions for settlement/continuation of each category of debt as under :

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

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

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

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

In terms of the duly approved CRRP, as aforesaid, the Company has provided interest expenses on debt portion that will remain with it. Interest for the quarter ended 30th June, 2019 aggregating ₹ 269.12 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 available, no provision is considered necessary in the above financial results in respect of the above cases.

5. Non Current Trade receivables include ₹ 2642.25 Crores, outstanding as at 30th June, 2019 (₹ 2661.34 Crores, outstanding as at 31st March 2019) 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.



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6. 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.
7. [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. Corporate Insolvency Resolution Process (CIRP) in JIL is continuing in terms of order passed by Hon'ble Supreme Court recommencing the same w.e.f. 9th August, 2018 .  
  
[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.
8. Figures for the quarters ended 31 March 2019 are the balancing figures between the audited financial statements for the year ended on that date and the unaudited year to date figures upto the end of third quarter of the financial year.
9. The above Financial results for the quarter ended 30th June, 2019 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 27th July, 2019. These results have also been subjected to limited review by the Statutory Auditors.

Place: Greater Noida  
Dated: 27th July, 2019

  
MANOJ GAUR  
Executive Chairman  
DIN - 00008480  




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

**Review Report to  
The Board of Directors of  
Jaiprakash Associates Limited**

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **JAIPRAKASH ASSOCIATES LIMITED** ('the Company') for the quarter ended on 30 June 2019. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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

The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited (JIL) (Subsidiary of the company) was admitted and Interim Resolution Professional ('IRP') 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.

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:
  - Corporate guarantees amounting to Rs. 259.79 Crores as at 30<sup>th</sup> June, 2019 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 30.06.2019 being Rs. 1.60 of Rs. 10 each per share. The impairment based on the market value of share amounts to Rs. 713.74 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/years.



**4. Qualified opinion:**

Based on our review conducted as above, except for the matters described in the Basis of Qualified Review Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 including the manner in which it is to be disclosed, or that it contain any material misstatement.

**5. Emphasis of matter:**

**We draw attention to the following matters:**

1.
  - a. The Competition Commission of India 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 available, the Company believes that no provision is considered necessary in the financials of the company.

2. Yes Bank Limited (YBL) invoked entire pledged/NDU 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 sanctioned loan facility of Rs. 465 Crores and Rs.45 Crores to JCCL a wholly 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 22<sup>nd</sup> 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.



BJCL has incurred cash losses in the past years and its Net worth is almost on the verge of erosion. However, based on 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 aggregating to Rs. 407.72 crores and receivable Rs. 528.58 crores is considered good and recoverable.

3. 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. 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 31<sup>st</sup> August, 2018 (Rs. 22.01 Crores outstanding as on 30.06.2019). 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. The company has made Non-Current Investment in equity of JCCL of Rs.1,454.71 Crores.

The Subsidiary has incurred cash losses during the last few years and its Net worth has been eroded considerably. 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. Non-Current Trade receivables include Rs. 2642.25 Crores, outstanding as at 30<sup>th</sup> June 2019 (Rs. 2661.34 Crores, outstanding as at 31<sup>st</sup> March 2019) which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.
7. The Confirmations/ Reconciliation of balances of secured & unsecured loans, certain balances with banks including certain fixed deposits, trade receivables, trade and other payables and loans and advances are pending. The management is confident that on confirmation/ reconciliation there will not be any material impact on the financial statements.
8. The company has made a Non-Current Investment of Rs. 340 Crores (34 crores Equity Shares of Rs 10/- each, fully paid up) in Prayagraj Power Generation Company limited ('PPGCL'), 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 18<sup>th</sup> 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.

9. The company has made investment in equity shares (Quoted) of Rs. 1,742.62 Crores in Jaiprakash Power Ventures Limited (JPVL) an associate company (earlier subsidiary) of the Company. The company is under debt restructuring and all the Lenders have approved the resolution plan and signed the framework Agreement on 18<sup>th</sup> 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.
10. In the opinion of the management in the case of loss making segments of the company no impairment in the assets of the segment is required in view of temporary nature of the losses, Valuation report, circle rates of the immovable property and future cash flows which are higher than the carrying value of the assets.
11. The Company has received Termination Notice for the Mandla North Coal Mine allotted by Nominated Authority, Ministry of Coal on account of not meeting eligibility criteria mentioned in the Coal Mines Development and Production Agreement along with instructions for invocation of the Bank Guarantee submitted by the company in the form of Performance Security. The Hon'ble High Court has granted stay against the Termination Notice and invocation of Performance Guarantee. Since, the matter is now being sub-judice in High Court, the recoverability of the amount invested aggregating to Rs.295.23 Crores as on 30.06.2019 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 results by the management.
12. The Company has made payment to its Managerial Personnel in terms of their respective appointments and within the limits prescribed under the Companies Act, 2013. However, in view of default in repayment of principal and/ or interest to Banks and Financial Institutions during the quarter and previous 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 for the year ended on 31.03.2019. 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 and for the current year 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 the 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 22<sup>nd</sup> 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 Re-structuring Agreement (MRA) signed with the Lenders. Interest for the quarter ended 30<sup>th</sup> June 2019 aggregating to Rs. 269.12 Crores and Rs. 2164.63 Crores till 30<sup>th</sup> June 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 1<sup>st</sup> 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. On restructured loan, the company has also defaulted in the payment of interest and principal for the financial year 2018-19 and quarter ended 30.06.2019.

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

Our conclusion 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: 27<sup>th</sup> July 2019  
UDIN:19006154AAAACG6819



**Independent Auditor's Review Report on Review of Consolidated Unaudited Quarterly  
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 reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Jaiprakash Associates Limited ('the Parent'), and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates and joint ventures for the quarter ended 30 June, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30.06.2018 and preceding quarter ended 31.03.2019, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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

**Subsidiaries/Joint Venture**

- 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) Himalayaputra 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
- 22) JAL-KDSPL-JV

**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

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

The insolvency petition filed by the IDBI with the National Company Law Tribunal ('NCLT'), Allahabad against the Jaypee Infratech Limited (JIL) (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) in terms of order dated 09th August 2018 passed by Hon'ble Supreme court of India. The resolution plan submitted by Suraksha Realty Limited (along with Lakshdeep Investments & Finance Pvt. Ltd.) and NBCC (India) Ltd. submitted under the said process have since been rejected by the Committee of creditors (CoC) on 03.05.2019 & 10.06.2019 respectively. The 270 days of CIRP period came to an end on 06.05.2019. The Hon'ble NCLT, Allahabad, in an application filed by the IDBI Bank directed per its order dated 06.05.2019/21.05.2019 that CoC and Interim Resolution Professional (IRP) must be allowed to proceed further with the CIRP process in accordance with law and adjourned the matter for 29th July 2019. Also, an appeal filed by IDBI Bank (No. 536 of 2019) at Hon'ble NCLAT, Delhi for exclusion of any period for the purpose of counting 270 days is pending for adjudication before Hon'ble NCLAT. The hearing in the said appeal has since been concluded and order is reserved for 29th July 2019.

As per terms of Section 20 of Insolvency Code, the management and operations of the company are being managed by IRP 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 July 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.

Matters stated above have also been qualified in our report in preceding years.

**The Independent Auditor of certain subsidiary has qualified their review report on the financial results for the quarter ended on 30<sup>th</sup> June, 2019.**

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

- [i] The financial results of the Company are prepared on going concern basis. During the quarter, the Company has incurred a Net Loss of Rs. 646.86 lakhs resulting into accumulated losses of Rs. 41,525.49 lakhs against equity capital of Rs. 37,968.48 lakhs and erosion of net worth as at June 30, 2019. Further, the Company's current liabilities exceed current assets. These 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, 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 June 30, 2019 (including Rs. 2685.80 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 quarter. Hence, we are unable to comment to the extent to which this liability will be settled.

**6. Qualified conclusion:**

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, except for the matters described in the Basis of Qualified Review Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



7. Emphasis of matter:

We draw attention to the following matters:

1)

[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 meantime.

[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 available, the Company believes that no provision is considered necessary in the financials of the company.

2) Yes Bank Limited (YBL) invoked entire pledged/NDU 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 sanctioned loan facility of Rs. 465 Crores and Rs.45 Crores to JCCL a wholly 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 facilities 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 22<sup>nd</sup> June, 2017. However, the Company is 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 (subsidiary Company) held by the Company. The company is contesting the invocation by the lenders. The Company continues to consolidate as a 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 31<sup>st</sup> August, 2018 (Rs. 22.01 Crores outstanding as on 30.06.2019). 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 MPJPCCL 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. 2642.25 Crores, outstanding as at 30<sup>th</sup> June 2019 (Rs. 2661.34 Crores, outstanding as at 31<sup>st</sup> March 2019) which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.
- 7) The Confirmations/ Reconciliation of balances of secured & unsecured loans, certain balances with banks including certain fixed deposits, trade receivables, trade and other payables and loans and advances are pending. The management is confident that on confirmation/ reconciliation there will not be any material impact on the financial statements.
- 8) 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.
- 9) 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. 295.23 Crores as on 30.06.2019 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 results by the management.
- 10) 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. However, in view of default in repayment of principal and/ or interest to Banks and Financial Institutions during the quarter and previous 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 for the year ended on 31.03.2019. 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 and for the current year 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 the 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.

- 11) 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.
- 12) The Lenders of the company in their Joint Lenders Forum (JLF) meeting held on 22<sup>nd</sup> 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 Re-structuring Agreement (MRA) signed with the Lenders. Interest for the quarter ended 30<sup>th</sup> June 2019 aggregating to Rs. 269.12 Crores and Rs. 2164.63 Crores till 30<sup>th</sup> June 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 1<sup>st</sup> 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. On restructured loan, the company has also defaulted in the payment of interest and principal for the financial year 2018-19 and quarter ended 30.06.2019.

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



Our conclusion is not modified in respect of above stated matters in para (1) to (12).

**The Independent Auditors of certain subsidiaries in their review report on the financial results for the quarter ended on 30<sup>th</sup> June, 2019 have drawn emphasis of matter paragraphs incorporated by us as under:**

- 1) The financial results of Sonebhadra Minerals Private Limited, Jaiprakash Agri Initiatives Company Limited, Jaypee Cement Hockey (India) Limited, Jaypee Infrastructure Development Limited and Yamuna Expressway Tolling Limited, subsidiaries of the Companies, indicates that these companies have accumulated losses and net worth has been fully eroded. These companies have incurred cash losses during the current period and previous year(s) and current liabilities have exceeded the respective current assets of the companies. These conditions 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 results of these companies have been prepared on a going concern basis.
- 2) The financial results of Jaypee Cement Corporation Limited, subsidiary of the Company, indicate that the company has accumulated losses. The financial results of the company have been prepared on a going concern basis which is dependent upon financial support of its holding company.
- 3) The financial results of Himalayaputra Aviation Limited, subsidiary of the Company, indicate that the company has accumulated losses and its net worth has been fully eroded. The company has earned cash profit during the current period and but has cash loss during previous year(s). These conditions indicate that the company is dependent upon continuing financial support of its holding company for its ability to continue as a Going Concern and for discharge of its liabilities in the ordinary course of business. However, the financial results of the company have been prepared on a going concern basis.
- 4) In case of Jaypee Cement Corporation Limited, 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.
- 5) 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. 3,408.71 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. 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.

Conclusion of the auditors of the respective subsidiaries in respect of above stated matters in para (1) to (5) are not modified in their review reports.

Our conclusion is not modified in respect of above stated matters in para (1) to (5).





8. We did not review interim financial statements/ financial results of 16 subsidiaries/joint venture included in the consolidated unaudited financial results, whose financial results reflect total revenues of Rs. 1,43,130.89 Lacs, total net profit/(loss) after tax of Rs. (52,342.43) Lacs and total comprehensive income / loss of Rs. (52,340.93) Lacs for the quarter ended 30.06.2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit(loss) after tax of Rs. (2840.95) Lacs and total comprehensive income / loss of Rs. (2840.95) Lacs for the quarter ended 30.06.2019 as considered in the consolidated unaudited financial results, in respect of 1 associates and 1 joint venture, whose interim financial statements/ financial results have not been reviewed by us. These interim financial statements/ financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

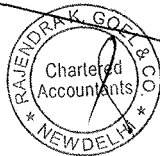
Our conclusion on the Statement is not modified in respect of the above matters.

9. The consolidated unaudited financial results includes interim financial statements/ financial results of 6 subsidiaries which have not been reviewed/audited by their auditors, whose interim financial statements/ financial results reflect total revenue of Rs. NIL, total net profit/(loss) after tax of Rs. (246.04) Lacs and total comprehensive income / loss of Rs. (246.04) Lacs for the quarter ended 30.06.2019 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit/(loss) after tax of Rs. 1517.80 Lacs and total comprehensive income / loss of Rs. 1517.80 Lacs for the quarter ended 30.06.2019 as considered in the consolidated unaudited financial results, in respect of 4 associates, based on their interim financial statements/ financial results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters.

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

**R.K. Goel**  
**Partner**  
**Membership No. 006154**  
**Place: Greater Noida**  
**Dated: 27<sup>th</sup> July 2019**



**UDIN: 19006154AAAACH2835**