

**JAIPRAKASH ASSOCIATES LIMITED**

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**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS**  
 FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018

₹ Lakhs

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018 [Unaudited]	30.09.2018 [Unaudited]	31.12.2017 [Unaudited]	31.12.2018 [Unaudited]	31.12.2017 [Unaudited]	31.03.2018 [Audited]
<b>1 Income</b>						
Revenue from Operations	151735	190388	110860	511205	453647	614308
Other Income	1487	1011	3061	3456	7735	14502
<b>Total Income</b>	<b>153222</b>	<b>191399</b>	<b>113921</b>	<b>514661</b>	<b>461382</b>	<b>628810</b>
<b>2 Expenses</b>						
[a] Cost of Materials Consumed	52874	50626	35885	155464	116885	188985
[b] Purchase of Stock-in-trade	101	386	3,638	1,461	4,310	7226
[c] Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	1507	430	(3235)	14576	2486	803
[d] Direct Construction, Manufacturing, Real Estate, Hotel/Hospitality & Power Expenses	57146	87565	35768	200939	131184	175668
[e] Excise Duty on Sale of Goods	-	-	-	-	9404	9404
[f] Employee Benefits Expense	11625	10841	11074	33316	39962	50050
[g] Finance Costs	14126	20573	20842	53749	79454	96754
[h] Depreciation and Amortisation Expense	9836	9901	9972	29600	40884	50675
[i] Other Expenses	15782	15130	13672	48695	55537	75701
<b>Total Expenses</b>	<b>162997</b>	<b>195452</b>	<b>127616</b>	<b>537800</b>	<b>480106</b>	<b>655166</b>
<b>3 Profit/(Loss) before Exceptional Items and Tax [1 - 2]</b>	<b>(9775)</b>	<b>(4053)</b>	<b>(13695)</b>	<b>(23139)</b>	<b>(18724)</b>	<b>(26356)</b>
<b>4 Exceptional Items</b>	<b>-</b>	<b>(15)</b>	<b>(1115)</b>	<b>(19206)</b>	<b>61765</b>	<b>61527</b>
<b>5 Profit/(Loss) before Tax [3 + 4]</b>	<b>(9775)</b>	<b>(4068)</b>	<b>(14810)</b>	<b>(42345)</b>	<b>43041</b>	<b>35171</b>
<b>6 Tax Expense</b>						
[a] Current Tax	-	-	-	-	-	-
[b] Deferred Tax	-	-	-	-	-	-
<b>Total Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7 Net Profit/(Loss) after Tax [5 - 6]</b>	<b>(9775)</b>	<b>(4068)</b>	<b>(14810)</b>	<b>(42345)</b>	<b>43041</b>	<b>35171</b>
<b>8 Profit/(Loss) from Continuing Operations</b>	<b>(9773)</b>	<b>(4066)</b>	<b>(14810)</b>	<b>(42339)</b>	<b>61837</b>	<b>53974</b>
<b>9 Tax expense of Continuing Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10 Profit/(Loss) from Continuing Operations after Tax [8 - 9]</b>	<b>(9773)</b>	<b>(4066)</b>	<b>(14810)</b>	<b>(42339)</b>	<b>61837</b>	<b>53974</b>
<b>11 Profit/(Loss) from Discontinued Operations</b>	<b>(2)</b>	<b>(2)</b>	<b>-</b>	<b>(6)</b>	<b>(18796)</b>	<b>(18803)</b>
<b>12 Tax expense of Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13 Profit/(Loss) from Discontinued Operations after Tax [11 - 12]</b>	<b>(2)</b>	<b>(2)</b>	<b>-</b>	<b>(6)</b>	<b>(18796)</b>	<b>(18803)</b>
<b>14 Net Profit/(Loss) after Tax [10 + 13]</b>	<b>(9775)</b>	<b>(4068)</b>	<b>(14810)</b>	<b>(42345)</b>	<b>43041</b>	<b>35171</b>
<b>15 Other Comprehensive Income</b>						
a(i) Items that will not be reclassified to Profit/(Loss)	-	-	(186)	-	(436)	(1000)
(ii) Income Tax relating to Items that will not be reclassified to Profit/(Loss)	-	-	-	-	-	-
b(i) Items that will be reclassified to Profit/(Loss)	-	-	-	-	-	-
(ii) Income Tax relating to Items that will be reclassified to Profit/(Loss)	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(186)</b>	<b>-</b>	<b>(436)</b>	<b>(1000)</b>
<b>16 Total Comprehensive Income for the period [14 + 15]</b>	<b>(9775)</b>	<b>(4068)</b>	<b>(14996)</b>	<b>(42345)</b>	<b>42605</b>	<b>34171</b>
<b>17 Paid-up Equity Share Capital [of ₹ 2/- per share]</b>	<b>48649</b>	<b>48649</b>	<b>48649</b>	<b>48649</b>	<b>48649</b>	<b>48649</b>
<b>18 Other Equity [excluding Revaluation Reserve]</b>	<b>843088</b>	<b>852863</b>	<b>998952</b>	<b>843088</b>	<b>998952</b>	<b>984464</b>
<b>19 Earnings Per Share [of ₹ 2/- per share] [for continuing operations]</b>						
Basic	₹ (0.40)	₹ (0.17)	₹ (0.61)	₹ (1.74)	₹ 2.54	₹ 2.22
Diluted	₹ (0.40)	₹ (0.17)	₹ (0.61)	₹ (1.74)	₹ 2.54	₹ 2.22
<b>Earnings Per Share [of ₹ 2/- per share] [for discontinued operations]</b>						
Basic	₹ -	₹ -	₹ -	₹ -	₹ (0.77)	₹ (0.77)
Diluted	₹ -	₹ -	₹ -	₹ -	₹ (0.77)	₹ (0.77)
<b>Earnings Per Share [of ₹ 2/- per share] [for discontinued and continuing operations]</b>						
Basic	₹ (0.40)	₹ (0.17)	₹ (0.61)	₹ (1.74)	₹ 1.77	₹ 1.45
Diluted	₹ (0.40)	₹ (0.17)	₹ (0.61)	₹ (1.74)	₹ 1.77	₹ 1.45

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

₹ Lakhs

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018 [Unaudited]	30.09.2018 [Unaudited]	31.12.2017 [Unaudited]	31.12.2018 [Unaudited]	31.12.2017 [Unaudited]	31.03.2018 [Audited]
<b>1. Segment Revenue</b>						
[a] Cement	50124	45266	43800	145470	155636	206815
[b] Construction	58451	58815	39291	187997	129865	205307
[c] Power	6255	4022	5398	15982	15539	22165
[d] Hotel/Hospitality & Golf Course	7565	5775	7524	19712	19291	26301
[e] Sport Events	264	241	183	719	626	756
[f] Real Estate	29747	75984	13544	141326	130901	150075
[g] Others	2394	2562	2151	6460	5185	7700
[h] Unallocated	98	13	143	434	425	587
<b>Total</b>	<b>154898</b>	<b>192678</b>	<b>112034</b>	<b>518100</b>	<b>457468</b>	<b>619706</b>
Less: Inter-segment Revenue	3163	2290	1174	6895	3821	5398
<b>Revenue from Operations</b>	<b>151735</b>	<b>190388</b>	<b>110860</b>	<b>511205</b>	<b>453647</b>	<b>614308</b>
<b>2. Segment Results</b>						
[a] Cement	(3098)	(1242)	2828	(3392)	(16236)	(15303)
[b] Construction	1377	(451)	626	4516	(486)	3293
[c] Power	(2266)	(1299)	158	(4101)	1406	1731
[d] Hotel/Hospitality & Golf Course	1170	(353)	1316	1008	1438	1439
[e] Sport Events	(2930)	(3056)	(2612)	(8898)	(8224)	(11766)
[f] Real Estate	9340	23260	4495	43215	82064	86627
[g] Investments	(25)	(24)	981	(2120)	2365	5902
[h] Others	(859)	(890)	(907)	(2564)	(2134)	(2744)
	2709	15945	6885	27664	60193	69179
Less:						
[a] Finance Costs	14126	20573	20842	53749	79454	96754
[b] Other Un-allocable Expenditure net off Un-allocable Income	(1642)	(575)	(262)	(2946)	(537)	(1219)
	(9775)	(4053)	(13695)	(23139)	(18724)	(26356)
<b>Exceptional Items</b>	-	(15)	(1115)	(19206)	61765	61527
<b>Profit/(Loss) from Ordinary Activities before Tax</b>	<b>(9775)</b>	<b>(4068)</b>	<b>(14810)</b>	<b>(42345)</b>	<b>43041</b>	<b>35171</b>
<b>3. Segment Assets</b>						
[a] Cement	497380	506626	522212	497380	522212	507163
[b] Construction	528002	526869	507658	528002	507658	514062
[c] Power	203370	205340	217068	203370	217068	206886
[d] Hotel/Hospitality & Golf Course	81247	80508	82755	81247	82755	82163
[e] Sports Events	244887	246487	256307	244887	256307	246206
[f] Real Estate	1285728	1261976	1074944	1285728	1074944	1109871
[g] Investments	744336	744282	761806	744336	761806	751065
[h] Others	15567	16056	16228	15567	16228	15830
[i] Un-allocated	211732	213350	235553	211732	235553	206360
<b>Total Segment Assets</b>	<b>3812249</b>	<b>3801494</b>	<b>3674531</b>	<b>3812249</b>	<b>3674531</b>	<b>3639606</b>
<b>4. Segment Liabilities</b>						
[a] Cement	95203	85217	88164	95203	88164	68301
[b] Construction	199517	199772	164880	199517	164880	177949
[c] Power	18627	17948	13975	18627	13975	15546
[d] Hotel/Hospitality & Golf Course	20135	19773	15306	20135	15306	16075
[e] Sports Events	14941	14131	49012	14941	49012	14259
[f] Real Estate	416912	440287	224993	416912	224993	237546
[g] Others	3659	3540	4162	3659	4162	3053
[h] Un-allocated	313844	276804	245931	313844	245931	223739
<b>Total Segment Liabilities</b>	<b>1082838</b>	<b>1057472</b>	<b>806423</b>	<b>1082838</b>	<b>806423</b>	<b>756468</b>

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1. Figures for the previous periods have been regrouped to conform to the classification of the current period, wherever necessary. Further, the Results exclude the financial results for the Cement Plants transferred to M/s UltraTech Cement Limited by the Company on 29th June, 2017 and hence figures for the Nine Months ended 31st December, 2018 are not comparable with the previous corresponding period.
2. The Comprehensive Re-organization and Restructuring Plan (CRRP) for the Company and Jaypee Cement Corporation Limited was duly approved by the Joint Lenders' Forum on 22nd June, 2017, based on the recommendations of the Independent Evaluation Committee (IEC) appointed by the Reserve Bank of India envisaging bifurcation of the entire debt of the Company into two parts – 'Sustainable Debt' and 'Other Debt'. The entire outstanding debt has been put in three buckets making provisions for settlement/continuation of each category of debt as under :

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

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

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

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

In terms of the duly approved CRRP, as aforesaid, the Company has provided interest expenses on debt portion that will remain with it. Interest for the quarter ended 31st December, 2018 aggregating ₹ 272.98 Crores (₹ 817.73 Crores for nine months ended 31st December, 2018 and ₹ 796.39 Crores till 31st March, 2018) on debt portion which will be transferred to Real Estate SPV on sanction of the Scheme of Arrangement by NCLT with Appointed Date of 1st July, 2017, has been added to the carrying cost of the Inventory / Projects under development in respect of SDZ Real Estate Undertaking (SDZ-RE), since the same has to be serviced from the assets / development of Assets of SDZ-RE.

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

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

5. Non Current Trade receivables include ₹ 2639.53 Crore, outstanding as at 31st December, 2018 (₹ 2645.45 Crore, outstanding as at 31st March 2018) which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed / suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the Management is of the view that these receivables are recoverable.
6. The Company has aligned its policy of revenue recognition with Ind AS 115 "Revenue from Contract with Customers" effective from April 1, 2018. Accordingly, revenue of real estate business is recognised on completion of performance obligation as against recognition on percentage of completion method followed hitherto as per the guidance note issued by ICAI which has since been withdrawn. Accordingly, the figures for the current periods are not comparable with the corresponding periods of previous year.

: 4 :

7. The principal outstanding of privately placed listed Non-Convertible Debentures (NCDs) is fully secured by way of equitable mortgage/registered mortgage/hypothecation of certain fixed assets of the Company and of its subsidiary having security cover of more than 100%. As per the CRRP duly approved by the lenders, the outstanding NCDs including interest due thereon, are to be converted into Rupee Term Loan and repayable as per conditions of the said Plan.
- 8 [a] IDBI Bank Limited has filed a Petition with Hon'ble NCLT, Allahabad Bench, U/S 7 of Insolvency & Bankruptcy Code, 2016 (IBC) in respect of Jaypee Infratech Limited (JIL) [Subsidiary of the Company] which was admitted vide Order dated 9th August, 2017 and Interim Resolution Professional (IRP) was appointed. However some of the home buyers approached Hon'ble Supreme Court against the said order of Hon'ble NCLT. Hon'ble Supreme Court gave various interim directions from time to time including continuation of Corporate Insolvency Resolution Process (CIRP). Hon'ble Supreme Court, while disposing off the matters before it, interalia directed recommencement of CIRP of JIL w.e.f. the date of its order dated 09th August, 2018, which is in progress.
- [b] The appeals filed by various lenders and the Company before Hon'ble NCLAT against the order of Hon'ble NCLT dated 16th May, 2018 allowing the application of the then IRP of JIL alleging contraventions of some of the provisions of IBC in respect of mortgage of land of JIL to secure the loans of Company being the holding company, have been admitted by NCLAT and said Order of Hon'ble NCLT has been stayed. The matter is pending before NCLAT.
- 9 The above Financial results for the quarter/ Nine Months ended 31st December, 2018 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 8th February, 2019. These results have also been subjected to limited review by the Statutory Auditors.

Place: New Delhi  
Dated: 8th February, 2019

  
MANOJ GAUR  
Executive Chairman  
DIN - 00008480  
*all*



**Independent Auditor's Review Report On  
Review of Standalone Quarterly and Nine Months financial Results**

To  
The Board of Directors of  
Jaiprakash Associates Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **JAIPRAKASH ASSOCIATES LIMITED** (the Company) for the quarter and nine months ended 31 December 2018 (the Statement), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with recognition and measurement principals laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"). Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquire of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Basis of Qualified Review Conclusion**  
**Attention is drawn to:**

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

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

In view of the pendency /ongoing IRP proceedings with the NCLT Allahabad, the impact on the carrying value of the Non Current Investment in the equity of JIL of Rs. 849.26 Crores, Current Receivables of Rs. 314.97 Crores, Corporate Guarantees amounting to Rs. 248.93 Crores, to the lenders of JIL and deposit of Rs. 750 Crores lying with the Apex Court/NCLT, is not ascertainable.

**5. Qualified Review Conclusion:**

Based on our review conducted as above, except for the matters described in the Basis of Qualified Review Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable Indian Accounting Standards prescribed



under Section 133 of the Companies Act, 2013 and CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 including the manner in which it is to be disclosed, or that it contain any material misstatement.

## 6. Emphasis of matter:

### We draw attention to the following matters:

#### 1) As stated in Note no 2 and 3 of the statement

- [a] The Lenders of the Company in their Joint Lenders forum (JLF) meeting held on 22nd June, 2017 have approved restructuring/ realignment/ reorganisation of debt of the Company & its wholly owned subsidiary, Jaypee Cement Corporation Limited (JCCL) being Restructuring Scheme.
- [b] The Company has provided interest expenses on the debt portion that will remain with the company in accordance with the Restructuring Scheme approved and Master Re-structuring Agreement (MRA) signed with the Lenders. Interest for the quarter and nine months ended 31<sup>st</sup> December 2018 aggregating to Rs. 272.98 Crores and Rs. 817.73 Crores respectively and Rs. 796.39 Crores till 31st March 2018 on debt portion which will be transferred to Real Estate SPV namely 'Jaypee Infrastructure Development Limited' (JIDL) on sanction of the Scheme of Arrangement by Hon'ble National Company Law Tribunal (NCLT), Allahabad with appointed date of 1st July, 2017 has been added to the carrying cost of the Inventory/ Projects under Development in respect of SDZ Real Estate Undertaking [SDZ-RE], since the same has to be serviced from the assets/development of Assets of SDZ-RE.
- [c] As a part of restructuring / reorganisation / realignment of the debt of the Company, the Scheme of Demerger of the Undertaking (SDZ -RE) comprising identified moveable and immovable assets and liabilities to be transferred to and vested in the wholly owned subsidiary of the Company, namely, Jaypee Infrastructure Development Limited (JIDL) as a going concern, on a slump exchange basis is pending sanction by NCLT Allahabad.
- [d] However before the order on the above restructuring scheme by the Hon'ble NCLT, ICICI Bank Limited on the direction of RBI had filed an application with Hon'ble NCLT, Allahabad Bench U/s 7 of Insolvency & Bankruptcy Code, 2016 against the Company which is pending.

#### 2) As stated in Note no 4 of the statement

- [a] The Competition Commission of India vide its Order dated 31st August, 2016 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 during F.Y. 2009-10 & 2010-11 and imposed a penalty of Rs. 1,323.60 Crores on the Company. The Company had filed an Appeal against the said Order which was heard on various dates by Hon'ble National Company Law Appellate Tribunal (NCLAT). NCLAT vide its Order dated 25th July 2018 has rejected the appeals of all the cement manufacturers including that of the Company without interfering in the penalty, though, if calculated on the basis of profits earned by the Cement business, the same would have been Rs. 237.70 Crores only as against the penalty of Rs. 1323.60 Crores calculated on the profits for all business segments of the Company. The Company has filed appeal with the Hon'ble Supreme Court and the case has since been admitted and the Order of NCLAT has been stayed with the direction that interim Order passed earlier by NCLAT in these cases will continue in the meantime.



[b] The Competition Commission of India vide its other order dated 19th January, 2017 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 in the State of Haryana during F.Y. 2012-13 to F.Y. 2014-15 and imposed a penalty of Rs. 38.02 Crores on the Company. The Company had filed an appeal against the Order before NCLAT which has stayed the operation of impugned order and further proceedings are progressing in the matter.

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

- 3) Non-Current Trade receivables include Rs. 2639.53 Crore, outstanding as at 31<sup>st</sup> December 2018 (Rs. 2645.45 Crore, outstanding as at 31<sup>st</sup> March 2018) which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering & Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management considers these receivables are recoverable.
- 4) The liability on account of Interest on Entry Tax, is currently sub-judice with High Court, Allahabad and hence unascertainable.
- 5) The company has made a Non Current Investment of Rs. 340 Crores (34 crores Equity Shares of Rs 10/- each, fully paid up) in Prayagraj Power Generation Company limited ('PPGCL'), an associate company. Lenders of PPGCL has invoked the entire pledged share of PPGCL held by Jaiprakash Power Venture Limited ('JPVL') [Holding Company of PPGCL] on 18<sup>th</sup> December 2017 due to default in payment of interest to Banks/Financial Institutions. Keeping in the view of above facts, the impact on the carrying amount of Equity Shares of PPGCL held by the company is currently unascertainable and considered at Book Value.
- 6) Lender/ARC of JCCL has invoked pledged 280,966,752 Equity shares of Rs 10/- each of Bhilai Jaypee Cement Limited (subsidiary Company) held by the Company given for financial assistance granted by Lenders to JCCL. The Company has refuted cognizance of invocation to Lender/ARC, the company continues to show the above investments at carrying value.
- 7) Lender/ARC has invoked pledged of 50,000 Equity shares of Rs 10/- each of Yamuna Expressway Tolling Limited (subsidiary Company) held by the Company. Pending settlement with the Lender/ARC, the company continues to show the above investments at carrying value.
- 8) The Company has received Termination Notice for the Mandla North Coal Mine allotted by Nominated Authority, Ministry of Coal on account of not meeting eligibility criteria mentioned in the Coal Mines Development and Production Agreement along with instructions for invocation of the Bank Guarantee submitted by JAL in the form of Performance Security. The Hon'ble High Court has granted a stay against the Termination Notice and invocation of Performance Guarantee. Since, the matter is now being sub-judice in High Court, the recoverability of the amount invested aggregating to Rs 294.33 Crores as on 31.12.2018 in the development of the Coal Block and impact of the invocation of the Performance Guarantee is uncertain, no provision has been considered necessary to be made in the Statement.
- 9) There are certain Entry tax matters under Appeals aggregating to Rs. 302.34 Crores (excluding interest, currently unascertainable) pertaining to the State of Madhya Pradesh and Himachal Pradesh. The Company has challenged these on account of



various grounds in Hon'ble High Courts. No provision has been considered of the above in the Statement and management is of the opinion that the Company will succeed in the appeal. The Company has already deposited Rs.171.32 Crores and also furnished Bank Guarantees of Rs. 125.43 Crores against the above.

- 10) Lender of MP Jaypee Coal Limited (MPJPCL) has invoked the corporate guarantee given by the Company for financial assistance granted to MPJPCL and served a notice to the company to make payment of Rs. 25.75 Crores outstanding as on 31<sup>st</sup> August, 2018 (Rs. 24.66 Crores outstanding as on 31.12.2018). However the liability has not been considered in the books of accounts being unascertainable, as the Coal Block for which Mining Rights are held by MPJPCL is yet to be re-allotted by the Nominated Authority.
- 11) Lender of JCCL has invoked the corporate guarantee given by the Company for financial assistance being granted to JCCL. However the liability has not been considered in the books of accounts being unascertainable, as the loan in question is part of approved Comprehensive Reorganization & Restructuring plan of JCCL and the Company.
- 12) Lender has taken possession of the part of the mortgaged assets (being real estate inventory) located at Greater Noida under SARFAESI Act. Pending realization of the proceeds by the lender the said real estate inventory is continued to be shown under current assets of the Company.

Our Review Conclusion is not modified in respect of above stated matters.

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

**R.K. Goel**  
**Partner**  
**Membership No. 006154**  
**Place: Delhi**  
**Dated: 08<sup>th</sup> February, 2019**

