

DIRECTORS' REPORT

To

The Members,

Your Directors submit their report for the Financial Year ended **31st March 2016**:

1.0 WORKING RESULTS

The working results of the Company for the year under report are as under:

(₹ in Crores)

Financial year ended	31.03.2016	31.03.2015
Gross Revenue	8,835.00	11,185.73
Profit before Interest, Depreciation & Tax	620.47	2,553.74
Less: Finance Costs	3,678.59	3,436.84
Less : Depreciation	911.80	948.89
Profit before Tax	(3,969.92)	(1,831.99)
Less : Provision for Tax		
Current Tax	-	-
Deferred Tax	(730.02)	(553.25)
Total Tax	(730.02)	(553.25)
Profit after Tax	(3,239.90)	(1,278.74)
Add : Profit brought forward from Previous Year	3,837.78	4,961.12
Profit available for appropriation	597.88	3,682.38
Add : Transfer from Debenture Redemption Reserve	89.76	155.40
Balance carried to Balance Sheet	687.64	3,837.78
Basic Earning Per Share [Face value ₹ 2 per share] in Rupees	(13.32)	(5.39)
Diluted Earnings Per Share [Face value ₹ 2 per Share] in Rupees	(12.73)	(5.10)

The finance cost aggregating ₹ 3,678.59 crores and high provision for depreciation aggregating ₹ 911.80 crores had been the two major factors leading to the deteriorating operating results of the Company during the year under report.

In line with its publically stated policy, your Company remains focussed and committed on reduction of debt through sale of some of its assets, to deleverage its Balance Sheet, improve its cash flows and enhance shareholders' value.

The details of steps taken by the Company/its subsidiaries in this regard are given below. The Restructuring Committee which includes three of the Independent Directors on the Board continues to consider various options to achieve the aforesaid objectives.

DISINVESTMENT INITIATIVES

a. Sale of Cement Plants in Gujarat by JCCL

In 2014, Cement Plants in Gujarat with a capacity of 4.80 MTPA were demerged by **Jaypee Cement Corporation Limited (JCCL)**, a wholly owned subsidiary of the Company through a Scheme of Arrangement to UltraTech Cement Limited, a company of Aditya Birla Group, at an enterprise value of ₹ 3,800 Crore. The said transaction was consummated on **12th June 2014**.

b. Sale of stake in Bokaro Jaypee Cement Limited

The Company executed the definitive agreements on 24th March 2014 with Dalmia Cement (Bharat) Ltd. for sale of its entire 74% stake (9,89,01,000 equity shares owned by it) in Bokaro Jaypee Cement Limited, a Joint Venture between the Company (JAL) and Steel Authority of India Limited (SAIL), having a Cement Grinding Unit at Bokaro, Jharkhand with a capacity of 2.10 MTPA, at a consideration of ₹ 69.74 per share. The said transaction was consummated on **29th November 2014** with the receipt of consideration of ₹ 667.57 Crore & transfer of the said shares to Shri Rangam Securities & Holdings Limited, an associate/affiliate of Dalmia Cement (Bharat) Limited.

c. Sale of Cement Grinding Unit of the Company at Panipat, Haryana,

Pursuant to approval of Board of Directors on 25th August 2014, the Company signed a Business Transaction Agreement with Shree Cement Limited for sale of Company's 1.5 MTPA Cement Grinding Unit in Panipat, Haryana for an enterprise value of approx. ₹ 360 Crores. The Transaction was consummated on **27th April 2015**.

d. Sale of Baspa-II & Karcham Wangtoo HEP by JPVL

Jaiprakash Power Ventures Limited (JPVL), a listed subsidiary of the Company signed an agreement with JSW Energy Limited for sale of Baspa-II and Karcham Wangtoo Hydro Power Plants. Pursuant to Order of Hon'ble High Court of Himachal Pradesh at Shimla dated 25th June 2015, the said plants were hived off by way of sale of entire shareholding in Himachal Baspa Power Company Limited (a subsidiary of JPVL), at an Enterprise value of ₹ 9,700 Crores. The transaction was consummated on **8th September 2015**.

e. Sale of wind Power plants of 49 MW of the Company

The Company on 30th September 2015 hived off its 49 MW capacity wind power plants, out of which 40.25 MW plants were in Maharashtra and 8.75 MW plants were in Gujarat, on a slump sale basis for a total consideration of approx. ₹ 161 Crore. The transaction was consummated on **30th September 2015** itself.

f. Sale of Identified Cement Plants of the Company (JAL) & JCCL

Cancellation of sale of cement plants at Bela & Sidhi at M.P.: As reported last year, pursuant to the approval given by Board of Directors on 23rd January 2015, the Company signed an Implementation Agreement with UltraTech Cement Limited (UTCL) for transfer of (a) an Integrated Cement plant with clinker capacity of 2.1 MTPA & Cement Grinding Capacity of 2.6 MTPA at **Bela, M.P.** along with CPP of 25 MW and (b) Integrated Cement plant with clinker capacity of 3.1 MTPA & Cement Grinding Capacity of 2.3 MTPA at **Sidhi, M.P.** along with CPP of 155 MW, for an enterprise value of ₹ 5,325 Crore. The said transaction was also approved by Hon'ble High Court of Judicature at Allahabad on 6th August 2015. However, pursuant to provisions of Mines and Minerals Development and Regulation Act, (MMDRA), the issues pertaining to transfer of

captive mines could not be solved. Consequently, UTCL withdrew its petition filed before Bombay High Court which was allowed by the said Court on 26th February 2016. Thus, the **said Scheme stood revoked and cancelled**.

Subsequently, the Company signed a **Memorandum of Understanding (MOU)** with UTCL on **28th February 2016** to divest part of the cement business of the Company comprising identified operating cement plants (including captive power plants) spread over the States of Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, Uttarakhand, Andhra Pradesh and Karnataka, besides a grinding unit which is currently under implementation in Uttar Pradesh, to UTCL at an aggregate capacity of 18.40 MTPA for an enterprise value of **₹ 16,500 Crores**. Besides this, an additional amount of ₹ 470 Crores would be paid by the Purchaser for completion of a Grinding Unit under implementation at Bara (owned by Prayagraj Power Generation Corporation Limited, a subsidiary of Jaiprakash Power Ventures Limited as well as of the Company). The plants in Andhra Pradesh and Karnataka were owned by Jaypee Cement Corporation Limited (JCCL), a wholly owned subsidiary of the Company.

The Company, on **31st March 2016**, has signed an **Implementation Agreement** with UTCL whereby the 1.2 MTPA capacity Shahabad Plant at Karnataka of JCCL (valued at approx. ₹ 600 crores) was excluded from the transaction and the estimated enterprise value stood reduced to **₹ 15,900 Crores**.

On **4th July 2016**, a Supplementary Agreement was also signed with UTCL whereby the Enterprise Value was increased by ₹ 289 Crores, taking it to **₹ 16,189 Crores** for the same assets with an aggregate Capacity of 17.2 MTPA. It is expected that the transaction shall be consummated by March 2017.

AMALGAMATION

Amalgamation of subsidiary company, Jaypee Sports International Limited, into the Company:

As the Members are already aware, pursuant to Order dated 14th September 2015 of Hon'ble High Court of Judicature at Allahabad, Jaypee Sports International Limited (JSIL) a wholly owned subsidiary of your Company got merged into JAL on **16th October 2015** (the date when the said Order was filed with the Registrar of Companies, U.P.), with effect from 1st April 2014 (the Appointed Date of amalgamation). By virtue of the said amalgamation, all assets, liabilities, rights, privileges, powers, authorities and obligations of the said JSIL became the assets, liabilities, rights, privileges, powers, authorities and obligations of Jaiprakash Associates Limited from the appointed date, i.e. 1st April, 2014. This has resulted into better synergies of business of JSIL with your Company.

2.0 DIVIDEND

Keeping in view the losses during the year and the need to conserve the resources of the Company, the Board has decided not to recommend any dividend for the financial year 2015-16.

3.0 CHANGES IN SHARE CAPITAL

During the year under report, there is no change in the Paid up Share Capital of the Company and the same stood at ₹ 4,864,913,950 divided into 2,432,456,975 Equity Shares of ₹ 2/- each.

The Authorised Share Capital had increased from ₹ 2,500 crore to **₹ 3,500 crore** w.e.f 16.10.2015 pursuant to Scheme of Amalgamation of wholly owned subsidiary, Jaypee Sports International Limited into the Company w.e.f. 1st April 2014.

4.0 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

The Company presently has only one series of outstanding FCCBs i.e. FCCB-IV issued on 7th September 2012 (total size USD 150 million) due date 8th September 2017 with an outstanding size of USD 110.40 million. Interest payment on FCCB-IV which was due on 07.03.2016 is yet to be paid and the matter is in discussion with the Bondholders.

The particulars about conversion, outstanding amount, coupon, listing etc. of all past and present FCCBs are detailed in **Para No. 33** of the Corporate Governance Report forming part of this Report.

5.0 EMPLOYEE STOCK PURCHASE SCHEME

As the Members are aware, "Jaypee Group ESPS, 2009 Trust" was created in 2009 for administering the Stock Purchase Scheme of the Company namely "Jaypee Employee Stock Purchase Scheme, 2009" for the ultimate benefit of the employees (including Directors) of the Company and its subsidiaries.

In terms of the Scheme, the Company issued and allotted **1.25 Crores Equity Shares** of ₹ 2 each @ ₹ 60 per share (including premium of ₹ 58 per share) to the said Trust on 14th December 2009. The said Trust was also allotted **62,50,000 Equity Shares as Bonus Shares** on its holding, in terms of the Bonus Issue made by the Company on 19th December 2009.

Since inception, the 'Jaypee Group ESPS, 2009 Trust' has allocated/ transferred Equity Shares to the eligible persons under the scheme, as under:

Particulars	No. of Eligible Persons	No. of original Shares (excluding Bonus)	No. of Bonus Shares	Total no. of Shares (including Bonus)
Total Shares available under ESPS Scheme		12,500,000	6,250,000	18,750,000
Transferred/ allocated during 2010-11	8,032	11,263,706	5,631,852	16,895,558
Transferred/ allocated during 2011-12	4	3550	1775	5,325
Transferred/ allocated during 2012-13 to 2015-16	-	-	-	-
Balance shares as on 31.03.2016		1,232,744	616,373	1,849,117

During 2015-16, no further shares were allocated/ transferred by the Trust.

Thus, a balance of 1,849,117 Equity Shares (including Bonus Shares) are still lying with the Trust for transfer to the eligible persons in due course.

It is confirmed that:

- (a) there is no employee who has been issued shares in any year amounting to 5% or more shares issued during that year; and
- (b) there is no employee who is entitled to shares under the Scheme equal to or exceeding 1% of the issued capital of the Company.

6.0 OPERATIONS OF THE COMPANY

6.1 ENGINEERING & CONSTRUCTION DIVISION

6.1.1 Prequalifications/Bids Under submission

The Company has submitted prequalification applications/ Bids for the following Works:

- (i) Execution of Civil, Hydro-Mechanical and Electro-Mechanical Works of 390 MW Kirthai-I Hydroelectric Project in Jammu & Kashmir. The application has been submitted by a Consortium, with JAL as lead member.
- (ii) Construction of Head Race Tunnels (from RD 1780 onwards), Adit 2, Surge Shafts, Pressure Shafts, Underground Power House, Transformers Hall, Tail Race Tunnels and Pothead Yard etc. [Teesta-IV : LOT-2] of 520 MW Teesta Hydroelectric Project (Stage-IV) in District North Sikkim in the State of Sikkim.
- (iii) Construction of Dam, Intake and Underground Power House of 300 MW Lakhwar Multi- Purpose Project in Uttarakhand.
- (iv) Expression of Interest for Selection of Strategic Joint Venture Partner by Druk Green Power Corporation Ltd. for the establishment of a Hydropower Construction Company for executing works in Bhutan.
- (v) Construction and Rehabilitation of Embankment & Protective works including Hydraulic Structures from Simla to Hasnarpura (50KM) under RMIP (Phase-I) – Lot 1 (Simla to Shaharabari About 26 KM) in Bangladesh.
- (vi) Construction and Rehabilitation of Embankment & Protective works including Hydraulic Structures from Simla to Hasnarpura (50KM) under RMIP (Phase-I) – Lot 2 (Shaharabari to Hasnarpura About 24 KM) in Bangladesh.
- (vii) Civil Structure and Track Work between Khurja - Pilkhani Section (Approx. 222 KM route of Single Line) - Contract Package 303 of Eastern Dedicated Freight Corridor.
- (viii) Civil Works for construction of Diversion Tunnel, Concrete Gravity Dam, Intake, Pressure Shafts, Underground Power House and Tail Race Tunnel [Kiru Civil (LOT – 1) of 624 MW Kiru Hydroelectric Project, District Kishtwar in J&K.

- (ix) Construction of Diversion Tunnel and its HM works of 1000 MW Pakal Dul Hydroelectric Project in Jammu & Kashmir.

- (x) Detailed Design and Construction of Head Works (Package-I) of Tanahu Hydro Power Project (140 MW) in Nepal.

6.1.2 The Prequalification applications/ Bids for the following works are under preparation:

- (i) Design and Construction of 2 Nos. circular shaped Head Race Tunnels of length 7700m each to be excavated by two new independent TBMs and Associated works for Pakal Dul Hydroelectric Project , Jammu & Kashmir.
- (ii) Construction of two lane Road on NH Specifications from Paletwa to Zorinpui at India - Myanmar Border in Chin State of Myanmar.
- (iii) Design and construction of residential buildings/towers and townships along with related common facilities, trunk infrastructure and utilities (DB-01), Project Seabird Phase-IIA, Naval base Karwar, Karnataka.

6.1.3 The Company has been awarded the following Works:

- (i) Development of Six Lane Eastern Peripheral Expressway (NH No. NE II) in the State of Uttar Pradesh – “Package III from Km 46.500 to Km 71.000” on EPC mode Project at a contract price of ₹ 747 crore.
- (ii) Execution of Civil, Hydro-Mechanical and Electro-mechanical Works on EPC basis, of 240 MW Kutehr Hydroelectric Project in Himachal Pradesh at a Contract Price of 1760.58 crore.
- (iii) 4-laning of Varanasi - Gorakhpur section of NH-29 from km 88.000 (Design chainage 84.160) to km 148.000 (Design chainage 149.540) [Package-III Birnon village to Amilla village] under NHDP Phase-IV in the State of Uttar Pradesh at a contract price of ₹ 840 crore.
- (iv) 4-laning of Varanasi - Gorakhpur section of NH-29 from km 148.000 (Design chainage 149.540) to km 208.300 (Design chainage 215.160) [Package-IV Amilla Village to Gorakhpur] under NHDP Phase-IV on EPC mode in the State of Uttar Pradesh at a contract price of ₹ 1,030 crore.
- (v) Palamuru Rangareddy Lift Irrigation Scheme- PRLIS- (Package No.4)-Earth Work Excavation & Construction of Twin Tunnel in between Anjanagiri Reservoir at Narlapur (V) and Veeranjaneya Reservoir at Yedula (V) from Km 8.325 to Km 23.325 in

Mahabubnagar District has been awarded to JAL - VARKS – NECL JV at a contract price of ₹ 1,646.16 crore with JAL as the lead member of the Joint Venture.

6.1.4 Works in Progress

The Company is presently executing the works of the projects listed below and the status of works is given below:

Sl. No.	Name of Work/Project under execution	Location of Work/ Project	Contract Price (Base Value) (₹ Cr.)	Nature of Work/ Project	Value of work completed (excluding escalation and extra items) as on 31.03.2016 (₹ Cr.)
Works pertaining to :					
1.	Sardar Sarovar (Narmada) Project	Gujarat	624 (Revised)	Power Generation (1200 MW)	605
2.	Baglihar –II HEP	Jammu & Kashmir	556 (Revised)	Power Generation (450 MW)	537
3.	Turnkey construction of Srisailem Left Bank Canal Tunnel Scheme including Head Regulator etc. of Alimineti Madhava Reddy Project	Telangana State	1,925	Irrigation Tunnels	1,243
4.	Widening and face lifting of Vrindavan Prikrama Marg and construction of Kesi Ghat Bridge on Vrindavan Prikrama Marg	Uttar Pradesh	32	Road and Bridge Works	18
5.	Construction of Diversion Tunnel, Dam, Intake and Desilting Arrangement including Hydro-mechanical Works and Highway Tunnel (Contract Package C-1) of Punatsanchhu – II Hydroelectric Project ,	Bhutan	1,224	Power Generation (1020 MW)	884
6.	Construction of Head Race Tunnel (from Surge Shaft end), Surge Shaft, Butterfly Valve Chamber, Pressure Shafts, Power House and Tail Race Tunnel including Hydro-Mechanical Works (Contract Package C-3) of Punatsanchhu – II Hydroelectric Project .	Bhutan	856	Power Generation (1020 MW)	416
7.	Construction of Diversion Tunnel, Dam, Spillway & Cofferdams, Intake Structure, Intake Tunnels, Branch HRT, Silt Flushing Tunnels, Vertical Shaft and 2 Nos. Desilting Chambers (Contract Package-C-1) of Mangdechhu Hydroelectric Project .	Bhutan	597	Power Generation (720 MW)	321
8.	Construction of Surge Shaft, 2 Nos. Pressure Shafts, Bifurcation Pressure Shafts, Cable cum Ventilation Tunnel, Underground Power House & Transformer Caverns including Bus Duct, Pothead Yard, TRT, Branch Tunnel & Outlet Portals for TRT (Contract Package- C-3) of Mangdechhu Hydroelectric Project ; and Construction of part HRT and Adit-5	Bhutan	316 49	Power Generation (720 MW)	225 26
9.	Refurbishing and Restoring the Radial Gates and its appurtenant parts for Sardar Sarovar (Narmada) Project	Gujarat	39	Power Generation (1200 MW)	35

Sl. No.	Name of Work/Project under execution	Location of Work/ Project	Contract Price (Base Value) (₹ Cr.)	Nature of Work/ Project	Value of work completed (excluding escalation and extra items) as on 31.03.2016 (₹ Cr.)
10.	Development of Six Lane Eastern Peripheral Expressway (NH No. NE II) in the State of Uttar Pradesh – “Package III from Km 46.500 to Km 71.000” on EPC mode	Uttar Pradesh	747	Highway Project	–
11.	Execution of Civil, Hydro-Mechanical and Electro-mechanical Works on EPC basis, of 240 MW Kutehr Hydroelectric Project in Himachal Pradesh	Himachal Pradesh	1761	Power Generation (240 MW)	–
12.	4-laning of Varanasi - Gorakhpur section of NH-29 from km 88.000 (Design chainage 84.160) to km 148.000 (Design chainage 149.540) [Package-III Birnon village to Amilla village] under NHDP Phase-IV in the State of Uttar Pradesh	Uttar Pradesh	840	Highway Project	–
13.	4- laning of Varanasi Gorakhpur section of NH-29 from km 148.000 (Design chainage 149.540) to km 208.300 (Design chainage 215.160) [Package-IV Amilla Village to Gorakhpur] under NHDP Phase-IV on EPC mode in the State of Uttar Pradesh	Uttar Pradesh	1,030	Highway Project	–
14.	Palamuru Rangareddy Lift Irrigation Scheme- PRLIS- (Package No.4)-Earth work Excavation & Construction of Twin Tunnel in between Anjanagiri Reservoir at Narlapur(V) and Veeranjaneya Reservoir at Yedula(V) from Km 8.325 to Km 23.325 in Mahabubnagar District (Work awarded to JAL - VARKS – NECL JV with JAL as Lead Partner)	Telangana State	1,646 (JAL's share - 51% of Contract Price)	Irrigation Tunnels	–

Projects being Executed by Jaiprakash – Gayatri Joint Venture

1.	Polavaram Project Right Main Canal Package – 4	Andhra Pradesh	301	Irrigation Canal	261
2.	Veligonda Feeder and Teegaleru Canal Project-2	Andhra Pradesh	343 (Revised)	Irrigation Canal	256
3.	Rajiv Sagar Lift Irrigation Project (Dummugudem)	Andhra Pradesh	282	Lift Irrigation Project	227
4.	GNSS Main Canal from km. 119.000 to km 141.350 including construction of CM & CD works	Andhra Pradesh	112	Irrigation Canal	–
Total			43,280	3,630 MW	5,054

The progress of on-going works is satisfactory.

6.2 CEMENT DIVISION

6.2.1 Operations

The production and sale of Cement/ Clinker during the year, as compared to the previous year, are as under:

	2015-16 (MT)	2014-15 (MT)
Cement Production (MT)	10,913,578	12,778,182
Clinker Production (MT)	8,514,099	10,441,570
Cement and Clinker Sale (MT) (including Self-Consumption)	11,916,358	13,879,978

The Cement manufacturing capacity of the Group as a whole is **32.85 MTPA (including 5.20 MTPA under implementation)**.

The Company has hived off Jaypee Cement Grinding unit, Panipat, Haryana with a capacity of 1.50 MTPA to Shree Cement Limited.

With a view to tide over the impact of economic slowdown, your Company has entered into a definitive agreement with UltraTech Cement Limited for sale of part of its cement business comprising of certain operating cement plants having aggregate capacity of 12.20 MTPA spread over the States of Uttar Pradesh, Himachal Pradesh, Uttarakhand, and also of 5 MTPA in Andhra Pradesh owned by JCCL, its subsidiary, for a total enterprise value of ₹ 16,189 crore. The definitive agreement also includes an additional amount of ₹ 470 crore payable by UltraTech for 4 MTPA grinding unit owned by Prayagraj Power Generation Company Limited under implementation in Uttar Pradesh. The transaction is subject to various regulatory approvals.

Zone-wise operating Capacity of Cement and Captive Power Plant in the Cement Division of the Company is as under:-

Jaiprakash Associates Limited:

ZONE	OPERATING CEMENT CAPACITY	CAPACITY UNDER IMPLE- MENTATION	TOTAL CAPACITY	CAPTIVE THERMAL POWER
	MTPA	MTPA	MTPA	MW
CENTRAL ZONE (Jaypee Rewa Plant, Jaypee Bela Plant, Jaypee Cement Blending Unit, Jaypee Ayodhya Grinding Operations, Jaypee Sidhi Cement Plant)	8.55	-	8.55	244

ZONE	OPERATING CEMENT CAPACITY	CAPACITY UNDER IMPLE- MENTATION	TOTAL CAPACITY	CAPTIVE THERMAL POWER
	MTPA	MTPA	MTPA	MW
UP ZONE (Dalla Cement Factory, Chunar Cement Factory, Jaypee Sikandrabad Cement Grinding Unit, Jaypee Cement Ind. Complex)	4.00	-	4.00	244*
NORTH ZONE (Jaypee Himachal Cement Plant, Jaypee Bagheri Cement Grinding Unit, Jaypee Roorkee Cement Grinding Unit)	4.70	-	4.70	-
TOTAL	17.25	-	17.25	488

* Includes 120 MW at Churk under implementation.

Jaiprakash Power Ventures Limited:

ZONE	OPERATING CEMENT CAPACITY	CAPACITY UNDER IMPLE- MENTATION	TOTAL CAPACITY	CAPTIVE THERMAL POWER
	MTPA	MTPA	MTPA	MW
Jaypee Nigrie Cement Grinding Unit	2.00	-	2.00	-

Prayagraj Power Generation Company Limited:

ZONE	OPERATING CEMENT CAPACITY	CAPACITY UNDER IMPLE- MENTATION	TOTAL CAPACITY	CAPTIVE THERMAL POWER
	MTPA	MTPA	MTPA	MW
Bara Cement Grinding Unit	-	4.00	4.00	-

Bhilai Jaypee Cement Limited:

ZONE	OPERATING CEMENT CAPACITY	CAPACITY UNDER IMPLE- MENTATION	TOTAL CAPACITY	CAPTIVE THERMAL POWER
	MTPA	MTPA	MTPA	MW
Bhilai Jaypee Cement Limited	2.20	-	2.20	-

Jaypee Cement Corporation Limited:

ZONE	OPERATING CEMENT CAPACITY	CAPACITY UNDER IMPLEMENTATION	TOTAL CAPACITY	CAPTIVE THERMAL POWER
	MTPA	MTPA	MTPA	MW
SOUTH ZONE (Jaypee Balaji Cement Plant, Jaypee Shahabad Cement Project)	6.20	1.20*	7.40	120**
GRAND TOTAL (JAL including JPVL, PPGCL, BJCL & JCCL)	27.65	5.20*	32.85	608

* Includes 1.20 MTPA capacity at Jaypee Shahabad Cement Project (JCCL) and 4.00 MTPA capacity at Bara grinding unit (PPGCL) under implementation.

** Includes 25 MW capacity at Jaypee Balaji Cement Plant (JCCL) under implementation.

6.2.2. Operational Performance (JAL)

During the financial year 2015-16, Productivity Indices of the operating units of JAL were as under:

Sl. No.	Indices	Lime stone Crushing	Raw meal Grinding	Clinker Production	Cement Grinding	Cement Despatch including clinker sale
	UNIT OF JAL	(MT)	(MT)	(MT)	(MT)	(MT)
1	Jaypee Rewa Plant, Rewa (MP)	2,864,746	2,956,345	1,965,752	1,864,952	1,999,689
2	Jaypee Bela Plant, Bela (MP)	1,917,302	1,947,277	1,308,008	1,730,417	1,844,266
3	Jaypee Ayodhya Grinding Operations, Tanda (UP)				333,709	337,016
4	Jaypee Cement Blending Unit, Sadva Khurd (UP)				103,409	103,482
5	Chunar Cement Grinding Unit, Chunar (UP)				2,447,779	2,468,282
6	Dalla Cement Factory, Dalla (UP)	2,852,346	2,962,057	1,976,292	413,707	855,244
7	Jaypee Sidhi Cement Plant, Baghwar (MP)	1,686,204	1,758,713	1,178,070	791,497	1,006,219
8	Jaypee Himachal Cement Plant - Baga	3,092,938	3,158,645	2,085,977	815,661	823,694
9	Jaypee Himachal Cement Plant - Bagheri				1,526,865	1,528,259
10	Jaypee Roorkee Grinding Unit				536,218	538,619
11	Jaypee Sikandrabad Grinding Unit				349,365	351,986
	TOTAL	12,413,536	12,783,037	8,514,099	10,913,578	11,856,756

*Production and Despatch figures for JCBU (Blending unit) are incremental.

6.3 HOTELS DIVISION

The Company owns and operates **five luxury hotels in the Five Star category**, the finest Championship Golf Course an Integrated Sports Complex strategically located for discerning business and leisure travelers.

Jaypee Vasant Continental with 119 rooms and Jaypee Siddharth with 94 rooms in New Delhi. Jaypee Palace Hotel and Convention Centre is the largest property located at Agra with an inventory of 341 rooms with luxurious Presidential Suites and Jaypee Residency Manor with Valley View Tower at Mussoorie has 135 rooms. Jaypee Greens Golf & Spa Resort, Greater Noida is a prestigious & Luxury Resort with 170 state

of art rooms overlooking the Championship 18 hole Greg Norman Golf Course.

In recognition of hospitality, Jaypee Palace Hotel and Convention Centre, Agra was conferred with the prestigious National award under the category **"Best Hotel based Meeting Venue"** by the President of India, Hon'ble Mr. Pranab Mukherjee and Mr. Mahesh Sharma, Minister of State, Ministry of Tourism & Culture. Jaypee Greens Golf & Spa Resort, Greater Noida, U.P. was conferred with prestigious Hotel Award – 2015 in the category of "Chief Engineer of the year".

Jaypee Greens Golf & Spa Resort hosted several prestigious domestic & International conferences like Unicef Education Meet, Unicef Health Network Meet, Barclay's Leadership Review Meet, Godrej Annual Conference, Max Senior Leadership Meet, SCB GOH Tournament and UNCT Retreat etc. Besides this, prestigious car manufacturing companies organized car launch events and conferences.

Indian Green Building Council has conferred LEED certificate in **"Gold Category"** to the Jaypee Residency Manor, Mussoorie and in **"Platinum Category"** to Jaypee Vasant Continental, New Delhi for energy & environmental design of the building.

"Atlantis-The Club", an integrated sports complex located at Jaypee Greens, Greater Noida offers world class facilities for International and National sporting events & tournaments with rooms & conference halls. Atlantis has emerged as a Sports Academy destination. Yuvraj Singh Cricket for Excellence (YSCE), academy under the supervision of celebrity Mr. Yuvraj Singh is conducting coaching for more than 100 students. Bhaichung Bhutia Football School (BBFS), the Soccer Academy is operating & conducting the coaching under the supervision of Mr. Bhaichung Bhutia, former captain, Indian Soccer Team. Team Tennis India Pvt. Ltd. (TTIPL) is running the academy under the supervision of Aditya Sachdeva, former National Level Player, Coach Mr. Yuki Bhambri, and Rohit Rajpal, former Indian Davis Cup Player.

The Company's Hotels at New Delhi, Agra and Mussoorie have been accredited with ISO 9001 for Quality Management System (QMS), ISO 14001 for Environment Management System (EMS), ISO 22000 for Food Safety Management System (FSMS) and Hazard Analysis and Critical Control Point (HACCP).

Foreign tourist arrivals in India during 2015 was 69.48 Lacs as against 63.09 Lacs in 2014. The foreign exchange earnings from tourism grew by 23.6% in May, 15 as against May, 14 according to data released by Ministry of Tourism.

The business of the Hotel Division is poised for sustained growth and the outlook is bright. The Company is confident to achieve better quotient of customers' satisfaction and to achieve higher growth coupled with an optional utilization of its resources.

6.4 REAL ESTATE DIVISION

Jaypee Greens, Greater Noida

The Company's prestigious project - Jaypee Greens, Greater Noida spread across 452 acres is the maiden golf centric residential development. The project integrates Luxury villas and Apartments with an 18 Hole Greg Norman Signature golf course, 9 Hole chip & putt golf course, landscaped parks and lakes along with an integrated sports complex, 60 acre Nature Reserve Park, a 5 star spa resort in collaboration with Six Senses Spa of Thailand.

The Company has already offered possession of over 1400 units across the entire township.

Jaypee Greens Wish Town Noida

Jaypee Greens Noida - being developed by the Jaypee Group is a benchmark project in Noida region. Spread over 1063 acres, it offers wide range of residential options from independent homes to high-rise apartments and penthouses, along with host of other amenities such as a 18+9 hole Graham Cooke designed golf facility, a 504 bed super specialty Hospital, educational facilities including the already operational Jaypee Public school and JIIT, landscaped parks and lakes, various recreational facilities and entertainment hubs and commercial centers.

We have already offered possession of over 4400 apartments across different projects. In addition, approximately 1600 independent units have also been offered for possession across various projects in Wishtown Noida.

Jaypee Greens AMAN

Jaypee Greens Aman at Sector 151, Noida is located on the Noida-Greater Noida Expressway and offers 2 & 3 BHK apartments. Spread over 89 acres, the project also comprises of landscaped gardens, picturesque walkways, sports facilities, Social Club with a swimming pool & gymnasium, Schools, Creches, Kid's play area, and a shopping complex etc. The Project is expected to shortly commence offer of possession of apartments.

Jaypee Greens Sports City

Jaypee Greens Sports City located on the Yamuna Expressway spread over 2500 acres, comprises India's first International Motor racing track, International standard cricket stadium, a long green boulevard and much more. The Sports City has hosted India's First F1 race in October, 2011 followed by two more races in October, 2012 and 2013.

The development of Sports City inter-alia comprises of various thematic districts offering residential, sports, commercial and institutional facilities. The commercial zone will offer well defined areas for elaborate financial and civic centers, along with residential districts which will have a vast range of products including villas, town homes, residential plots and mid to high rise apartment blocks, to suit the requirements of all.

We have already offered possession of over 2300 residential plots in sports city.

Backed by a strong team of Architects, Engineers and Sales and Marketing professionals the Company is committed to deliver all of its projects in the coming years.

6.5 SPORTS DIVISION

The erstwhile Jaypee Sports International Limited (JSIL) was amalgamated into the Company on 16th October 2015 (w.e.f. the Appointed Date 1st April 2014) and now it is known as **Jaypee International Sports, a division of Jaiprakash Associates Limited.**

JSIL (incorporated on 20th October 2007) was allotted around 1100 Ha. of land for development of Special Development Zone (SDZ) with sports as a core activity by Yamuna Expressway Industrial Development Authority (YEIDA). This area is inclusive of 100 Ha of land to be used for Abadi Development. The core activities are sports inter-alia Motor Race Track, suitable for Holding Formula One race and setting up a Cricket stadium of International Standard to accommodate above 1,00,000 spectators and others.

The Motor Race Track known as Buddh International Circuit (BIC) was completed well in time and JSIL successfully hosted three editions of the Indian Grand Prix held in October, 2011, October, 2012 & October, 2013. The success of the event was acknowledged by winning of many awards and accolades.

It is the endeavour of the Company to place Buddh International Circuit (BIC) as one stop destination for exhibitions, shooting of movies, concerts, product launches and other promotional entertainment activities.

To design the cricket stadium, M/s. ALA Architects were appointed and the first phase of construction is likely to be completed soon.

Significant progress has also been made in development of the non-core area planned for group housing, plots, flats, etc. and other social infrastructure related activities.

7.0 DIVERSIFICATION

A. WIND POWER PROJECT

The Company had been operating, upto 30th September 2015 only, the Wind Power Project of 49 MW (40.25 MW in Maharashtra and 8.75 MW in Gujarat). Out of the aggregate capacity of 49 MW, 16.25 MW (13 generators each of 1.25 MW) was commissioned during December 2006 to March 2007 at Dhule in Maharashtra. The remaining 32.75 MW was commissioned at Sangli, Maharashtra (24 MW - 16 generators each of 1.5 MW) during September 2007 to March 2008 and at Kutchh, Gujarat (8.75 MW - 7 generators each of 1.25 MW) in March 2008.

The electricity generated from the project was sold to Maharashtra State Electricity Distribution Company Limited (MSEDCL) in Maharashtra and Gujarat Urja Vikas Nigam Limited (GUVNL) in Gujarat.

As reported last year also, the said wind power plants were hived off on 30th September 2015. The consideration of ₹ 161 crores approx. has since been received. The energy sold and the revenue from sale of electricity during FY 2015-16 upto 30th September 2015 (for 6 months) were 58.47 Million units and ₹ 25.59 crores against

78.12 Million units and ₹ 33.29 crores respectively in the year 2014-15 (for 12 months).

B. DEVELOPMENT OF COAL BLOCKS IN MADHYA PRADESH

Three separate joint-venture companies were set-up for development of three Coal Blocks i.e.

– **Amelia (North)** (by Madhya Pradesh Jaypee Minerals Limited),

– **Dongri Tal-II** (by MP Jaypee Coal Limited), and

– **Mandla (South)** (by MP Jaypee Coal Fields Limited),

which coal blocks had been allocated to Madhya Pradesh State Mining Corporation Ltd. (MPSMCL), with a shareholding ratio of 51:49 between MPSMCL and JAL.

Coal mined from Amelia (North) and Dongri Tal-II Mines was for supply to the 2 x 660 MW Super Critical Thermal Power Plant at Nigrie, (M.P.) set up by Jaiprakash Power Ventures Limited (JPVL), a subsidiary of JAL.

Mandla (North) Coal Block owned by JAL was for captive use of Coal for Cement Plants and CPPs.

After developing Amelia (North) Coal Block, the JVC namely Madhya Pradesh Jaypee Minerals Limited (MPJML) had started supply of Coal to Jaypee Nigrie Super Thermal Power Plant (JNSTPP). The remaining three Coal Blocks had also achieved substantial progress in developing the mines and in obtaining clearances/ approvals.

On 24th September 2014, the Supreme Court of India through its judgment had cancelled 204 Coal Blocks allocated between 1993 and 2011. Amelia (North), Dongri Tal-II, Mandla (North) and Mandla (South) Coal Blocks were amongst the 204 Coal Blocks cancelled by the Supreme Court.

Subsequent to the Supreme Court judgment, the Nominated Authority of the Ministry of Coal started the process for auction of Coal Blocks which were subject to cancellation pursuant to the Court order.

In the first phase of E-Auction, JPVL emerged successful by bagging Amelia (North) Coal Mine, reserved for the power sector. The e-auction for this Mine was done through reverse bidding process aimed at minimizing impact on power tariff of the end use power plant.

Further, JAL also won Mandla (North) Coal Mine for its cement and captive power plants.

In the second and third phase, JCCL was successful in securing Mandla (South) Coal Mine and Majra Coal Mine respectively for its cement and captive power plants.

Status of each coal mine vested to JPVL, JAL and JCCL is given below:

Type of Mine	Name of Mine	Status
Open Cast	Amelia (North) of JPVL	After transfer of statutory approvals from prior allottee to JPVL production of coal could be started on 26 th May 2015. During the F.Y. 2015-16, the mine reached (produced) peak rated capacity i.e. 2.8 MTPA and supplied the same to the Jaypee Nigrie Super Thermal Power Plant.
Under Ground	Mandla North of JAL	Incline drive is in progress and out of 903 meters of each incline, drive of 606 mtrs and 596 mtrs respectively have been done and it is expected to be completed during F.Y. 2016-17.
Under Ground	Mandla South of JCCL	Incline drive is in progress and out of 707 meters of each incline, drive of 221 mtrs and 241 mtrs respectively have been done and it is expected to be completed during F.Y. 2016-17.
Open Cast and Under Ground	Majra of JCCL	Transfer of Statutory approvals (Forest Clearance Stage-I, Environment Clearance, and Grant of Mining Lease) are in progress.

C. REFUSE DERIVED FUEL (RDF) FROM MUNICIPAL SOLID WASTE (MSW) AT CHANDIGARH

The Plant is operating successfully taking daily garbage of the city of Chandigarh as per agreement. The plant is serving the twin purpose of keeping the city clean and to conserve the energy resources available in the form of producing fuel called Refuse Derived Fuel (RDF). RDF (in fluff form), the final product of the plant, is being disposed off commercially as a good substitute of conventional fuel in the industries and Power plants located around Chandigarh.

D. DIVERSIFICATION INITIATIVES

Company's other diversification initiatives include setting-up of pit-head based Thermal Power Station, Fertilizer business, Aviation project and Healthcare, which are **being implemented through different subsidiaries** of the Company. Details of the initiatives implemented through subsidiaries are furnished under the heading 'Subsidiaries'.

8.0 SUBSIDIARIES

As on 31st March 2016, in terms of the provisions of Companies Act 2013, your Company had following **21 subsidiaries** which are engaged in different business activities:

1. Jaiprakash Power Ventures Limited
2. Jaypee Arunachal Power Limited
3. Jaypee Powergrid Limited
4. Sangam Power Generation Co. Limited
5. Prayagraj Power Generation Co. Limited
6. Jaypee Meghalaya Power Limited
7. Bina Power Supply Limited (the name of Himachal Karcham Power Company Limited has since been changed to Bina Power Supply Limited w.e.f. 28.09.2015)

8. Bhilai Jaypee Cement Limited
9. Gujarat Jaypee Cement & Infrastructure Limited
10. Jaypee Cement Corporation Limited
11. Jaypee Assam Cement Limited
12. Jaypee Infratech Limited
13. Jaypee Ganga Infrastructure Corporation Limited
14. Himalyan Expressway Limited
15. Jaypee Agra Vikas Limited
16. Jaypee Cement Cricket (India) Limited
17. Jaypee Cement Hockey (India) Limited
18. Jaypee Fertilizers & Industries Limited
19. Himalyaputra Aviation Limited
20. Jaypee Healthcare Limited
21. Jaiprakash Agri Initiatives Company Limited

Note-1: Jaypee Sports International Limited, a wholly owned subsidiary of your Company, amalgamated into JAL, the Company on 16.10.2015 pursuant to Order of Hon'ble High Court of Judicature at Allahabad dated 14.09.2015, the appointed dated being 01.04.2014.)

Note-2: Himachal Baspa Power Company Limited (HBPCL) is no more a subsidiary of JPVL/JAL w.e.f. 08.09.2015 as JPVL sold all its shares in HBPCL on that date.

The status of the aforesaid subsidiaries is as under:

POWER AND RELATED BUSINESS

1. JAIPRAKASH POWER VENTURES LIMITED (JPVL)

At present, JPVL has one operative Hydro Power Plant and two operative Thermal Power Plants, namely:

- i) 400 MW Jaypee Vishnuprayag Hydro Power Plant in Uttarakhand;

- ii) 500 MW – Phase I (of 1200 MW) Jaypee Bina Thermal Power Plant in Madhya Pradesh; and
- iii) 1320 MW Jaypee Nigrie Super Thermal Power Plant in Nigrie, Distt. Singrauli, Madhya Pradesh.

Besides the above mentioned power projects, JPVL has implemented Jaypee Nigrie Cement Grinding Unit at Nigrie (M.P.) with capacity of 2 MTPA, which commenced operations w.e.f. 3rd June, 2015.

JPVL was allotted Amelia (North) Coal Mine in Distt. Singrauli, Madhya Pradesh, the entire coal generated by the coal mine is being utilized for 1320 MW Jaypee Nigrie Supercritical Thermal Power Plant.

The Plant Availability and Energy Generation of the Hydro Power Plant & Thermal Power Plants for the Financial Year 2015-16 were as under:

Plant	Plant Availability (%)	Net Saleable Energy Generation (M U)
Jaypee Vishnuprayag Hydro Power Plant (400 MW)	99.89	1048.29
Jaypee Bina Thermal Power Plant [500 MW - Phase I (of 1200 MW)]	99.79	1208.79
Jaypee Nigrie Super Thermal Power Plant (1320 MW)	83.08	4995.16

400 MW Jaypee Vishnuprayag Hydro Power Plant

The total generation of energy during the year was 1210.63 MUs (including deemed generation). The net saleable energy during the year was 1048.29 MUs.

500 MW Phase I (of 1200 MW) Jaypee Bina Thermal Power Plant

Based on the tariff petition filed by JPVL, MPERC has approved final tariff for Unit-I and Unit-II on 26th November, 2014. JPVL is supplying 70% of the installed capacity on long-term basis to Govt. of Madhya Pradesh/ Madhya Pradesh Power Management Company Ltd., in terms of the Power Purchase Agreement executed with them and balance of installed capacity is being sold as merchant power.

The plant performance of 500 MW Jaypee Bina Thermal Power Plant from 1st April, 2015 to 31st March, 2016 was as under:

(in million units)

FY 2015-16	Actual Generation				
	Gross	Net Saleable	Aux %	PLF %	PAF %
Total	1318.86	1208.79	8.35%	30.03%	99.79%

1320 MW Jaypee Nigrie Super Thermal Power Plant (JNSTPP)

Two units of 660 MW each of JNSTPP have successfully achieved commercial operation on 3rd September, 2014 and 21st February, 2015 respectively. Further, JPVL has acquired coal mine at Amelia (North)

through e-auction conducted by Government of India for meeting part of the coal requirement of JNSTPP. Madhya Pradesh Electricity Regulatory Commission has approved the provisional blended tariff of JNSTPP. JPVL is supplying 37.5% of the installed capacity on long term basis to Government of Madhya Pradesh and Madhya Pradesh Power Management Company Limited in terms of Power Purchase Agreement executed with them and the balance capacity is sold on merchant basis.

(in million units)

FY 2015-16	Actual Generation				
	Gross	Net Saleable	Aux %	PLF %	PAF %
Total	5343.11MUs	4995.16 MUs	6.66%	46.08%	83.08%

Jaypee Nigrie Cement Grinding Unit at Nigrie

2 MTPA Jaypee Nigrie Cement Grinding Unit at Nigrie, Distt. Singrauli in Madhya Pradesh, started commercial operations w.e.f. 3rd June, 2015. The plant recorded a production of 312,577 tonnes with a total revenue of ₹ 124.35 crore.

JPVL had hived off 300 MW Jaypee Baspa-II Hydro Power Plant and 1091 MW Jaypee Karcham Wangtoo Hydro Power Plant, both in Himachal Pradesh on 8th September 2015.

The financial position of JPVL for the year is given as under :

(₹ in Crore)

		Year ended 31/03/2016	Year ended 31/03/2015
(A)	PROFITABILITY		
1	Total Turnover during the year	3970.67	4,061.92
2	Total expenses (except depreciation/ finance costs)	1530.64	1,353.50
3	Finance costs	2398.18	2,117.55
4	Depreciation & amortization	564.05	465.28
5	Total Expenses (2+3+4)	4492.87	3,936.33
6	Exceptional/ Extraordinary Items	47.19	(4.46)
7	Profit before Tax	(569.39)	130.05
8	Profit after Tax	(294.50)	137.21
(B)	LIABILITIES & ASSETS		
1	Share Capital	2,938.00	2,938.00
2	Reserves & Surplus	4,630.98	3,441.43
3	Deferred Revenue	449.72	633.20
4	Non Current Liabilities	11,402.84	18,212.74
5	Current Liabilities	4,591.99	6,794.77
6	Total Equity & Liabilities (1+2+3+4+5)	24,013.53	32,020.14
7	Non Current Assets	22,900.69	30,298.01
8	Current Assets	1,112.84	1,722.13
9	Total Assets (7+8)	24,013.53	32,020.14

2. JAYPEE ARUNACHAL POWER LIMITED (JAPL)

Jaypee Arunachal Power Limited (JAPL), a wholly owned subsidiary of JPVL, is implementing 2700 MW Lower Siang and 500 MW Hironag H.E. Projects in the State of Arunachal Pradesh. JPVL alongwith its associates will ultimately hold 89% of the Equity of JAPL and the balance 11% will be held by the Government of Arunachal Pradesh.

For the 2700 MW Lower Siang Hydro Electric Project, CEA approval was obtained in February, 2010 and the concurrence has been extended by CEA for another three years. The Land acquisition is in progress. The In-principle Approval has been granted and Power Purchase Agreement (PPA) is to be submitted for final approval with respect to the grant of Mega Power status of the project. Draft Rehabilitation & Resettlement Plan has been submitted to the State Government. The State Government has recommended the forest clearance case to Ministry of Environment and Forest (MOEF) and the same is under examination by Regional unit of MOEF since February, 2015.

For 500 MW Hironag Hydro Electric Project, CEA has accorded Techno-Economic Concurrence on 10th April 2013. For the Environmental/ Forest Clearance of the Project, the EIA & EMP reports have been submitted to MoEF. The State Government has recommended the forest clearance case to Ministry of Environment and Forest (MOEF) and the same is under examination by Regional Unit of MOEF since February, 2015.

An aggregate amount of ₹ 228.29 crores has been spent on the Projects upto 31st March, 2016.

The financial position of JAPL for the year is given as under :

(₹ in Crore)			
		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Total Turnover/ Expenditure during the year	--	--
2	Profit Before/after Tax	--	--
(B) LIABILITIES & ASSETS			
1	Share Capital	228.29	228.27
2	Reserves & Surplus	(2.25)	(2.25)
3	Non Current Liabilities	1.76	1.84
4	Current Liabilities	--	--
5	Total Equity & Liabilities (1+2+3+4)	227.80	227.85
6	Non Current Assets	227.40	227.43
7	Current Assets	0.40	0.42
8	Total Assets (6+7)	227.80	227.85

3. JAYPEE POWERGRID LIMITED (JPL)

Jaypee Powergrid Limited (JPL), a joint venture of Jaiprakash Power Ventures Limited (JPVL) and Power Grid Corporation of India Limited (a Central Government Power Utility Undertaking), has set

up 224 kms. long 400 kV Quad Bundle Conductor Double Circuit Transmission Line for evacuation of Power from the pothead yard of 1091 MW Karcham Wangtoo Plant in the State of Himachal Pradesh to Abdullapur in the State of Haryana and LILU with the existing Baspa-Jhakri Double circuit line.

The cumulative availability of transmission system for Financial Year 2015-16 was 99.95% as against the normative annual transmission system availability factor of 98.5%. During the Financial Year 2015-16, JPL earned an aggregate transmission tariff of ₹ 172.25 crore.

Further, JPL declared interim dividend of ₹ 0.60 per share during Financial Year 2015-16 and proposed Final dividend of ₹ 0.65 per share subject to the approval of members taking the total dividend to ₹ 1.25 per share (previous year ₹ 1.30 per share).

The financial position of JPL for the year is given as under :

(₹ in Crore)			
		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Total Turnover during the year	174.86	199.98
2	Total expenses (except depreciation/ finance costs)	9.35	7.35
3	Finance costs	62.03	71.55
4	Depreciation & amortization	53.11	52.77
5	Total Expenses (2+3+4)	124.49	131.67
6	Profit before Tax	50.37	68.31
7	Profit after Tax	50.37	68.31
(B) LIABILITIES & ASSETS			
1	Share Capital	300.00	300.00
2	Reserves & Surplus	50.91	45.67
3	Non Current Liabilities	508.03	550.38
4	Current Liabilities	105.57	103.81
5	Total Equity & Liabilities (1+2+3+4)	964.51	999.86
6	Non Current Assets	886.90	924.95
7	Current Assets	77.61	74.91
8	Total Assets (6+7)	964.51	999.86

4. SANGAM POWER GENERATION COMPANY LIMITED (SPGCL)

Sangam Power Generation Company Limited was acquired by JPVL from Uttar Pradesh Power Corporation Limited (UPPCL) through competitive bidding process, for the implementation of 1320MW (2X660MW) Thermal Power Project (with permission to add one additional generation unit of 660MW) in Tehsil Karchana of District Allahabad, Uttar Pradesh.

SPGCL executed Deed of Conveyance with Uttar Pradesh Power Corporation Limited (UPPCL) but the District Administration could not hand over physical possession of land to SPGCL due to local villagers agitation. As such, no physical activity could be started on the ground. SPGCL has written to UPPCL and all procurers that the Power Purchase Agreement has been rendered void and cannot be enforced. As such, it was *inter-alia*, requested that the claims of the Company be settled amicably for closing the agreement(s). As already reported, UPPCL had requested the Company to submit supporting documents in support of the Company's claim, which have been furnished to UPPCL and are under their review.

A committee has been constituted under the chairmanship of Managing Director, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited for amicably closing the PPA.

An aggregate amount of ₹ 549.81 crores has been spent on the Project upto 31st March 2016.

The financial position of SPGCL for the Year is given as under:

(₹ in Crore)			
		Year ended 31/03/16	Year ended 31/03/15
(A) PROFITABILITY			
1	Total Turnover during the year	—	—
2	Profit Before/after Tax	—	—
(B) LIABILITIES & ASSETS			
1	Share Capital	551.98	551.98
2	Reserves & Surplus	(0.07)	(0.07)
3	Non Current Liabilities	-	0.01
4	Current Liabilities	0.04	0.02
5	Total Equity & Liabilities (1+2+3+4)	551.95	551.94
6	Non Current Assets	545.99	542.88
7	Current Assets	5.96	9.06
8	Total Assets (6+7)	551.95	551.94

5. PRAYAGRAJ POWER GENERATION COMPANY LIMITED (PPGCL)

Prayagraj Power Generation Company Limited, acquired from Uttar Pradesh Power Corporation Limited through competitive bidding process, is implementing 1980 MW (3x660 MW) Thermal Power Project (with permission to add two additional generation units of 660MW each) in Tehsil Bara of district Allahabad, Uttar Pradesh.

Power Purchase Agreement executed with U.P. Power Corporation Limited (UPPCL) for 25 years for sale of Power and Fuel Supply Agreement between PPGCL & NCL, for Coal linkages for Phase-I of 1980 MW, are in place.

All Statutory/ Regulatory approvals required for the project are in place. Major supplies from BHEL for Boiler, Turbine and Generator for Phase-I of the Project and from other vendors have been received & rest are being supplied/installed.

The Project Cost was further revised to ₹ 14,596 crore. Such revised Project Cost would be financed through ₹ 4,202.50 crore as equity and the balance of ₹ 10,393.50 crore through Debt. Unit-I had been commissioned on 29th February, 2016. Boiler Light Up of Unit-II had been achieved on 3rd March, 2016. PPGCL is in the process of bridging the funds requirement of debt & equity to ensure completion of remaining two Units say by November/ December, 2016.

An expenditure of approx. ₹ 13,120 crore has been incurred on the implementation of the project upto March, 2016.

The financial position of PPGCL for the year is given as under:

(₹ in Crore)			
		Year ended 31/03/16	Year ended 31/03/15
(A) PROFITABILITY			
1	Total Turnover during the year	58.70	—
2	Total expenses (except depreciation/ finance costs)	24.80	—
3	Finance costs	38.65	—
4	Depreciation & amortization	15.64	—
5	Total Expenses (2+3+4)	79.09	—
6	Exceptional/Extra-ordinary items	—	—
7	Profit/ Loss before Tax	(20.39)	—
8	Profit/ Loss after Tax	(20.39)	—
(B) LIABILITIES & ASSETS			
1	Share Capital	3,193.19	3,123.19
2	Reserves & Surplus	(20.46)	(0.06)
3	Non Current Liabilities	10,260.71	8,413.36
4	Current Liabilities	1,081.67	1,036.99
5	Total Equity & Liabilities (1+2+3+4)	14,515.11	12,573.48
6	Non Current Assets	14,062.94	12,192.91
7	Current Assets	452.17	380.57
8	Total Assets (6+7)	14,515.11	12,573.48

6. JAYPEE MEGHALAYA POWER LIMITED (JMPL)

Jaypee Meghalaya Power Limited was incorporated by Jaiprakash Power Ventures Limited (JPVL) as its wholly owned subsidiary to implement 270 MW Umngot H.E.P. in the Umngot River Basin of Meghalaya and 450 MW Kynshi-II Hydro-Electric Power Projects in the Kynshi River Basin on BOOT (Build, Own, Operate and Transfer) basis. JPVL alongwith its associates will ultimately hold 74% of the equity of JMPL and the balance 26% will be held by the Government of Meghalaya.

There has not been much change in the under-mentioned progress status as reported in the last year's Annual Report.

The field work of survey & investigation and EIA studies have already been completed. Drilling and drifting in Power house area have been completed. The revised proposal for Kynshi-II HEP with involvement of lesser forest area has been submitted to State Government and Ministry of Environment and Forest (MOEF). Based on the observation of the MOEF, Uranium Corporation of India issued No Objection Certificate with respect to uranium deposit in the vicinity of the Project. Accordingly revised proposal for issuance of Term of Reference for EIA studies was submitted. The control levels i.e. Full Reservoir Level & Tail Water Level for Kynshi-II Project has been approved by State Government. Approval of Central Electricity Authority has been accorded to the water availability series for power potential studies.

With respect to the 270 MW Umngot H.E.P, the State Government has advised that the project will not be operationalized as per MoA till further orders. The matter is being pursued with the State Government for permission to resume the works.

An aggregate amount of approx. ₹ 8.50 crore has been spent on the above said two projects upto March, 2016.

The financial position of JMPL for the year is given as under:

(₹ in Crore)			
		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Total Turnover during the year	--	--
2	Profit Before / after Tax	--	---
(B) LIABILITIES & ASSETS			
1	Share Capital	8.38	8.36
2	Reserves & Surplus	(0.02)	(0.02)
3	Non Current Liabilities	--	--
4	Current Liabilities	0.74	0.75
5	Total Equity & Liabilities (1+2+3+4)	9.10	9.09
6	Non Current Assets	8.95	8.95
7	Current Assets	0.15	0.14
8	Total Assets (6+7)	9.10	9.09

7. BINA POWER SUPPLY LIMITED (BPSL)

The Company (BSPL) was originally incorporated as Himachal Karcham Power Company Limited on 14th March, 2014 and it received Certificate of Commencement of Business on 24th March, 2014. The name of the Company was changed from Himachal Karcham Power Company Limited to Bina Power Supply Limited w.e.f. 28th September, 2015 and Registered Office of the Company was shifted from the State of Himachal Pradesh to the State of Madhya Pradesh w.e.f. 23rd November, 2015. The Company is a wholly owned subsidiary of Jaiprakash Power

Ventures Limited and presently it is not carrying on any operations.

The financial position of BPSL for the year is given as under:

(₹ in Crore)			
		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Total Turnover during the year	--	--
2	Total Expenses Turnover during the year	--	0.01
3	Profit Before / after Tax	--	(0.01)
(B) LIABILITIES & ASSETS			
1	Share Capital	0.05	0.05
2	Reserves & Surplus	-0.01	-0.01
3	Non Current Liabilities	--	--
4	Current Liabilities	--	--
5	Total Equity & Liabilities (1+2+3+4)	0.04	0.04
6	Non Current Assets	--	--
7	Current Assets	0.04	0.04
8	Total Assets (6+7)	0.04	0.04

CEMENT BUSINESS

8. BHILAI JAYPEE CEMENT LIMITED (BJCL)

The Clinkerisation plant of BJCL, a joint venture between JAL & SAIL at Satna continued to function satisfactorily.

The working of BJCL for the year resulted in an operating loss of ₹ 49.87 crore as against operating profit of ₹ 39.42 crore during the previous year. After taking into account the impact of interest (₹ 28.03 crore) and considering depreciation of ₹ 38.45 crore, BJCL has incurred loss of ₹ 115.59 crore before tax.

The financial position of the Company for the year is given as under:

(₹ in Crore)			
		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Total Turnover during the year	401.74	615.54
2	Total expenses (except depreciation/ finance costs)	450.85	584.67
3	Finance costs	28.03	42.82
4	Depreciation & amortization	38.45	35.87
5	Total Expenses (2+3+4)	517.33	663.36
6	Exceptional/Extra-ordinary items	-	8.55
7	Profit before Tax	(115.59)	(39.27)

(₹ in Crore)

		Year ended 31/03/2016	Year ended 31/03/2015
8	Profit after Tax	(79.90)	(20.14)
(B)	LIABILITIES & ASSETS		
1	Share Capital	379.68	379.68
2	Reserves & Surplus	(211.80)	(131.90)
3	Non Current Liabilities	3.27	2.84
4	Current Liabilities	671.93	665.82
5	Total Equity & Liabilities (1+2+3+4)	843.08	916.45
6	Non Current Assets	776.50	777.67
7	Current Assets	66.58	138.78
8	Total Assets (6+7)	843.08	916.45

9. GUJARAT JAYPEE CEMENT & INFRASTRUCTURE LIMITED (GJCL)

GJCL, a Joint Venture between Jaiprakash Associates Limited (JAL) and Gujarat Mineral Development Corporation Limited (GMDC) was incorporated, inter-alia, to implement a 2.4 Million tonnes per annum capacity cement plant in District Kutch, Gujarat.

Out of approximately 484 hectares of land required for setting up the Project, 27 hectares are Private land and 457 hectares are Government land. Major part of Private land (22 hectares) has been purchased by the Company. However pending necessary approval from the Government of Gujarat, the Government land is yet to be acquired by the Company. The Board is examining various options on the way forward for the Company.

The financial position of GJCL for the year is given as under:

(₹ in Crore)

		Year ended 31/03/2016	Year ended 31/03/2015
(A)	PROFITABILITY		
1	Other income during the year	0.02	0.03
2	Total Expenses (Depreciation/ Finance costs being Nil)	0.02	0.03
3	Exceptional/Extra-ordinary items	-	0.10
4	Profit before Tax	(0.00)	(0.10)
5	Profit after Tax	(0.00)	(0.11)
(B)	LIABILITIES & ASSETS		
1	Share Capital	0.73	0.73
2	Reserves & Surplus	(0.29)	(0.29)
3	Non Current Liabilities	-	-
4	Current Liabilities	0.01	0.01
5	Total Equity & Liabilities (1+2+3+4)	0.45	0.45
6	Non Current Assets	0.10	0.10
7	Current Assets	0.35	0.35
8	Total Assets (6+7)	0.45	0.45

10. JAYPEE CEMENT CORPORATION LIMITED (JCCL)

Jaypee Cement Corporation Limited (JCCL), a wholly owned subsidiary of your Company, has a 5.0 MTPA capacity integrated cement plant along with captive power plant of 60 MW at Jaggaiahpet, District Krishna, Andhra Pradesh.

JCCL also has a 1.20 MTPA cement grinding unit at Shahabad in district Gulbarga, Karnataka alongwith a 60 MW captive power plant.

With a view to tide over the impact of economic slowdown, JCCL alongwith JAL has entered into a definitive agreement with UltraTech Cement Limited on 31st March 2016 for sale of 5.0 MTPA capacity integrated cement plant along with the captive power plant at Jaggaiahpet, District Krishna, Andhra Pradesh. The transaction which is subject to various regulatory approvals is expected to be consummated by March 2017.

The financial position of JCCL for the year is given as under:

(₹ in Crore)

		Year ended 31/03/2016	Year ended 31/03/2015
(A)	PROFITABILITY		
1	Total Turnover during the year	1,020.83	1,094.85
2	Total expenses (except depreciation/finance costs)	857.27	986.71
3	Finance costs	204.53	265.44
4	Depreciation & amortization	225.73	274.29
5	Total expenses (2+3+4)	1,287.53	1,526.44
6	Prior period adjustments	(2.62)	2.47
7	Profit before Tax	(269.32)	(429.12)
8	Profit after Tax	(258.55)	(367.16)
(B)	LIABILITIES & ASSETS		
1	Share Capital	3,727.50	3,627.50
2	Reserve & Surplus	(1,874.97)	(1,616.41)
3	Non Current Liabilities	2,358.41	1,499.07
4	Current Liabilities	1,484.79	2,151.98
5	Total Equity & Liabilities (1+2+3+4)	5,695.73	5,662.14
6	Non Current Assets	4,913.29	4,797.72
7	Current Assets	782.44	864.42
8	Total Assets (6+7)	5,695.73	5,662.14

11. JAYPEE ASSAM CEMENT LIMITED (JACL)

Jaypee Assam Cement Limited (JACL) was incorporated, as a special purpose vehicle, initially as a wholly-owned subsidiary of Jaiprakash Associates Limited (JAL) for the purpose of setting up a 2 Mn tpa capacity Cement Plant in the North Cachar Hills Distt of Assam, in Joint Venture with Assam Mineral Development Corporation Ltd. (AMDC).

The same shall be converted as a Joint Venture Company (JVC) between JAL and Assam Mineral Development Corporation Ltd.(AMDC) as JV partners

having a shareholding ratio of 82:18 between themselves, as per the Shareholders' Agreement. While JAL shall hold the shares for cash consideration, shares shall be allotted to AMDC in consideration of the exclusive mining rights of the mineral block identified for this Company. Under the SHA, the management and control of the JVC is vested in JAL.

Prior to incorporation of JACL 750 bighas of land was allotted by Dima Hasao Autonomous Council (DHAC) on 30 years lease basis to Jaiprakash Associates Limited (JAL) for the project of the Company. Necessary payment in this regard to DHAC was made by JAL as a promoter of the Company. An agreement was also executed between DHAC and JAL.

Besides the payment of ₹ 3.77 crore for the above land, JAL had also paid ₹ 10 crore to DHAC in advance as the share of royalty on limestone for a period of one year as per the Agreement executed between JAL and DHAC.

JACL had deployed necessary resources in right earnest for setting-up the 2 million tonnes per annum cement plant with a 35 MW captive power plant. For getting environment clearance for the proposed project, the Company started expeditious collection of data and preparation of Environmental Impact Assessment/Environmental Management Plan Reports for submission to Government of India, Ministry of Environment & Forest.

JACL was, however, compelled to suspend all project activities since January 2012 due to adverse security situation in the vicinity of the project, as reported last year also.

JACL is in regular touch with concerned authorities for resumption of project activities as and when the security situation is improved.

The financial position of JACL for the year is given as under:

(₹ in Crore)			
		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Other income during the year	-	-
2	Total expenses (Depreciation/ Finance costs being Nil)	0.01	0.46
3	Profit before Tax	(0.01)	(0.46)
4	Profit after Tax	(0.01)	(0.46)
(B) LIABILITIES & ASSETS			
1	Share Capital	0.06	0.06
2	Reserves & Surplus	(1.03)	(1.02)
3	Non Current Liabilities	1.01	1.01
4	Current Liabilities	0.01	0.01
5	Total Equity & Liabilities (1+2+3+4)	0.05	0.06
6	Non Current Assets	-	-
7	Current Assets	0.05	0.06
8	Total Assets (6+7)	0.05	0.06

EXPRESSWAYS AND RELATED BUSINESS

12. JAYPEE INFRATECH LIMITED (JIL)

Jaypee Infratech Limited (JIL) has developed Yamuna Expressway project which inter-alia includes 165 km six lane access controlled expressway from Noida to Agra with provision for expansion to eight lane with service roads and associated structures. Yamuna Expressway was opened for public on 9th August 2012 and commenced toll collection w.e.f. 16th August 2012.

The Average Annual Daily Traffic (AADT) for the year ended on 31st March, 2016 was 20,995 PCUs as compared to 16,490 PCUs for the previous year ended on 31st March, 2015, higher by 27.32%.

The revenue from Toll Collection for the year ended 31st March, 2016 aggregated to ₹ 232.96 crores as compared to ₹ 168.65 Crores for the previous year ended 31st March, 2015, higher by 38.13%. The Average Annual Daily Traffic (AADT) and Toll revenue has registered a Compound Annual Growth Rate (CAGR) of 29% and 35% respectively, since commencement of the commercial operation on 16th August, 2012.

JIL is also developing five integrated Townships over 25 million square meters of land for commercial, amusement, industrial, institutional & residential purposes etc. across five different locations one in Noida, two locations in District Gautam Budh Nagar (part of NCR) and one location in each of District Aligarh & District Agra, Uttar Pradesh, along the Yamuna Express way.

JIL has commenced development of its Land Parcel-1 at Noida, Land Parcel-3 at Mirzapur, U.P. and Land Parcel-5 at Agra.

The financial position of JIL for the year is given as under:

(₹ in Crore)			
		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Total Turnover during the year	2,807.64	3,257.78
2	Total expenses (except depreciation/finance costs)	2,201.63	1,907.09
3	Finance costs	918.46	893.56
4	Depreciation & amortization	34.06	28.28
5	Total expenses (2+3+4)	3,154.15	2,828.93
6	Profit before Tax	(346.51)	428.85
7	Profit after Tax	(242.93)	355.00
(B) LIABILITIES & ASSETS			
1	Share Capital	1,388.93	1,388.93
2	Reserve & Surplus	4,593.83	4,963.42
3	Non Current Liabilities	8,554.76	6916.14
4	Current Liabilities	3,763.96	6294.30
5	Total Equity & Liabilities (1+2+3+4)	18,301.48	19562.79
6	Non Current Assets	10,773.15	10,721.45
7	Current Assets	7,528.33	8841.34
8	Total Assets (6+7)	18,301.48	19562.79

13. JAYPEE GANGA INFRASTRUCTURE CORPORATION LIMITED (JGICL)

Jaypee Ganga Infrastructure Corporation Limited (JGICL) was incorporated as a wholly owned subsidiary of Jaiprakash Associates Limited for implementation of the 1047 Km long 8 - lane Access- Controlled "Ganga Expressway Project" connecting Greater Noida with Ghazipur-Ballia along the left bank of river Ganga on Design, Build, Finance and Operate (DBFO) basis together with the development of 12,281 hectares of land parcels at eight different locations in Uttar Pradesh in terms of the Concession Agreement executed between Uttar Pradesh Expressways Industrial Development Authority (UPEIDA) and JGICL on March 23, 2008.

Preparatory work for the Project was started. Consequent upon the Order of Hon'ble High Court of Allahabad dated 29.05.2009 quashing the environment clearance earlier issued by State Environment Impact Assessment Authority (SEIAA), fresh application for the Environmental Clearance was filed which is still pending. Since there are lot of uncertainties in respect of Environment clearance, due to various developments like farmers unrest etc., upon discussion with the Government/Authority, a supplementary agreement was signed with the Authority on 30th November, 2011 and UPEIDA has returned the Bank Guarantee after taking an undertaking from JGICL that the Company would revive the Bank Guarantee, when the project gets environmental clearance.

In the meeting held on 12th September, 2014, it was agreed between UPEIDA and JGICL to terminate the Agreement of Ganga Expressway and the settlement agreement has been forwarded to the Government of U.P for approval which is pending.

The financial position of JGICL for the year is given as under:

(₹ in Crore)

		Year ended 31/03/16	Year ended 31/03/15
(A) PROFITABILITY			
1	Total Turnover during the year	-	-
2	Profit before/after Tax	-	-
(B) LIABILITIES & ASSETS			
1	Share Capital	564.99	564.99
2	Reserves & Surplus	-	-
3	Non Current Liabilities	-	-
4	Current Liabilities	3.52	3.37
5	Total Equity & Liabilities (1+2+3+4)	568.51	568.36
6	Non Current Assets	568.50	568.30
7	Current Assets	0.01	0.06
8	Total Assets (6+7)	568.51	568.36

14. HIMALYAN EXPRESSWAY LIMITED (HEL)

HEL was incorporated as a Special Purpose Vehicle (SPV) for implementing the Zirakpur-Parwanoo Expressway project in the States of Punjab, Haryana and Himachal Pradesh. The Expressway connecting the three states became operational and the toll collection started from 6th April, 2012. Being the first in the country with Radio Frequency Identification Device (RFID) technology based electronic toll collection system, the Expressway has provided a seamless travel to long journey road users while saving cost and time.

The highlights of HEL's performance during the year under report, are as under:

- The revenue from Toll Collection for the year ended 31st March, 2016 was ₹ 37.49 crores, as compared to ₹ 33.63 crores for the previous year ended 31st March, 2015, higher by approx. 11%.
- The Average Annual Daily Traffic (AADT) for the year ended 31st March, 2016 was 46,997 PCUs, as compared to 44,295 PCUs for the previous year ended 31st March, 2015, higher by approx. 6%.
- The Average Annual Daily Toll Revenue (AADR) for the year ended 31st March, 2016 was ₹ 10.25 Lacs, as compared to ₹ 9.21 Lacs for the previous year ended 31st March, 2015, higher by approx. 11%.

During the fourth year of commercial operations, HEL has shown an improved performance over the previous years.

The financial position of HEL for the year is given as under:

(₹ in Crore)

		Year ended 31/03/16	Year ended 31/03/15
(A) PROFITABILITY			
1	Total Turnover during the year	37.53	33.67
2	Total expenses (except depreciation/finance costs)	10.59	8.33
3	Finance costs	38.03	39.49
4	Depreciation & amortization	13.19	11.92
5	Total Expenses (2+3+4)	61.81	59.74
6	Exceptional/Extra-ordinary items	--	--
7	Profit/(Loss) before Tax	(24.28)	(26.07)
8	Profit / (Loss) after Tax	(24.29)	(26.21)
(B) LIABILITIES & ASSETS			
1	Share Capital	143.09	143.09
2	Reserves & Surplus	4.68	28.97
3	Non Current Liabilities	530.15	522.26
4	Current Liabilities	14.63	11.68
5	Total Equity & Liabilities (1+2+3+4)	692.55	706.00
6	Non Current Assets	687.72	700.90
7	Current Assets	4.83	5.10
8	Total Assets (6+7)	692.55	706.00

15. JAYPEE AGRA VIKAS LIMITED (JAVL)

Jaypee Agra Vikas Limited (JAVL) was incorporated on 16th November 2009 as a Special Purpose Vehicle for implementing project for development of Inner Ring Road for Agra and other infrastructure facilities, under integrated Urban Rejuvenation Plan on Design, Build, Finance, Operate and Transfer basis. The Company signed a Concession Agreement on 4th February 2010 with Agra Development Authority (ADA) for the implementation of the Agra Inner Ring Road Project.

The project could not be implemented as ADA was not able to fulfill its obligations in respect of 'Conditions Precedent'. As per the decision taken by ADA, the Company has received part refund of the advance given to ADA for acquisition of land and the balance amount of ₹ 14.63 crore (approx.) is yet to be refunded to JAVL.

The financial position of JAVL for the year is given as under:

(₹ in Crore)

		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Total Turnover during the year	--	0.49
2	Total expenses (except depreciation/ finance costs)	0.18	19.30
3	Finance costs	19.76	192.50
4	Depreciation & amortization	0.01	0.05
5	Total Expenses (2+3+4)	19.95	211.85
6	Profit before Tax	(19.95)	(211.36)
7	Profit after Tax	(19.95)	(211.36)
(B) LIABILITIES & ASSETS			
1	Share Capital	375.92	375.92
2	Reserves & Surplus	(233.30)	(213.36)
3	Non Current Liabilities	98.76	111.26
4	Current Liabilities	18.68	16.18
5	Total Equity & Liabilities (1+2+3+4)	260.06	290.00
6	Non Current Assets	245.12	265.63
7	Current Assets	14.94	24.37
8	Total Assets (6+7)	260.06	290.00

SPORTS AND RELATED BUSINESS

16. JAYPEE CEMENT CRICKET (INDIA) LIMITED (JCCIL)

JCCIL was incorporated on 20th October, 2012, as a wholly owned subsidiary of Jaypee Sports International Limited (JSIL)/ now of JAL (due to merger of JSIL into JAL) to undertake the business of Cricket Sport. It obtained the certificate of commencement of business on 23rd October, 2012. The progress in the Company will commence once the cricket stadium is ready.

The financial position of JCCIL for the year is given as under:

(₹ in Crore)

		Year ended 31/03/16	Year ended 31/03/15
(A) PROFITABILITY			
1	Total Turnover during the year	-	-
2	Profit before /after Tax	-	-
(B) LIABILITIES & ASSETS			
1	Share Capital	0.05	0.05
2	Reserves & Surplus	(0.52)	(0.52)
3	Non Current Liabilities	-	-
4	Current Liabilities	0.51	0.52
5	Total Equity & Liabilities (1+2+3+4)	0.04	0.05
6	Non Current Assets	-	-
7	Current Assets	0.04	0.05
8	Total Assets (6+7)	0.04	0.05

17. JAYPEE CEMENT HOCKEY (INDIA) LIMITED (JCHIL)

JCHIL was incorporated on 5th November, 2012, as a wholly owned subsidiary of Jaypee Sports International Limited (JSIL)/ now of JAL (due to merger of JSIL into JAL) to undertake the business of Hockey Sport. It obtained the certificate of commencement of business on 12th November, 2012.

JCHIL entered into the Franchisee Agreement with Hockey India League [HIL] for the Team "Jaypee Punjab Warriors". The performance of Jaypee Punjab Warriors in HIL conducted in the year 2013 & 2014 was well appreciated.

In HIL season 2015, Jaypee Punjab Warriors finished second in the league and was also awarded with Airtel Maximum goal award. In HIL Season 2016, Jaypee Punjab Warriors emerged as the Champions.

The financial position of JCHIL for the year is given as under:

(₹ in Crore)

		Year ended 31/03/16	Year ended 31/03/15
(A) PROFITABILITY			
1	Total Turnover during the year	10.18	10.30
2	Total expenses (except depreciation/ finance costs)	15.56	16.37
3	Finance costs	0.01	0.01
4	Depreciation & amortization	-	-
5	Total Expenses (2+3+4)	15.57	16.38
6	Profit /(Loss) before Tax	(5.39)	(6.08)
7	Profit / Loss) after Tax	(5.39)	(6.08)
(B) LIABILITIES & ASSETS			
1	Share Capital	1.00	1.00
2	Reserves & Surplus	(23.89)	(18.50)
3	Non Current Liabilities	-	-

(₹ in Crore)

		Year ended 31/03/16	Year ended 31/03/15
4	Current Liabilities	33.30	26.45
5	Total Equity & Liabilities (1+2+3+4)	10.41	8.95
6	Non Current Assets	-	-
7	Current Assets	10.41	8.95
8	Total Assets (6+7)	10.41	8.95

FERTILIZER AND RELATED BUSINESS**18. JAYPEE FERTILIZERS & INDUSTRIES LIMITED (JFIL)**

JFIL was incorporated on 03.06.2010 to carry on the business directly or by making investment in other companies having similar objects including that of manufacturers, fabricators, processors, producers, importers, exporters, buyers, sellers etc. of all kinds of fertilizers and chemicals. It is a wholly owned subsidiary of Jaiprakash Associates Limited and undertook the business of fertilizers and chemicals. The Company had participated as a strategic investor in the 'Rehabilitation Scheme' (Scheme) of fertilizer undertaking of Duncans Industries Ltd. (DIL) which was approved by the Board for Industrial & Financial Reconstruction (BIFR) in January, 2012.

Pursuant to the Scheme, the said fertilizer undertaking which is famous for 'Chand Chhap' Urea stood vested in **Kanpur Fertilizers & Cement Limited (KFCL)**, in which JFIL has been making investments directly and through **Jaypee Uttar Bharat Vikas Private Limited (JUBVPL)**, a Joint Venture, which held 99.71% (approx.) equity shares of KFCL as on 31.03.2016.

The commercial operations at the plant commenced w.e.f. 01.06.2014. All the 03 Urea and Ammonia streams, 04 bagging lines in bagging plant, 02 boilers having capacity of 70 TPH, 01 boiler with the capacity of 35 TPH, AFBC boiler, Hydrolyser stripper unit for treating nitrogenous effluent and ETP are operating satisfactorily.

During the year, Urea production of KFCL was 7.17 lakh MT and the operations turned profitable.

The financial position of JFIL for the year is given as under:

(₹ in Crore)

		Year ended 31/03/2016	Year ended 31/03/2015
(A)	PROFITABILITY		
1	Total Turnover during the year	41.06	1.30
2	Total expenses (except depreciation/ finance costs)	1.80	2.23
3	Finance costs	25.82	38.25
4	Depreciation & amortization	0.00	0.00
5	Total Expenses (2+3+4)	27.62	40.48
6	Profit/(Loss) before Tax	13.44	(39.18)
7	Profit / (Loss) after Tax	12.32	(39.18)

(₹ in Crore)

		Year ended 31/03/2016	Year ended 31/03/2015
(B)	LIABILITIES & ASSETS		
1	Share Capital	391.64	286.64
2	Reserves & Surplus	308.25	295.93
3	Non Current Liabilities	0.13	105.13
4	Current Liabilities	121.81	127.15
5	Total Equity & Liabilities (1+2+3+4)	821.83	814.85
6	Non Current Assets	794.51	780.97
7	Current Assets	27.32	33.88
8	Total Assets (6+7)	821.83	814.85

AVIATION BUSINESS**19. HIMALYAPUTRA AVIATION LIMITED (HAL)**

HAL was incorporated as a wholly-owned subsidiary of your Company, to undertake the civil aviation business. HAL has obtained initial NOC from Ministry of Aviation to operate Non-Scheduled Air Transport Services.

The financial position of HAL for the year is given as under:

(₹ in Crore)

		Year ended 31/03/2016	Year ended 31/03/2015
(A)	PROFITABILITY		
1	Total Turnover during the year	5.91	8.94
2	Total expenses (except depreciation/ finance costs)	15.36	20.98
3	Finance costs	3.60	2.90
4	Depreciation & amortization	1.92	1.92
5	Total Expenses (2+3+4)	20.88	25.80
6	Profit before Tax	(14.96)	(16.86)
7	Profit after Tax	(14.96)	(16.86)
(B)	LIABILITIES & ASSETS		
1	Share Capital	25.00	25.00
2	Reserves & Surplus	(62.39)	(47.43)
3	Non Current Liabilities	1.45	8.44
4	Current Liabilities	72.88	52.22
5	Total Equity & Liabilities (1+2+3+4)	36.93	38.24
6	Non Current Assets	32.81	34.66
7	Current Assets	4.12	3.57
8	Total Assets (6+7)	36.93	38.24

HEALTHCARE BUSINESS**20. JAYPEE HEALTHCARE LIMITED (JHCL)**

Jaypee Healthcare Limited (JHCL) was incorporated on 30th October, 2012 as a wholly owned subsidiary of Jaypee Infratech Limited (JIL) for the establishment of

"Jaypee Hospital" with the vision of promoting world-class healthcare amongst the masses by providing quality and affordable medical care. "Jaypee Hospital", the flagship hospital of Jaypee Group, is located at Wish Town, Sector - 128, NOIDA, U.P.

It has been built across a sprawling 25 acre campus comprising of 504 Beds and was made operational in first phase from 1st April, 2014 with various facilities like OPD, Radiology, Lab, and Executive Health Check up.

During the period under review, the Company has commenced operation by launching of Patient Care Services in various other specialties detailed hereunder as:

Internal Medicine, General Surgery & Laparoscopic Surgery, Obstetrics & Gynecology, Pediatrics, Orthopedics, Spine, Emergency, Urology, Nephrology & Dialysis, Blood Bank, Medical Oncology/Surgical Oncology, Radiation Oncology, Nuclear Medicine, Psychiatry, Neonatology (NICU), Cardiology, Cardiac Surgery, Pediatric Cardiac Surgery, Neurology, Neuro Surgery, Endocrinology, Gastroenterology, Dermatology/Cosmetology, Speech therapy, Ophthalmology, Physiotherapy, Dental, Intensive Care Unit, Pediatric Intensive Care Unit, ENT, Liver Transplant, Kidney Transplant, Bone Marrow Transplant.

The financial position of JHCL for the year is given as under:

(₹ in Crore)			
		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Total Turnover during the year	90.16	10.27
2	Total expenses (except depreciation/ finance costs)	102.07	11.03
3	Finance costs	26.41	1.77
4	Depreciation & amortization	17.16	2.03
5	Total Expenses (2+3+4)	145.65	14.83
6	Profit before Tax	-55.49	-4.56
7	Profit after Tax	-55.49	-4.56
(B) LIABILITIES & ASSETS			
1	Share Capital	427.50	427.50
2	Reserves & Surplus	-61.31	-5.83
3	Non Current Liabilities	375.68	324.16
4	Current Liabilities	115.55	97.95
5	Total Equity & Liabilities (1+2+3+4)	857.42	843.78
6	Non Current Assets	797.39	710.93
7	Current Assets	60.03	132.85
8	Total Assets (6+7)	857.42	843.78

AGRI BUSINESS

21. JAIPRAKASH AGRI INITIATIVES COMPANY LIMITED (JAICO)

Jaiprakash Agri Initiatives Company Limited (JAICO), was acquired by Jaypee Cement Corporation Limited,

a wholly owned subsidiary of the Company on 25th March, 2013 to diversify into agri business.

JAICO had set up soya and mustard processing plant at Rewa, Madhya Pradesh. Jaypee Oilseeds Processing Complex has facilities to handle all types of products and by-products from Soya and Mustard. However, the production activities of Soya/ Mustard oil has been stopped and the plant is under preventive maintenance.

The financial position of JAICO for the year is given as under:

(₹ in Crore)			
		Year ended 31/03/2016	Year ended 31/03/2015
(A) PROFITABILITY			
1	Total Turnover during the year	0.38	12.67
2	Total expenses (except depreciation/ finance costs)	4.32	17.87
3	Finance costs	2.99	6.48
4	Depreciation & amortization	7.37	7.50
5	Total Expenses (2+3+4)	14.68	31.85
6	Profit before Tax	(14.30)	(19.18)
7	Profit after Tax	(14.30)	(19.18)
(B) LIABILITIES & ASSETS			
1	Share Capital	155.10	155.10
2	Reserves & Surplus	(110.88)	(96.58)
3	Non Current Liabilities	23.06	22.41
4	Current Liabilities	39.58	36.04
5	Total Equity & Liabilities (1+2+3+4)	106.86	116.97
6	Non Current Assets	103.08	109.88
7	Current Assets	3.78	7.09
8	Total Assets (6+7)	106.86	116.97

9.0 CONSOLIDATED FINANCIAL STATEMENTS

The statement (in prescribed form AOC-1) as required under Section 129 of the Companies Act, 2013, in respect of the **Subsidiaries and Associate companies** of the Company is annexed and forms an integral part of this Report. The Associate companies of the Company as mentioned therein are (i) Madhya Pradesh Jaypee Minerals Limited, (ii) MP Jaypee Coal Limited, (iii) MP Jaypee Coal Fields Limited, (iv) Kanpur Fertilizers & Cement Limited, (v) Jaypee Uttar Bharat Vikas Private Limited, (vi) RPJ Minerals Private Limited and (vii) Sonebhadra Minerals Private Limited. While (i) to (iii) have been discussed at 7.0 (B) above, (iv) & (v) at 8.0 (18) above, (vi) & (vii) did not undertake any operational activity during the year 2015-16 pertaining to mining of minerals, etc.

The consolidated financial statements of the **Company & its Subsidiary companies alongwith Associate companies**, as mentioned in form AOC-1, for the year ended 31st March 2016, prepared in accordance with Accounting Standard AS-21 "Consolidated Financial Statements" prescribed by the Institute of Chartered Accountants of India, form part of the Annual Report and Financial Statements.

The Financial Statements of the subsidiary companies and the related detailed information (as per Section 129 of the Companies Act, 2013) will be made available to the shareholders of the Company and subsidiary companies seeking such information. The financial statements of the subsidiary companies will also be kept for inspection by any shareholders in Company's Head Office and also that of the subsidiaries. Further, the Company shall furnish a hardcopy of financial statements of subsidiary companies to any shareholder on demand.

The Company has also uploaded the Financial Statements of individual subsidiary companies on its website i.e. www.jalindia.com.

The Directors are of the opinion that the **subsidiaries and Joint Ventures/ Associate companies** of your Company have promising future.

10.0 OUTLOOK

Keeping in view the performance and future prospects of the Company's business, the expansion and diversifications being undertaken, the business of its subsidiaries and the Company's resolve to reduce the debt, your Company is committed to enhance the shareholders' value.

11.0 DIRECTORATE

11.1 Cessation of Directorships:

- (i) As reported last year also, **Shri Shiva Dixit**, Wholetime Director resigned **w.e.f. 20th July 2015**. The Board places on record its appreciation for his valuable contribution during his tenure as Wholetime Director of the Company.
- (ii) **Shri Sarat Kumar Jain**, a Director and Vice Chairman of the Company, resigned **w.e.f. 6th June 2016** on health grounds. The Board places on record its deepest appreciation for his valuable contribution during his tenure as Director/Vice Chairman of the Company.

11.2 Appointments of Independent Directors:

As reported last year also, **Shri M.V. Phadke** was appointed as IDBI Nominee Director on the Board of the Company **w.e.f. 10th June 2015**, not liable to retire by rotation.

The composition of the Board is in compliance of the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations.

11.3 Retirement by rotation:

Shri Sunny Gaur and Shri Rahul Kumar, Directors would retire by rotation at the forthcoming Annual General Meeting of the Company. The proposals for their re-appointment have been included in the Notice of the Annual General Meeting for your approval.

12.0 DEPOSITS

Your Company had a track record of being regular in repayment of deposits and payment of interest

thereon. **As on 1st April 2014**, the Company had outstanding fixed deposits and interest payable thereon aggregating **₹ 2,722.53 Crores**, which were to be repaid over a period of three years from the date of their respective acceptance. However, under the new provisions of the Companies Act, 2013, the outstanding deposits were required to be repaid by **31st March, 2015**.

Due to the changed provisions under the said Act, the Company decided to stop accepting fresh deposits/ renewing the existing deposits. Since the amount raised by the Company stood deployed in its business, it was not feasible to repay such a huge amount within the said period. Accordingly, the Company approached Hon'ble Company Law Board (CLB) for extension of time for repayment of outstanding Fixed Deposits. Seeing the satisfactory progress, Hon'ble CLB has from time to time extended the time for such repayment, finally till **30th June 2016**.

CLB has ceased to exist with effect from **1st June 2016** and in its place National Company Law Tribunal (NCLT) has acquired the jurisdictional authority over the matter. Hon'ble NCLT vide its Order dated **17th June 2016** has further extended the time **upto 31st March 2017** for repayment of outstanding deposits and interest thereon.

In the meantime, the Company, in compliance with the orders of the Hon'ble CLB/NCLT, has been making repayments of deposits and payment of interest due thereon.

As on 31st March 2016, an aggregate amount of **₹ 1,304.14 Crores** was payable towards repayment of deposits and interest thereon. Since **1st April, 2014**, against an aggregate outstanding of **₹ 2,722.53 Crores**, the Company has, as on **31st March 2016**, settled FDs aggregating **₹ 1,418.39 Crores** (including interest payable thereon).

Your Company has a firm resolve to repay the outstanding deposits and interest payable thereon, aggregating approximately **₹ 1,304.14 Crores** as on **31st March 2016**, at the earliest possible, out of its resources including the proceeds of the impending divestments.

13.0 AUDITORS AND AUDITORS' REPORT

13.1 Statutory Auditors:

M/s. M.P. Singh & Associates, Chartered Accountants, (Firm's Registration No.002183C), Auditors of the Company were appointed as Statutory Auditor of the Company for a term of three consecutive financial years i.e. for **2014-15, 2015-16 & 2016-17** in **17th Annual General Meeting (AGM)**.

They hold office from the conclusion of the **17th AGM** held on **27th September 2014** till conclusion of the **20th AGM** of the Company to be held in the year **2017**, subject to ratification by the shareholders at every AGM.

Necessary proposal for ratification of their appointment has been included in the Notice of the AGM for your approval.

13.2 Secretarial Auditors:

M/s Chandrasekaran Associates, Company Secretaries, (COP No. 5673) were appointed as Secretarial Auditor of the Company on 30th May 2015 by the Board of Directors, based on recommendations of the Audit Committee, as per Section 204 of the Companies Act, 2013, for the financial year 2015-16. They resigned w.e.f. 10 February, 2016 as they were in the process of conversion of their firm into LLP.

The Board appointed **CS Ashok Tyagi** (COP No. 7322), Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2015-16. His Secretarial Audit Report for the financial year ended 31st March 2016 forms part of the Directors' Report.

Based on the recommendations of the Audit Committee, the Board has further re-appointed **CS Ashok Tyagi**, (COP No. 7322), practising Company Secretary, to conduct the Secretarial Audit for the financial year 2016-17 as per Section 204 of the Companies Act, 2013.

13.3 Cost Auditors:

For the financial year 2015-16, **M/s. J.K. Kabra & Co.**, Cost Accountants, (Firm's Registration No. 2890) are carrying out the cost audit in respect of applicable businesses of the Company and their report will be filed with Central Government in due course.

For the financial year 2016-17, the Board of Directors of the Company have re-appointed, based on recommendations of the Audit Committee, **M/s. J.K. Kabra & Co.**, Cost Accountants, (Firm's Registration No. 2890), as Cost Auditors, for auditing the cost accounts in respect of applicable businesses of the Company.

Their remuneration is subject to ratification by shareholders for which a proposal is contained in the Notice of AGM.

14.0 CORPORATE GOVERNANCE

Report on Corporate Governance and Management Discussion & Analysis Report, in terms of Regulation 34 and 53 read with Schedule V of **Listing Obligations & Disclosure Requirements Regulations, 2015 (LODR)** are annexed and form part of this Annual Report.

A certificate from the Auditors confirming compliance with the conditions of Corporate Governance is also annexed.

The Company is complying with the Corporate Governance norms laid down in LODR.

15.0 BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34 of LODR, a Business Responsibility Report (BRR), in the prescribed format,

is annexed and forms part of this Annual Report describing the initiatives taken by the Company from an environmental, social and governance perspective, towards adoption of responsible business practices.

The BRR as well as the Company's Policy on Sustainable Development are accessible on the Company's website www.jalindia.com.

16.0 EMPLOYEE RELATIONS & PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

EMPLOYEE RELATIONS

Employee relations continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the Company worked at all sites and all offices and achieved commendable progress.

CASES FILED PERTAINING TO SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

There was no case filed by any woman during the Calendar year 2015 nor during Calendar year 2016 (till date) pertaining to sexual harassment of women at work place. The Company has formed an 'Internal Complaints Committee' pursuant to the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' for the purpose of prevention of sexual harassment of women at workplace. The said Committee gave its Report for the Calendar Year 2015 as well as Interim Report for the Calendar year 2016 (till date), which confirms that no such case has been filed during the said periods.

17.0 OTHER REQUIREMENTS OF COMPANIES ACT, 2013

17.1 EXTRACT OF THE ANNUAL RETURN UNDER SECTION 92 (3)

The extract of the Annual Return as provided u/s 92(3) (in form MGT-9) is enclosed as **Annexure-1**.

17.2 THE NUMBER OF MEETINGS OF THE BOARD

The total no. of meetings of the Board of Directors held during the Financial year 2015-16 is **7 (Seven)**.

The Board Meetings were held on:

(i) 30th May 2015, (ii) 8th August 2015, (iii) 30th September 2015, (iv) 14th November 2015, (v) 13th February 2016, (vi) 29th February 2016 and (vii) 31st March 2016.

17.3 DIRECTORS' RESPONSIBILITY STATEMENT

Based on internal financial controls, work performed by the internal, statutory, cost and secretarial auditors and external agencies, the reviews performed by the management and with the concurrence of the Audit Committee, pursuant to Section 134(5) of the Companies Act, 2013, the Board states having:

a) followed the preparation of the annual accounts, the applicable accounting

standards with proper explanation relating to material departures.

- b) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) prepared the annual accounts on a going concern basis.
- e) laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate operating effectively and the same are being strengthened on continuous basis from time to time.

17.4 STATEMENT ON DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149 (6) & (7)

In Compliance with the provisions of Section 149(6) & 149 (7) the Companies Act, 2013 and LODR, Company has received declarations from all the Independent Directors of the Company.

17.5 NOMINATION AND REMUNERATION POLICY UNDER SECTION 178(3).

The Company has a policy on Nomination and Remuneration as approved by Board and its details are given under Corporate Governance Report.

17.6 COMMENT ON QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE (IF ANY)

17.6.1 BY THE STATUTORY AUDITORS

The observation of Statutory Auditors and Notes to the financial statements are self-explanatory.

Their observations/qualifications and reply of management is given below:

ON STAND-ALONE FINANCIAL STATEMENTS

Observation 1: The qualifications of Statutory Auditors in para (i) (c) of Annexure B of their Report on the Stand-alone Financial Statements pertain to not holding the title deeds of some lands in the name of the Company.

Reply: Transfer of title deeds in the name of Company is in process which would take some time.

Observation 2: The qualifications of Statutory Auditors in para (vii) & (viii) of Annexure B of their Report on the Stand-alone Financial Statements pertain to

- (i) non-payment of some statutory dues
- (ii) delay in repayment of principal amount of loans/ borrowings/ debentures and interest thereon

Reply: During the year, due to slowdown in economy which impacted infra-structure companies, recession in real estate sector and due to heavy interest cost, the profitability and cash flows of the Company had been under stress. The delay in payment of these dues was due to lack of sufficient operating cash flows being generated by the Company. The management has been taking steps on a proactive basis including the divestment initiatives such as hiving off of its cement plants, sale of wind power plants, sale of stake in subsidiary company, etc. as reported from time to time to honor its debt & other obligations.

ON CONSOLIDATED FINANCIAL STATEMENTS

Observation 1: para 5 (a) of their Report (Basis of Qualified opinion) (related to SPGCL)

In the Consolidated Financial statements wherein expenditure incurred during the construction and incidental to setting up of the project by Sangam Power Generation Company Limited (SPGCL), an ultimate subsidiary of the Company, for development of 1320 MW Power Project at Tehsil Karchana, Distt. Allahabad, Uttar Pradesh, have been carried forward as 'Capital Work in progress'. In view of abnormal delay in handing over the possession of land, SPGCL has requested Uttar Pradesh Power Corporation Ltd. (UPPCL) to take over the project and refund of investment made by it. The matter is under consideration of UPPCL. The management does not expect any material adjustment in the carrying value of assets including Capital Work in Progress. The Auditors of SPGCL are unable to comment whether any adjustment is required in the carrying value of assets and liabilities.

Reply: The observation pertains to ultimate Subsidiary of the Company i.e. Sangam Power Generation Company Limited (SPGCL) (which is a subsidiary of JPVL), that was

incorporated for development of 1320 MW Power Project at Tehsil Karchana, Distt. Allahabad, Uttar Pradesh. SPGCL had executed conveyance deeds in respect of the land for the project but physical possession of the land could not be handed over by the District Administration due to continuous agitation by the local villagers. Despite various steps having been taken by SPGCL for implementation of the project, no physical activity could be started on the ground because of non-availability of the land for reasons beyond the control of the SPGCL. The Directors of Sangam Power Generation Company Limited do not expect any material adjustment in the carrying value of assets including Capital Work in Progress.

Observation 2: para 5 (b) of their Report (Basis of Qualified opinion) (related to GJCIL)

In respect of Gujarat Jaypee Cement & Infrastructure Limited (GJCIL), a Joint Venture company of Jaiprakash Associates Ltd. and Gujarat Mineral Development Corporation (GMDC), the Board of Directors of GJCIL have decided to terminate the Share Holders Agreement between the joint venturers, viz. Jaiprakash Associates Ltd. and GMDC and initiate winding up of the subsidiary company i.e. GJCIL, once approval for termination from the Board of GMDC is received.

Reply: In respect of Gujarat Jaypee Cement & Infrastructure Corporation Limited (GJCIL) (a Joint Venture subsidiary), termination of the Shareholders Agreement between the joint venturers i.e. JAL & Gujarat Mineral Development Corporation (GMDC) and the winding up of GJCIL would have no significant impact on the carrying value.

Observation 3: para 5 (c) of their Report (Basis of Qualified opinion) (related to HEL)

In respect of Himalyan Expressway Limited (Subsidiary) the calculation of depreciation on the toll road has been made keeping the Company's request to NHAI for granting extension of the concession period up to 5th October 2029 as against the existing period up to 28th February 2028, which results in charging of depreciation in Profit and Loss Statement at lower value.

Reply: In respect of Himalyan Expressway Limited (Subsidiary), the management is pursuing for grant of extension of the concession period and expects that the extension would be granted by National Highway Authority of India.

Observation 4: para 5 (d) of their Report (Basis of Qualified opinion) (related to JACL)

In respect of Jaypee Assam Cement Limited (JACL) (a subsidiary), its Financial Statements indicate that the accumulated losses of the company (JACL) as at 31st March, 2016 amounting to Rs.1,03,38,964/- are more than the issued and paid up share capital of the company (JACL) of Rs.6,30,000/- and thus eroding the net worth of JACL to negative and in view of uncertainties related to future outcome, the company's ability to continue as a going concern is dependent upon its Holding Company's commitment to provide continued financial support. However, the financial statement of JACL has been prepared on going concern basis for the reason stated above.

Reply: In respect of Jaypee Assam Cement Limited (JACL) (subsidiary), the Company (JAL) has consolidated results of JACL as a going concern. Project undertaken by JACL has been suspended due to adverse security situation. The Holding Company (viz. JAL) will extend necessary support at appropriate time. Hence, JACL continues to be a going concern.

Observation 5: para 7 of their Report (Emphasis of Matter) (related to seven subsidiary/associate companies)

In respect of following companies, Company Secretary as required by Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has not been appointed or there was no Company Secretary as at 31st March 2016:

- a) Jaypee Fertilizers & Industries Limited
- b) Kanpur Fertilizers and Cements Limited
- c) Jaypee Meghalaya Power Limited
- d) Jaiprakash Agri Initiatives Company Limited
- e) Jaypee Arunachal Power Limited
- f) Jaypee Uttar Bharat Vikas Private Limited

Further In respect of Sangam Power Generation Company Limited, the company is yet to appoint management person, except Company Secretary, as per the requirement of Section 203 of the Companies Act, 2013.

Reply: In respect of Kanpur Fertilizers and Cements Limited, the Company Secretary had left recently and efforts are being made to appoint a Company Secretary. As regards rest of the Companies relating to

emphasis of matter, it is stated that said companies are lying dormant without any source of income, these Companies are however, looking for suitable candidate to be appointed as Company Secretary (other management personnel in case of Sangam Power Generation Company Limited) for compliance of the requirements of Companies Act, 2013.

Observation 6: para 8(1)(d) of their Report (Report on Other Legal and Regulatory Requirements) (general comment)

Except for the effect of the matters described in the Basis for qualified opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Reply: The observation is general & self explanatory and the necessary replies are covered under the above explanations.

It is further reported that none of the above observations of Auditors in their Standalone/ Consolidated Audit Report would result into any impact on the figures of the Standalone/ Consolidated Financial Statements of the Company.

17.6.2 BY THE COMPANY SECRETARY IN PRACTICE IN SECRETARIAL AUDIT REPORT

The observations of Secretarial Auditors are self-explanatory. Their observations and reply of management is given below:

Observation 1: There had been occasional delays in the repayment of its outstanding dues and interest thereon to the Banks/ Financial Institutions.

Reply: The observation is same as reported by the Statutory Auditors above. Please see the reply of management at point no. ii related to Stand-alone Financial Statements.

Observation 2: The Fixed Deposits accepted by the Company are being repaid to the Deposit holders as per the orders obtained from Hon'ble Company Law Board by the Company from time to time.

Reply: The observation is expression of a fact only. As the Company could not repay the fixed deposits in time due to reasons mentioned above, the Company is paying the amounts due to Deposit holders as per the orders of Hon'ble Company Law Board (and now Hon'ble National Company Law Tribunal as Company Law Board has ceased to exist with effect from 1st June 2016) from time to time.

17.7 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Particulars of Loans, Guarantees or Investments are given in the notes to financial statements especially under Note No. 13, 16 & 37 of the Financial Statements.

17.8 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

The particulars as per the prescribed Format (AOC-2) are enclosed as **Annexure 2**.

All the related party transactions during the year were on an arm's length basis and in ordinary course of business.

17.9 STATE OF COMPANY AFFAIRS IS MENTIONED IN THE BEGINNING OF DIRECTORS' REPORT

The State of Company Affairs is given in **Para No. 1, 6 & 7 above**.

17.10 AMOUNT, IF ANY, WHICH COMPANY PROPOSES TO CARRY TO ANY RESERVES

NIL.

17.11 AMOUNT, IF ANY, WHICH COMPANY RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND

NIL.

17.12 MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are **no material changes and commitments**, affecting the financial position of the Company between 31st March, 2016 and the date of this report except the amalgamation and divestments reported above.

17.13 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings & outgo, pursuant to Section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules 2014 for the year ended 31st March, 2016 are annexed as **Annexure 3** and form an integral part of this Report.

17.14 STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY.

- i) The Company has a **Risk Management policy** as approved by Board and its details are given in the Corporate Governance Report.

- ii) In the opinion of the Board, there is no known risk which may threaten the existence of the Company.

17.15 DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR

The details about the Corporate Social Responsibility (CSR) Policy are given in Corporate Governance Report.

The said Policy is available on following link [www.jalindia.com/attachment/CSRpolicy.pdf]

The Initiatives taken by Company during the year are given in Annexure - 4.

17.16 STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS.

The Annual Evaluation of Board, its Committees and Directors is done as per the Criteria laid down by the Nomination and Remuneration Committee (NRC). The Board carried evaluation of its performance and also of Executive Directors of the Company.

The Board also carried out the evaluation of its following committees mentioned at (A) to (H) and committee mentioned at (I) was constituted on 4th July 2016 only. The Committees of Board and their composition is as under:

A) AUDIT COMMITTEE

1. Shri R.N. Bhardwaj, Chairman,
2. Shri B.K. Goswami, Member,
3. Shri S.C. Bhargava, Member
4. Shri K.P. Rau, Member

B) STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Shri T.R. Kakkar, Chairman (w.e.f. 4th July 2016)
2. Shri S.K. Sharma, Member
3. Shri Rahul Kumar, Member

(Note : Shri S.K. Jain was Chairman of this committee till 6th June 2016 i.e. the date when he resigned from the Board.)

C) NOMINATION & REMUNERATION COMMITTEE

1. Shri B.K. Goswami, Chairman
2. Shri S.C. Bhargava, Member
3. Ms. H.A. Daruwalla, Member.

D) RESTRUCTURING COMMITTEE

1. Shri B. K. Goswami, Chairman
2. Shri C.P. Jain, Member
3. Ms. H.A. Daruwalla, Member
4. Shri Sunny Gaur, Member
5. Shri Rahul Kumar, Member

E) CSR (Corporate Social Responsibility) COMMITTEE

1. Shri B.K. Goswami, Chairman
2. Shri Sunny Gaur, Member
3. Shri Pankaj Gaur, Member
4. Shri Rahul Kumar, Member
5. Shri T.R. Kakkar, Member.

F) FINANCE COMMITTEE

1. Shri B. K. Goswami, Chairman
2. Shri Sunil Kumar Sharma, Member
3. Shri Rahul Kumar, Member

G) RISK MANAGEMENT COMMITTEE

1. Shri Manoj Gaur, Chairman,
2. Shri K.N. Bhandari, Member
3. Shri Pankaj Gaur, Member
4. Shri Rahul Kumar, Member.

H) COMMITTEE FOR STATUTORY POLICIES

1. Shri Manoj Gaur, Chairman
2. Shri R.N. Bhardwaj, Member
3. Shri S.C. Bhargava, Member
4. Shri Rahul Kumar, Member

I) FINANCIAL RESTRUCTURING COMMITTEE

(constituted w.e.f. 4th July 2016)

1. Shri B. K. Goswami, Chairman
2. Shri Sunil Kumar Sharma, Member
3. Shri K.N. Bhandari, Member
4. Shri C.P. Jain, Member
5. Shri Rahul Kumar, Member

The Independent Directors also carried out evaluation of Board of Directors, Executive Chairman & other Directors in their meeting held on 31st March 2016.

More details are given in Corporate Governance Report.

17.17 THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There is no significant order passed by the regulators or courts or tribunals impacting the going concern status, except as reported in Notes to Financial Statements/ Directors Report.

17.18 DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Company has laid down strong internal financial controls & checks which are effective and operational.

The Internal Audit of the Company for FY 2015-16 has been carried out as under:

1. by M/s Ernst & Young LLP for Cement Division (Cement & Asbestos Sheets)
2. by M/s Dewan PN Chopra & Co., Chartered Accountants, for rest of the business of the

Company (Engineering, Power, Real Estate, etc.).

3. by an in-house Internal Audit Department headed by Shri R.B. Singh, Chartered Accountant.
4. Internal Audit of some Regional Marketing Offices (RMOs) is being carried out by local firms of chartered accountants, engaged to assist the Internal Audit Department, as under:
 - i. M/s Manish Goyal & Associates, Gwalior for RMOs at Hyderabad, Chennai, Bangalore, Allahabad & Lucknow
 - ii. M/s Lodha & Co., New Delhi for RMOs at Delhi, Chandigarh & Patna.
5. The Internal Audit of Hotel Division is carried out as under:
 - i. M/s V.P. Jain & Associates for Jaypee Vasant Continental, New Delhi
 - ii. M/s Pankaj Oswal & Co. for Jaypee Siddharth, New Delhi and Jaypee Greens Golf & Spa Resort, Gr. Noida
 - iii. M/s Subodh Taparia & Co. for Jaypee Palace, Agra and Jaypee Residency Manor, Mussoorie.

The Audit Committee regularly interacts with the Internal Auditors, the Statutory Auditors and senior executives of the Company responsible for financial management and other affairs. It studies the internal control systems and checks & balances for continuous updation and improvements therein.

The Audit Committee also regularly reviews & monitors the budgetary control system of the Company as well as system for cost control, financial controls, accounting controls, physical verification controls, etc.

The Audit Committee has regularly observed that proper internal financial controls are in place including with reference to financial statements.

17.19 DETAILS PERTAINING TO REMUNERATION AS PER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Details are enclosed as **Annexure - 5**.

The whole-time Directors of the Company have voluntarily foregone upto 50% of their salaries to support the Company in this period of hardship and difficulties.

17.20 DETAILS PERTAINING TO REMUNERATION AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The Details are enclosed as **Annexure-6**.

18.0 ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for and gratitude to various Departments and Undertakings of the Central and State Governments, Industrial Development Bank of India, The Life Insurance Corporation of India, General Insurance Corporation of India and its Subsidiaries, IFCI Limited, ICICI Bank Limited, Axis Bank Limited, Export-Import Bank of India and Consortium of Banks and valued customers and the employees of the Company for their valuable support and co-operation.

Your Directors also wish to place on record their appreciation of the wholehearted and continued support extended by the Shareholders and Investors, as well as employees of the Company, which has always been a source of strength for the Company.

On behalf of the Board

MANOJ GAUR
Executive Chairman & CEO
DIN: 0008480

Place : New Delhi
Date : 4th July 2016

Enclosed:

Annexure-1 : Form No. MGT-9 (Extract of Annual Return)

Annexure-2 : Form AOC-2 (Details of Contracts or Arrangements or Transactions)

Annexure-3 : Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & and Outgo

Annexure-4 : Annual Report on CSR Activities

Annexure-5 : Details of Remuneration as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annexure-6 : Information as per Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Corporate Governance Report

Management Discussion and Analysis

Business Responsibility Report