

Ref: JPVL:SEC:2019

9<sup>th</sup> February, 2019

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

**BSE Limited**,  
25<sup>th</sup> Floor, New Trading Ring,  
Rotunda Building,  
P J Towers, Dalal Street, Fort,  
Mumbai - 400 001

**Scrip Code: 532627**

**Scrip Code: JPPOWER**

**Sub: Unaudited Financial Results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2018.**

Dear Sirs,

We are enclosing herewith the Unaudited Financial Results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2018 in the prescribed format as required under Regulation 33(3) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results have been reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors in their respective meetings held on 9<sup>th</sup> February, 2019.

Further, as required under Regulation 33(2)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, also enclosed herewith is a copy of the "Limited Review Report" by the Statutory Auditors on the Unaudited Financial Results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2018. The "Limited Review Report" has been placed before the Board of Directors in their meeting held on 9<sup>th</sup> February, 2019.

The meeting commenced at 12.30 P.M. and concluded at 3.00 P.M.

Thanking you,

Yours faithfully,

For **JAIPRAKASH POWER VENTURES LIMITED**

  
(A.K. Rastogi)

**Joint President & Company Secretary**

**Encl: As above**



**Corp. Office :** 'JA House' 63, Basant Lok, Vasant Vihar, New Delhi-110057 (India)  
Ph. : +91 (11) 26141358 Fax : +91 (11) 26145389, 26143591  
**Regd. Office :** Complex of Jaypee Nigrie Super Thermal Power Plant, Nigrie Tehsil Sarai,  
Distt. Singrauli-486669, (M.P.) Ph. : +91 (7801) 286021-39 Fax : +91 (7801) 286020  
**E-mail :** jpv.investor@jalindia.co.in, **Website :** www.jppowerventures.com  
**CIN :** L40101MP1994PLC042920

# JAIPRAKASH

## POWER VENTURES LIMITED

Regd. Office : Complex of Jaypee Nigrie Super Thermal Power Plant, Nigrie, Tehsil Sarai, District Singrauli - 486 669, (Madhya Pradesh)

Corporate Office: 'JA House' 63, Basant Lok, Vasant Vihar, New Delhi - 110057 (India)

Website: www.jppowerventures.com

Email: jpv.investor@jalindia.co.in

CIN : L40101MP1994PLC042920

### STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER, 2018

Rs. in Lakhs except Shares and EPS

Particulars	Quarter Ended			Nine Months Ended		Previous Year Ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	92,438	95,399	85,550	296,144	268,010	338,131
II Other income	7,429	4,489	11,467	12,624	33,331	34,875
III Total Revenue (I+II)	99,867	99,888	97,017	308,768	301,341	373,006
IV Expenses						
Cost of material and operation expenses	58,319	55,110	56,198	173,036	165,785	208,509
Purchases of stock-in-trade	-	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	78	(20)	11	184	(568)	(183)
Employee benefits expense	2,579	2,578	2,436	7,545	6,847	9,335
Finance costs	32,865	36,975	38,717	106,991	116,694	149,178
Depreciation and amortisation	11,972	12,047	12,914	35,884	36,763	48,686
Other expenses	2,134	2,072	8,982	6,704	12,618	19,351
Total expenses (IV)	107,947	108,762	119,258	330,344	338,139	434,876
V Profit / (loss) before exceptional items and tax (III-IV)	(8,080)	(8,874)	(22,241)	(21,576)	(36,798)	(61,870)
VI Exceptional items [refer note no. 7(a)]	-	-	-	5,268	-	-
VII Profit / (loss) before tax (V+VI)	(8,080)	(8,874)	(22,241)	(16,308)	(36,798)	(61,870)
VIII Tax expense						
(1) Current tax	-	-	-	-	-	-
(2) Income tax of earlier years	27	-	-	27	99	99
(3) Reversal of MAT credit entitlement of earlier years	4,072	-	-	4,072	8,522	8,522
(4) Deferred tax	(2,590)	(4,688)	(2,800)	(7,046)	(8,421)	(17,760)
IX Profit / (Loss) for the period (VII-VIII)	(9,589)	(4,186)	(19,441)	(13,361)	(36,998)	(52,731)
X Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss	(2)	(2)	38	(6)	38	(7)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	1	(13)	2	(13)	3
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Other comprehensive income for the period (X)	(2)	(1)	25	(4)	25	(4)
XI Total comprehensive income for the period (IX+X) (Comprising Profit (Loss) and Other comprehensive income for the period)	(9,591)	(4,187)	(19,416)	(13,365)	(36,973)	(52,735)
XII Other equity	-	-	-	-	-	336,946
XIII Equity Share Capital (Face value of Rs. 10/- per share)	599,600	599,600	599,600	599,600	599,600	599,600
XIV Earnings Per Share (Rs.)						
a) Basic EPS	(0.16)	(0.07)	(0.32)	(0.22)	(0.62)	(0.88)
b) Diluted EPS #	(0.16)	(0.07)	(0.32)	(0.22)	(0.62)	(0.88)

# Being anti dilutive



## Notes:

- 1 The financial results for the period/ quarter ended 31st December, 2018 are in respect of 400 MW Jaypee Vishnuprayag Hydro Electric Plant (VHEP), 500 MW Jaypee Bina Thermal Power Plant (JBTPP), 1320 MW Jaypee Nigrie Super Thermal Power Plant (JNSTPP), Jaypee Nigrie Cement Grinding Unit and Amelia (North) Coal Mine.

The Company has aggregate power generation capacity of 2220 MW comprising of Hydro (400 MW ) and Thermal (1820 MW).

- 2 In respect of Hydro Power Plant, the water availability in the first half of the financial year is higher as compared to the second half. As such, the power generation in the first two quarters (based on past experience/ data) lies between 70-75% of the annual power generation, while balance 25-30% is generated in third and fourth quarter.
- 3 (a) The operations of Thermal Power Projects have been impacted on account of (i) operations at JBTPP have been affected due to scheduling of power only for few hours in a day by SLDC requiring the Company to sell balance power on exchange at market driven tariff and insufficient availability of coal, (ii) non availability of long term PPAs and insufficient availability of coal for JNSTPP.  
(b) Company has accounted for revenue for the period/quarter ended 31st December, 2018 on the basis of Multi Year Tariff (MYT) for the period 2016-19 for JBTPP which is subject to true up/final assessment.  
(c) In respect of Vishnuprayag HEP Company has accounted for revenue for the period/quarter ended 31st December, 2018 based on provisional tariff subject to true up/final tariff order.
- 4 (a) Lenders had invoked SDR during financial year 2016-17 as per RBI guidelines for stressed assets. Consequent to that the Company had allotted 30,580 lakhs equity shares at Rs.3,05,800 lakhs on 18.02.2017 to Banks and Financial Institutions upon conversion of part of their outstanding loans/ interest. The lenders shareholding stood at 51% as on 18.02.2017, which stands reduced to 49.25% as on 31.12.2018 of paid up capital of the Company. The lenders who are holding equity share capital of the Company, had to offload the shareholding as per RBI guidelines. The lenders had invited bids for divestment of part of their equity in the Company. Since the response was not satisfactory, lenders closed the process.

(b) At present, resolution/ revival plan is under consideration of lender(s) as per revised RBI guidelines dated 12.02.2018 for the stressed assets. As per revised RBI guidelines the resolution plan was to be implemented by lenders within 180 days from 01.03.2018 i.e. by 27.08.2018, failing which lenders had to file insolvency application within 15 days from 27.08.2018. Majority of lender(s) have approved the resolution plan and signed the agreement, whereas it is under process with some of the lender(s). In the mean time Independent Power Producers Association and Association of Power Producers (APP) had filed an application with Hon'ble Supreme Court for stay of implementation of RBI Circular dated 12.02.2018. The Hon'ble Supreme Court vide its judgment dated 11.09.2018 ordered to maintain status quo with regard to insolvency proceedings and the regular hearing are in process. The Board of Directors and Shareholders have already approved for conversion of loans of Rs. 4,00,000 lakhs (approx) to Compulsory Convertible Preference Shares (CCPSs) in line with the proposed resolution plan. Accordingly financial statements are prepared on going concern basis. In the mean time, ICICI Bank Ltd. has filed an application with National Company Law Tribunal (NCLT), Ahmedabad, for initiating Corporate Insolvency Resolution Process as per provisions of RBI circular dated 12.02.2018. The next date of hearing is 25.02.2019. Further one of the lenders referred the recovery proceedings in Debt Recovery Tribunal-III, Delhi. Also some of the lenders have advised company to pay back their entire dues alternatively they will be constrained to take legal action including under the provisions of SARFAESI Act, the Company has suitably responded to the same.

*Yes*

*AS*



- 5 (a) The Company has made investment of Rs.2,89,038 lakhs (Including investment and loan component of compound financial instrument- Optionally Convertible Preference Shares) (26,192 lakhs equity shares of Rs. 10/- each fully paid and 2,700 Lakhs Optionally Convertible Preference Shares of Rs.10/- each fully paid) in Prayagraj Power Generation Co. Ltd. (PPGCL) (erstwhile Subsidiary of Company). The entire shares were pledged with Security Trustees, SBI Cap Trustee Company Ltd., as collateral security for the financial assistance granted by lenders to PPGCL. Security Trustee for lender(s) of PPGCL has invoked the entire pledged shares of PPGCL on 18th December, 2017 held by the Company due to default in payment of interest to banks/ financial institutions because of unsatisfactory operations mainly due to paucity of working capital limits etc. Consequent upon invocation of entire pledged shares, PPGCL ceased to be subsidiary of the Company w.e.f 18th December, 2017. Pending disposal/ transfer of shares by the lenders, no provision has been considered necessary in the financial statements by the management, as impact, if any is currently unascertainable.

The Lead Bank (SBI) of PPGCL had invited the bids for sale of 89.47% shares of PPGCL held by lenders pursuant to invocation of pledged shares of the Company by them on 18th December, 2017. SBI has issued letter of intent to Resurgent Power Ventures Pte. Ltd. (RPVL) being the highest bidder (the interested party), for acquisition of stake in PPGCL. A share purchase agreement dated 13.11.2018 has been executed between Lenders, purchaser (Renascent Power Ventures Private Limited), investor (RPVL), PPGCL and Security Trustees for transfer of stake in PPGCL. Security Trustees vide letter dated 19.12.2018 has informed that the lenders had decided to change the ownership of PPGCL by way of transfer of the pledged shares under a resolution plan in accordance with RBI regulations/ guidelines. However, the transfer of shares to purchaser and payment of purchase consideration is pending due to certain approvals. SBI had also filed insolvency application for PPGCL before NCLT Allahabad as per provisions of RBI circular dated 12.02.2018. The NCLT has kept the proceedings in abeyance in view of the status quo granted by Hon'ble Supreme Court on the insolvency proceedings. The proceedings at Hon'ble Supreme Court are in process.

(b) The Company has given the corporate guarantees for loans granted by the lenders to Jaiprakash Associates Limited (JAL) (the party to whom the company is an associate) and to PPGCL (erstwhile subsidiary of Company) amounting to Rs.70,333 lakhs and Rs. 1,10,000 lakhs respectively for which fair valuation has not been done as per the applicable Ind-AS as of 31st December, 2018 and also as on 31st March, 2018. However, in the opinion of the Management there will be no material impact on the fair valuation of the above mentioned guarantees on the financial result/ statement of affairs.

- 6 No provision for diminution in value against certain long term investments amounting to Rs. 2,77,496 lakhs (book value - in subsidiaries and other including investment in trust which in turn holding investment in the Company of Rs.1,98,594 lakhs other than 5 (a) above) has been made by the management as in the opinion of the management such diminution is temporary in nature considering the intrinsic value of the assets, future prospects and claims and has concluded that no provision against diminution is necessary at this stage.
- 7 (a) Interest has not been provided on outstanding Foreign Currency Convertible Bonds (FCCBs) aggregating to Rs.13,670 lakhs (including Rs.1,180 lakhs and Rs.3,784 lakhs for quarter and period ended 31st December, 2018). The reversal of the interest of Rs.5,268 Lakhs charged for the period up to 31st March, 2017 has been treated as Exceptional item during quarter ended 30th June, 2018. The above is in view of the ongoing discussions with the Bondholders for settlement/conversion of the outstanding FCCBs into equity and waiver of interest. On conclusion of the negotiations, interest, if any, payable would be treated as expenses in the subsequent period.



(b) In view of the on going discussions with one of the unsecured lender for settlement, interest amounting to Rs.7,324 lakhs has not been provided on unsecured loan (including for quarter ended 31.12.2018 Rs. 2,274 lakhs) and the interest provided aggregating to Rs.5,050 lakhs till 30.09.2018 has been reversed).

(c) Penal interest of Rs.9,218 lakhs (including Rs.4,344 lakhs and Rs.6,177 lakhs for quarter and period ended 31st December, 2018) has not been provided on certain loans in these financial results as majority of the lenders / banks did not confirm balances / charge penal interest in view of the facility granted to the Company by them has been classified as NPA. The above amount will be accounted as expense subject to payment, if any in the relevant subsequent period.

- 8 During the current quarter, Madhya Pradesh Electricity Regulatory Commission (MPERC) vide its order dated 29th November 2018 has determined the MYT for the period FY 2016-19 for JNSTPP. According to which the net excess amount paid to the Company has to be refunded back by the Company. During the current quarter half of this amount has been charged to these financial statement and balance amount will be charged to statement of Profit and Loss in the last quarter of current financial year.
- 9 The above financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- 10 The above unaudited financial results for the period/ quarter ended 31st December, 2018 have been reviewed by Audit Committee and then approved by the Board of Directors at their respective meetings held on the 9th February, 2019.

**PLACE** New Delhi  
**DATE** 9th February, 2019



**For and on behalf of the Board**

*Manoj Gaur*  
**MANOJ GAUR**  
**CHAIRMAN**  
**DIN 00008480**

*sey*

**STANDALONE UNAUDITED SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER  
/ NINE MONTHS ENDED 31ST DECEMBER, 2018**

(Rs. in Lakhs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Segment Revenue</b>						
i) Power	92,574	95,075	84,128	295,127	265,692	335,446
ii) Coal	6,750	7,262	7,454	28,956	27,546	30,474
iii) Other	448	624	1,490	2,450	2,473	4,048
<b>Total</b>	<b>99,772</b>	<b>102,961</b>	<b>93,072</b>	<b>326,533</b>	<b>295,711</b>	<b>369,968</b>
Less : Inter segment eliminations	7,334	7,562	7,522	30,389	27,701	31,837
Add : Other income	7,429	4,489	11,467	12,624	33,331	34,875
<b>Total sales / income from operations</b>	<b>99,867</b>	<b>99,888</b>	<b>97,017</b>	<b>308,768</b>	<b>301,341</b>	<b>373,006</b>
<b>2 Segment Results</b>						
<b>Profit / (loss) from operations before finance charges, depreciation and amortisation, exceptional items and tax</b>						
i) Power	34,098	37,448	25,783	115,199	90,142	108,003
ii) Coal	1,184	1,185	1,232	3,538	3,713	4,911
iii) Other	1,475	1,515	2,375	2,562	22,804	23,080
<b>Total</b>	<b>36,757</b>	<b>40,148</b>	<b>29,390</b>	<b>121,299</b>	<b>116,659</b>	<b>135,994</b>
Less :						
[a] Interest expenses	32,865	36,975	38,717	106,991	116,694	149,178
[b] Depreciation and amortisation	11,972	12,047	12,914	35,884	36,763	48,686
<b>Total</b>	<b>44,837</b>	<b>49,022</b>	<b>51,631</b>	<b>142,875</b>	<b>153,457</b>	<b>197,864</b>
<b>Profit / (loss) from operations before exceptional items and tax</b>	<b>(8,080)</b>	<b>(8,874)</b>	<b>(22,241)</b>	<b>(21,576)</b>	<b>(36,798)</b>	<b>(61,870)</b>
Exceptional items	-	-	-	5,268	-	-
<b>Profit / (loss) from operations before tax</b>	<b>(8,080)</b>	<b>(8,874)</b>	<b>(22,241)</b>	<b>(16,308)</b>	<b>(36,798)</b>	<b>(61,870)</b>
Income tax (net)	1,509	(4,688)	(2,800)	(2,947)	200	(9,139)
Other comprehensive income	(2)	(1)	25	(4)	25	(4)
<b>Profit / (loss) from operations after tax</b>	<b>(9,591)</b>	<b>(4,187)</b>	<b>(19,416)</b>	<b>(13,365)</b>	<b>(36,973)</b>	<b>(52,735)</b>
<b>3 Capital Employed</b>						
<b>a Segment Assets</b>						
i) Power	1,599,992	1,600,306	1,597,450	1,599,992	1,597,450	1,575,812
ii) Coal	43,418	44,451	50,120	43,418	50,120	46,795
iii) Other	764,524	766,900	747,370	764,524	747,370	754,893
<b>Total</b>	<b>2,407,934</b>	<b>2,411,657</b>	<b>2,394,940</b>	<b>2,407,934</b>	<b>2,394,940</b>	<b>2,377,500</b>
<b>b Segment Liabilities</b>						
i) Power	376,764	356,205	316,220	376,764	316,220	329,199
ii) Coal	16,625	17,803	15,374	16,625	15,374	7,661
iii) Other	102,163	106,748	36,225	102,163	36,225	106,736
<b>Total Liabilities</b>	<b>495,552</b>	<b>480,756</b>	<b>367,819</b>	<b>495,552</b>	<b>367,819</b>	<b>443,596</b>
<b>c Capital Employed *</b>	<b>1,912,382</b>	<b>1,930,901</b>	<b>2,027,121</b>	<b>1,912,382</b>	<b>2,027,121</b>	<b>1,933,904</b>

\* Note :- Capital employed = Equity + long term borrowings including current maturities of long term borrowings



19

## Limited Review Report

### To The Board of Directors of Jaiprakash Power Ventures Limited

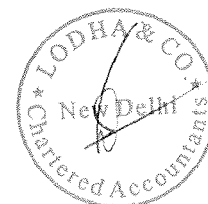
1. We have reviewed the accompanying statement of unaudited standalone financial results of JAIPRAKASH POWER VENTURES LIMITED ("the Company") for the quarter and nine months ended 31<sup>st</sup> December 2018 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in their meeting held on 9<sup>th</sup> February 2019, 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 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of The Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial results are free from material misstatement(s). A review is limited primarily to enquiries of the Company personnel and analytical procedures applied to the 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 conclusion**  
**Attention is drawn to:**

- (a) Note no 55 (b) of audited standalone financial statements for the year ended 31<sup>st</sup> March, 2018 regarding invocation of the pledged shares of Prayagraj Power Generation Company Limited (PPGCL), erstwhile subsidiary of the Company, pledged by the Company in favour of the lenders of PPGCL, amounting to Rs. 289,038 lacs (Including Investment and loan components of compound financial instrument - Optionally Convertible Preference Shares). Consequent upon invocation of entire pledged shares, PPGCL ceased to be subsidiary of the Company w.e.f 18th December, 2017. Pending disposal/ transfer of shares by the Lenders in favour of the interested party due to pending certain approvals, no provision at this stage has been considered necessary in these financial results by the management, as impact, if any is currently unascertainable (Footnote no. 5 (a) of accompanying financial results).
- (b) As stated in note no. 45 (e) of audited standalone financial statements for the year ended 31<sup>st</sup> March, 2018, the Company has given the corporate guarantees for loans granted by the lenders to Jaiprakash Associates Limited (JAL) (the party to whom the company is an associate) and to PPGCL (erstwhile subsidiary of Company) of amounting to Rs. 70,333 lacs and Rs. 110,000 lacs respectively for which fair valuation has not been done as per the applicable IND-AS as of 31<sup>st</sup> December, 2018 and also no provision there against been made in these financial results. In the absence of fair valuation of the said corporate guarantees, we are not able to ascertain the impact of the same on the financials results. (Footnote no. 5 (b) of accompanying financial results)
- (c) As stated in note no. 55(a) and 47 of audited standalone financial statements for the year ended 31<sup>st</sup> March, 2018, no provision for diminution in value against certain long term investments amounting to Rs. 277,496 lacs (Book Value) ("Including investment in trust which in turn holding investment in the Company") has



been made by the management as in the opinion of the management such diminution is temporary in nature considering the intrinsic value of the assets, future prospects and claims (Footnote no. 6 of accompanying financial results).

(d)

(i) Attention is drawn to note no. 8 of accompanying financial results regarding non provision against excess 50% amount refundable of Rs. 7,271 lacs (being differential amount accounted for in earlier years on provisional basis and amount calculated as per the Multi Year Tariff (MYT) for years 16-19) on determination of MYT by MPERC as stated in the said note .To that extent loss and EPS (negative) for the quarter/nine months are lower.

(ii) Company has not provided for outstanding interest on Foreign Currency Convertible Bonds (FCCBs) amounting to Rs. 13,670 lacs (including Rs. 1,180 lacs and Rs. 3,784 lacs for quarter and period ended 31st December,18 respectively) and penal interest on certain loans of amounting to Rs. 9,218 lacs (including Rs. 4,344 lacs and Rs. 6,177 lacs for quarter and period ended 31st December, 2018 respectively) (this is to be read with Note no. 59 (a) and no. 59 (b) of the audited standalone financial statements for the year ended 31st March, 2018).(Including interest of Rs. 5,268 lacs on FCCBs for the period upto 31st March, 2017 reversed in June 2018 and shown as exceptional item).[Footnote no. 7(a) and (c) of accompanying financial results).

(iii) As stated in note the Company has not provided interest on unsecured loan of amounting to Rs. 7,324 lacs (including Rs. 2,274 lacs for the current quarter).Had the interest provision been made the loss for the quarter/nine months of the Company would have increased by the above stated amount. [Footnote no. 7 (b) accompanying financial results].

Our report was also qualified on the matters stated in para 3 above except matter stated in 3 (d) (i) and (iii), issued on the financial statements for the quarters ended 30<sup>th</sup> September, 2018, 30<sup>th</sup> June, 2018 and 31<sup>st</sup> March 2018, and in audit report on the standalone financial statements for the year ended 31st March 2018.

4. Based on our review conducted as above, except for the effects/ possible effects of our observation stated in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in all material respects in accordance with the applicable Indian Accounting Standards prescribed u/s 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of regulation 33of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5<sup>th</sup>, 2016, including the manner in which is to be disclosed, or that it contains any material misstatement.

**5. Emphasis of matter:**

We draw attention to the following matters:

(a) As Stated in Note no. 49 of the audited standalone financial statements for the year ended 31<sup>st</sup> March, 2018, no provision against Entry Tax in respect of Bina unit & Nigrie Power and Cement unit amounting to Rs. 11,533 lacs & Rs. 9,074 lacs respectively and interest thereon (impact unascertainable) as stated in said note has been made by the company. The concerned authority once issued the exemption certificate in respect of Bina unit for exempting of entry tax later on cancelled & in respect of Nigrie Power and Cement unit receipts of approval for extension of the time for eligibility for exemption from payment of Entry tax is pending, as stated in the said notes for which the company has made representations before the concerned authority and management is confident for favourable outcome. Against the entry tax demand till date Rs. 1,946 lacs and Rs. 3,580 lacs has been deposited (and shown as part of other non-current assets) in respect of Bina unit & Nigrie Power and Cement unit respectively which is in the opinion of the management is good and recoverable.






- (b) Pending confirmations/reconciliation of balances of certain secured and unsecured loans & borrowings, balances with banks including certain fixed deposits, trade receivables, trade and other payables (including capital creditors)(Including receivables/payables from/to related parties), loans & advances and inventory lying with third parties/in transit. The management is confident that on confirmation/reconciliation there will not be any material impact on the state of affairs, to be read with Note no. 61 of the audited standalone financial statements for the year ended 31st March, 2018.
- (c) For deferred tax assets on unabsorbed depreciation & business losses and of MAT credit entitlement recognised amounting to Rs. 97,592 lacs and Rs. 27,559 lacs respectively, the Management is confident about realisability. Accordingly, these have been considered good and no provision there against at this stage is considered necessary by the management. [Note no. 68 (c) (deferred tax of Rs.90,544 lacs and MAT of Rs. 31,631 lacs as at 31<sup>st</sup> March, 2018) of the audited standalone financial statements for the year ended 31<sup>st</sup> March, 2018].
- (d)
- i. Fair value of Jaypee Nigrie Cement grinding unit (JNCGU) (2 million MT capacity) being in excess as compared to the carrying value, as assessed by a technical valuer, Also management is of the view that no impairment provision in the carrying amount of fixed assets (including capital work-in-progress) is necessary at this stage.
- ii. As stated in the Note no. 57 of the audited standalone financial statements for the year ended 31<sup>st</sup> March, 2018, fair value of fixed assets of power plants (JNSTPP and JBTPP) (including Land, Building, Plant & Machinery capitalized or under CWIP) being in excess as compared to the carrying value, as estimated by a technical valuer and for the reasons explained in the said note, management is of the view that no impairment provision in the carrying amount of fixed assets (including capital work-in-progress) is necessary at this stage.
- (e) During the quarter/nine months ended 31<sup>st</sup> December 2018 and financial year ended 31<sup>st</sup> March, 2018, the Company has incurred loss, and as at 31<sup>st</sup> December 2018 and was also 31<sup>st</sup> March 2018 its current liabilities exceed its current assets. However, for the reasons stated in the note no. 60 of the audited standalone financial statements for the year ended 31<sup>st</sup> March, 2018 and reasons stated in the note no. 4(b) of the accompanying financial results, it is considered appropriate by the management to prepare financial statements on going concern basis.

Our Conclusion is not modified in respect of these matters.

For **LODHA & CO.**  
Chartered Accountants  
Firm's Registration No. 301051E

  
N.K. Lodha  
Partner  
Membership No. 085155  
Place: New Delhi  
Dated: 9<sup>th</sup> February 2019

