

Ref: JAL:SEC:2018

3rd November, 2018

BSE Limited

25th Floor, New Trading Ring,
Rotunda Building,
P J Towers, Dalal Street, Fort,
MUMBAI 400 001

The Manager

Listing Department

National Stock Exchange of India Ltd

“Exchange Plaza”, C-1, Block G,
Bandra-Kurla Complex,
Bandra (E), , Mumbai - 400 051

SCRIP CODE: 532532

NAME OF SCRIP: JPASSOCIAT

Sub: Outcome of the Board Meeting held on 3rd November, 2018

Dear Sirs,

In terms of Regulation 33 (3)(d) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Unaudited Standalone Financial Results of the Company for the Quarter and Half Year ended 30th September, 2018, as approved by the Board of Directors of the Company in its meeting held on 3rd November, 2018, alongwith Limited Review Report of Statutory Auditors M/s. Rajendra K. Goel & Co., Chartered Accountants, New Delhi.

The meeting commenced at 5.00 P.M. and concluded at 7.55 P.M.

Thanking you,

Yours faithfully,

For JAIPRAKASH ASSOCIATES LIMITED



(M.M. SIBBAL)

Jt. President & Company Secretary

Encl: As above

JAIPRAKASH ASSOCIATES LIMITED

Regd. Office: Sector 128, Noida 201 304 [U.P.]
Head Office: "JA House", 63, Basant Lok, Vasant Vihar, New Delhi - 110 057
Phone : 91+ (120) 4609000; FAX : 91+ (120) 4609464; CIN : L14106UP1995PLC019017
website : www.jalindia.com, e-mail: jal.investor@jalindia.co.in

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018

₹ Lakhs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2018 [Unaudited]	30.06.2018 [Unaudited]	30.09.2017 [Unaudited]	30.09.2018 [Unaudited]	30.09.2017 [Unaudited]	31.03.2018 [Audited]
1 Income						
Revenue from Operations	190388	169082	84243	359470	342787	614308
Other Income	1011	958	2928	1969	4674	14502
Total Income	191399	170040	87171	361439	347461	628810
2 Expenses						
[a] Cost of Materials Consumed	50626	51964	33392	102590	81000	188985
[b] Purchase of Stock-in-trade	386	974	672	1,360	672	7226
[c] Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	430	12639	(2025)	13069	5721	803
[d] Direct Construction, Manufacturing, Real Estate, Hotel/Hospitality & Power Expenses	87565	56228	25741	143793	95416	175568
[e] Excise Duty on Sale of Goods	-	-	-	-	9404	9404
[f] Employee Benefits Expense	10841	10850	11805	21691	28688	50050
[g] Finance Costs	20573	19050	18133	39623	58612	96754
[h] Depreciation and Amortisation Expense	9901	9863	9616	19764	30912	50675
[i] Other Expenses	15130	17783	10743	32913	41865	75701
Total Expenses	195452	179351	108077	374803	352490	655166
3 Profit/(Loss) before Exceptional Items and Tax [1 - 2]	(4053)	(9311)	(20906)	(13364)	(5029)	(26356)
4 Exceptional Items	(15)	(19191)	2258	(19206)	62880	61527
5 Profit/(Loss) before Tax [3 + 4]	(4068)	(28502)	(18648)	(32570)	57851	35171
6 Tax Expense						
[a] Current Tax	-	-	-	-	-	-
[b] Deferred Tax	-	-	-	-	-	-
Total Tax Expense	-	-	-	-	-	-
7 Not Profit/(Loss) after Tax [5 - 6]	(4068)	(28502)	(18648)	(32570)	57851	35171
8 Profit/(Loss) from Continuing Operations	(4066)	(28500)	(18648)	(32566)	76647	53974
9 Tax expense of Continuing Operations	-	-	-	-	-	-
10 Profit/(Loss) from Continuing Operations after Tax [8 - 9]	(4066)	(28500)	(18648)	(32566)	76647	53974
11 Profit/(Loss) from Discontinued Operations	(2)	(2)	-	(4)	(18796)	(18803)
12 Tax expense of Discontinued Operations	-	-	-	-	-	-
13 Profit/(Loss) from Discontinued Operations after Tax [11 - 12]	(2)	(2)	-	(4)	(18796)	(18803)
14 Not Profit/(Loss) after Tax [10 + 13]	(4068)	(28502)	(18648)	(32570)	57851	35171
15 Other Comprehensive Income						
a(i) Items that will not be reclassified to Profit/(Loss)	-	-	(189)	-	(250)	(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)	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	(189)	-	(250)	(1000)
16 Total Comprehensive Income for the period [14 + 15]	(4068)	(28502)	(18837)	(32570)	57601	34171
17 Paid-up Equity Share Capital [of ₹ 2/- per share]	48649	48649	48649	48649	48649	48649
18 Other Equity [excluding Revaluation Reserve]	852863	856931	1011999	852863	1011999	984464
19 Earnings Per Share [of ₹ 2/- per share] [for continuing operations]						
Basic	₹ (0.17)	₹ (1.17)	₹ (0.76)	₹ (1.34)	₹ 3.15	₹ 2.22
Diluted	₹ (0.17)	₹ (1.17)	₹ (0.73)	₹ (1.34)	₹ 3.15	₹ 2.22
Earnings Per Share [of ₹ 2/- per share] [for discontinued operations]						
Basic	₹ -	₹ -	₹ -	₹ -	₹ (0.77)	₹ (0.77)
Diluted	₹ -	₹ -	₹ -	₹ -	₹ (0.77)	₹ (0.77)
Earnings Per Share [of ₹ 2/- per share] [for discontinued and continuing operations]						
Basic	₹ (0.17)	₹ (1.17)	₹ (0.76)	₹ (1.34)	₹ 2.38	₹ 1.45
Diluted	₹ (0.17)	₹ (1.17)	₹ (0.73)	₹ (1.34)	₹ 2.38	₹ 1.45

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**STANDALONE UNAUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES
FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018**

₹ Lakhs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2018 [Unaudited]	30.06.2018 [Unaudited]	30.09.2017 [Unaudited]	30.09.2018 [Unaudited]	30.09.2017 [Unaudited]	31.03.2018 [Audited]
1. Segment Revenue						
[a] Cement	45266	50080	34856	95346	111836	206815
[b] Construction	58815	70731	30932	129546	90574	205307
[c] Power	4022	5705	4833	9727	10141	22165
[d] Hotel/Hospitality & Golf Course	5775	6372	5498	12147	11767	26301
[e] Sport Events	241	214	141	455	443	756
[f] Real Estate	75984	35595	8322	111579	117357	150075
[g] Others	2562	1504	949	4066	3034	7700
[h] Unallocated	13	323	126	336	282	587
Total	192678	170524	85657	363202	345434	619706
Less: Inter-segment Revenue	2290	1442	1414	3732	2647	5398
Revenue from Operations	190388	169082	84243	359470	342787	614308
2. Segment Results						
[a] Cement	(1242)	948	1336	(294)	(19064)	(15303)
[b] Construction	(451)	3590	(5703)	3139	(1112)	3293
[c] Power	(1299)	(536)	858	(1835)	1248	1731
[d] Hotel/Hospitality & Golf Course	(353)	191	(293)	(162)	122	1439
[e] Sport Events	(3056)	(2912)	(2922)	(5968)	(5612)	(11766)
[f] Real Estate	23260	10615	2522	33875	77569	86627
[g] Investments	(24)	(2071)	1357	(2095)	1384	5902
[h] Others	(890)	(815)	(595)	(1705)	(1227)	(2744)
	15945	9010	(3440)	24955	53308	69179
Less:						
[a] Finance Costs	20573	19050	18133	39,623	58,612	96754
[b] Other Un-allocable Expenditure net off Un-allocable Income	(575)	(729)	(667)	(1304)	(275)	(1219)
	(4053)	(9311)	(20906)	(13364)	(5029)	(26356)
Exceptional Items	(15)	(19191)	2258	(19206)	62880	61527
Profit/(Loss) from Ordinary Activities before Tax	(4068)	(28502)	(18648)	(32570)	57851	35171
3. Segment Assets						
[a] Cement	506626	504027	520856	506626	520856	507163
[b] Construction	526869	525955	499551	526869	499551	514062
[c] Power	205340	207277	213737	205340	213737	206886
[d] Hotel/Hospitality & Golf Course	80508	81051	82515	80508	82515	82163
[e] Sports Events	246487	249116	259325	246487	259325	246206
[f] Real Estate	1261976	1280820	1060909	1261976	1060909	1109871
[g] Investments	744282	744230	765572	744282	765572	751065
[h] Others	16056	15931	16344	16056	16344	15830
[i] Un-allocated	213350	219737	220554	213350	220554	206360
Total Segment Assets	3801494	3828144	3639363	3801494	3639363	3639606
4. Segment Liabilities						
[a] Cement	85217	83851	88160	85217	88160	68301
[b] Construction	199772	180630	162577	199772	162577	177949
[c] Power	17948	16943	15356	17948	15356	15546
[d] Hotel/Hospitality & Golf Course	19773	16262	14580	19773	14580	16075
[e] Sports Events	14131	14172	48170	14131	48170	14259
[f] Real Estate	440287	488738	218206	440287	218206	237546
[g] Others	3540	2851	4355	3540	4355	3053
[h] Un-allocated	276804	261209	285354	276804	285354	223739
Total Segment Liabilities	1057472	1064656	836758	1057472	836758	756468

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STANDALONE STATEMENT OF ASSETS AND LIABILITIES (₹ in Lakhs)		
Particulars	Half Year Ended As At 30.09.2018 [Unaudited]	Year Ended As At 31.03.2018 [Audited]
A ASSETS		
1 NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	653033	671495
(b) Capital Work-in-Progress	124291	120068
(c) Investment Property	-	-
(d) Goodwill	-	-
(e) Other Intangible Assets	11	13
(f) Intangible Assets under Development	-	-
(g) Biological Assets other than bearer plants	-	-
	<u>777335</u>	<u>791576</u>
(h) Financial Assets		
(i) Investments	744282	744176
(ii) Trade Receivables	264950	265542
(iii) Loans	6815	6429
(iv) Other Financial Assets	2016	3681
(i) Other Non-Current Assets	156870	165944
Total - Non-current Assets	<u>1952268</u>	<u>1977348</u>
2 CURRENT ASSETS		
(a) Inventories	519021	388823
(b) Financial Assets		
(i) Investments	-	6889
(ii) Trade Receivables	115303	116001
(iii) Cash and Cash Equivalents	20423	27123
(iv) Bank Balances other than Cash and Cash Equivalents	19295	25136
(v) Loans	-	-
(vi) Other Financial Assets	159499	156844
(c) Other Current Assets	313700	293927
Total - Current Assets	<u>1147241</u>	<u>1014743</u>
3 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	701985	647515
TOTAL - ASSETS	<u>3801494</u>	<u>3639606</u>
B EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity Share Capital	48649	48649
(b) Other Equity	852863	984464
Total - Equity	<u>901512</u>	<u>1033113</u>
2 LIABILITIES		
(I) NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	506205	536122
(ii) Trade Payables	11458	11833
(iii) Other Financial Liabilities	61918	58059
(b) Provisions	9924	9497
(c) Deferred Tax Liabilities [Net]	-	-
(d) Other Non-Current Liabilities	13706	17042
Total - Non-current Liabilities	<u>603211</u>	<u>632553</u>
(II) CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	25415	18674
(ii) Trade Payables	145454	127028
(iii) Other Financial Liabilities	207391	187664
(b) Other Current Liabilities	516707	299246
(c) Provisions	223	223
(d) Current Tax Liabilities [Net]	-	-
Total - Current Liabilities	<u>895190</u>	<u>632835</u>
3 LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	1401581	1341105
TOTAL - EQUITY AND LIABILITIES	<u>3801494</u>	<u>3639606</u>

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Notes:

- 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 Half Year ended 30th September, 2018 are not comparable with the previous corresponding period.
- 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 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 Resolution Plan has not only been duly finalized and agreed upon with the Lenders but also implemented, as aforesaid, well within the time recommended by the IAC as per Press Release dated 13th June, 2017.

In terms of the duly approved CRRP, as aforesaid, the Company has provided interest expenses on debt portion that will remain with it. Interest for the quarter ended 30th September, 2018 aggregating ₹ 274.47 Crores (₹ 270.28 Crores for quarter ended 30th June, 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 Under Taking (SDZ-RE), since the same has to be serviced from the assets / development of Assets of SDZ-RE.

- Pending sanction of the approved Scheme of Arrangement 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.
- The Competition Commission of India vide its Order dated 31st August, 2016 held various cement manufacturers liable for alleged contravention of certain provisions of the Competition Act, 2002 during F.Y. 2009-10 & 2010-11 and imposed a penalty of ₹ 1,323.60 Crores on the Company. The Company 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 mean time.
 - 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.

- Non Current Trade receivables include ₹ 2639.53 Crore, outstanding as at 30th September 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 these receivables are recoverable.
- 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 in real estate business is recognised on completion of performance obligation as against recognition on percentage of completion method hitherto guidance note issued by ICAI which has since been withdrawn. Accordingly figures for the current period are not comparable with the previous period.



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7. Finance Costs for the quarter and half year ended 30th September 2018 includes ₹ 38.16 Crores and ₹ 73.89 Crores respectively on account of foreign currency rate fluctuation on Foreign Currency Convertible Bonds etc., on accrual basis.
8. 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%.
9. [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 the progress.

[b] The appeal 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, has been admitted and said Order of Hon'ble NCLT has been stayed.
10. The above results for the quarter ended 30th September, 2018 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 3rd November, 2018. These results have also been subjected to limited review by the Statutory Auditors.



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Additional disclosures as per Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Particulars	As At 30.09.2018
[a]	Debt-Equity Ratio [in times]	2.04
[b]	Previous due date for the payment of interest of Non-Convertible Debentures [NCDs]	
(i)	11.90% NCDs issued on 19.09.2014 and 08.10.2014	}
(ii)	12.00% NCDs issued on 25.07.2012	}
(iii)	10.50% NCDs issued on 16.07.2010	}
(iv)	11.75% NCDs issued on 26.11.2009	}
(v)	12.40% NCDs issued on 04.11.2008	}
(vi)	11.80% NCDs issued on 11.08.2008	}
	Interest has been repaid	Refer Note No.(o) below
[c]	Previous due date for the repayment of Principal of NCDs	
(i)	11.90% NCDs issued on 19.09.2014 and 08.10.2014	}
(ii)	12.00% NCDs issued on 25.07.2012	}
(iii)	10.50% NCDs issued on 16.07.2010	}
(iv)	11.75% NCDs issued on 26.11.2009	}
(v)	12.40% NCDs issued on 04.11.2008	}
(vi)	11.80% NCDs issued on 11.08.2008	}
	Principal has been repaid	Refer Note No.(o) below
[d]	Next due date and amount for the payment of interest of NCDs	Refer Note No.(o) below
[e]	Next due date and amount for the repayment of Principal of NCDs	Refer Note No.(o) below
[f]	Debt Service Coverage Ratio [in times] for the half year ended 30.09.2018 [PBIT excluding exceptional items / (Gross Interest + Long-term Principal Repayment)]	0.43
[g]	Interest Service Coverage Ratio [(in times) for the half year ended 30.09.2018 (PBIT excluding exceptional items / Gross Interest)]	0.66
[h]	Debenture Redemption Reserve [₹ in Lakhs]	42297
[i]	Net Worth [₹ in Lakhs]	901501
[j]	Net Profit after Tax for the year ended 30.09.2018 [₹ in Lakhs]	(32570)
[k]	Basic Earnings per Share for the year ended 30.09.2018 (in ₹)	(1.34)

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

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

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

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

Place: New Delhi
Dated: 3rd November, 2018


JAYPEE
GROUP


MANOJ GAUR
Executive Chairman

Independent Auditor's Review Report On
Review of Standalone Quarterly and Half yearly 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 half year ended 30 September 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. 299 Crores, Corporate Guarantees amounting to Rs. 243.22 Crores, to the lenders of JIL and deposit 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 5th 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 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) [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 half year ended 30th September 2018 aggregating to Rs. 274.47 Crores and Rs. 544.75 Crores respectively [Rs. 270.28 Crores for quarter ended 30th June 2018 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 immoveable assets and liabilities to be transferred to and vested in the wholly owned subsidiary of the Company, namely, Jaypee Infrastructure Development Limited (JIDL) as a going concern, on a slump exchange basis is pending sanction by NCLT Allahabad.

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 mean time.
- [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) As stated in Note no 5 of the statement, Non-Current Trade receivables include Rs. 2639.53 Crore, outstanding as at 30th September 2018 (Rs. 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 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 18th December 2017 due to default in payment of interest to Banks/Financial Institutions. Keeping in the view of above facts, the impact on the carrying amount of Equity Shares of PPGCL held by the company is currently unascertainable and considered at Book Value.
- 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 293.50 Crores as on 30.09.2018 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 31st August, 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.
- 13) ICICI Bank Limited had filed an application with Hon'ble NCLT, Allahabad Bench U/s 7 of Insolvency & Bankruptcy Code, 2016 against 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: 3rd November, 2018

