

BOKARO JAYPEE CEMENT LTD.

ANNUAL REPORT 2009-10

BOKARO JAYPEE CEMENT LIMITED

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Second Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2010.

Your Company is implementing a 2.1 million metric tonnes per annum Cement Plant at Bokaro in the State of Jharkhand. The total investment envisaged for the project is Rs. 405 crore having a Debt-Equity Ratio of 70:30 with Jaiprakash Associates Limited (JAL) and Steel Authority of India (SAIL), the two promoters, funding the equity portion in the ratio of 74:26.

PROJECT STATUS

As informed in the first report of Directors to the Members, due to unfortunate circumstances, effective possession of the initially identified land for implementation of the Project was not available to the Company. This necessitated shifting the location of the Cement Plant to another suitable site. The Deed of Lease of land earlier executed with Steel Authority of India (SAIL) has been terminated and a Lease Deed has been executed with Bokaro Industrial Area Development Authority (BIADA) for the new site. Consequently, the Project implementation period has also been extended by six months i.e. upto July 2011.

The Company has already received environmental clearance for the new site. Project work is progressing on a fast-track basis and construction of plant structures are in full swing. Orders for all main items of Plant & Machinery have also been placed by the Company.

The company has entered into Long-term arrangements with SAIL and JAL for supply of slag and clinker respectively for cement manufacturing. Necessary arrangements for supply of power and water have also been made.

DIVIDEND

Since the Company's Project is still under implementation, no dividend is recommended.

SHARE CAPITAL

Taking into account the shares allotted during the year under review , the paid up capital of the Company as on March 31, 2010 stood at Rs. 61,15,38,360/-

DIRECTORATE

Since the last report of Directors dated 5th May 2009, the changes in the composition of the Board are as under:

Shri D.P. Bajaj was appointed as a Nominee Director of SAIL in place of Shri A.K Jain w.e.f. December 26, 2009. Subsequently, Shri S.K. Gulati has been appointed as Nominee Director of SAIL in place of Shri D.P Bajaj w.e.f. March 26, 2010.

The Board placed on record its deep appreciation for the valuable contributions made by Shri A.K Jain and Shri D.P Bajaj during their respective tenures as Director of the Company.

Shri Rahul Kumar, Shri Rajiv Gaur and Shri Ajay Sharma, Directors shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

AUDIT COMMITTEE

Consequent upon changes in the constitution of the Board of Directors with effect from March 26, 2010, the Audit Committee comprises Shri Sunny Gaur as Chairman and Shri S.K. Gulati and Shri Rahul Kumar as Members.

AUDITORS

M/s. Awatar & Co, Chartered Accountants, Statutory Auditors of the Company will retire at the conclusion of the Second Annual General Meeting and are eligible for re-appointment. They have, pursuant to Section 224(1B) of the Companies Act, 1956, furnished a Certificate regarding their eligibility for re-appointment as Statutory Auditors of the Company.

FIXED DEPOSITS

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

PARTICULARS OF EMPLOYEES

During the period under report none of the employees was in receipt of remuneration stipulated under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be disclosed as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with regard to technology absorption and conservation of energy is not applicable as the project is still under construction stage. The information with regard to foreign exchange outgo is given in Note No. B(ix)(2) to the Annual Accounts presented with this Report. The Company has not earned any foreign exchange during the year under report.

INDUSTRIAL RELATIONS

Cordial industrial relations were maintained at the Company's Project Site and Offices. The Management of the Company appreciates the support of the employees at all levels and look forward to their continuous support in future.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) that in the preparation of the accounts for the period ended March 31, 2010, the applicable accounting standards had been followed and no material departures;
- (ii) that the directors had 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 for the period ended March 31, 2010 and the Incidental Expenditure During Construction Period incurred by the Company upto March 31, 2010;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the directors have prepared the accounts for the period upto March 31, 2010, on a going concern basis.

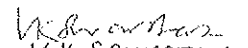
NOTES ON ACCOUNTS

The observations of Auditors and notes on accounts are self-explanatory.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and gratitude to various Departments of Government of Jharkhand and Central Government for their valuable support and co-operation. Your Directors also wish to place on record their appreciation for the shareholders for their continued support.

On behalf of the Board


V. K. SRIVASTAVA
Chairman

Place : New Delhi
Dated : May 7, 2010.


R. K. SINGH
Managing Director

AWATAR & CO.CHARTERED ACCOUNTANTS
New Delhi - Alwar - Bhilai**Head Office:**1203, Rohit House
3, Tolstoy Marg
New Delhi - 110 001
Ph.: 23315870
23320537
Fax: 23358544**AUDITOR'S REPORT****TO THE SHAREHOLDERS OF
BOKARO JAYPEE CEMENT LIMITED**

1. We have audited the attached Balance Sheet of **BOKARO JAYPEE CEMENT LIMITED** ("the Company") as at 31st March, 2010 and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. No Profit and Loss Account has been prepared since the Company has yet to commence its revenue operations and necessary details as per part II of Schedule VI of the Companies Act, 1956 have been disclosed in the "Statement of Incidental Expenditure During Construction Pending Allocation".
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the directors, as on March 31, 2010, and the record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, and;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and
 - b) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **AWATAR & CO.**
Chartered Accountants
Registration No. 000726N*Brijendra Agrawal***Brijendra Agrawal**
Partner

Membership No. : 087787

Place : New Delhi

Date : 7th May, 2010

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the assets.
- (b) As explained to us, the Fixed Assets were physically verified by the Management during the year and no discrepancy had been noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any substantial part of its fixed assets during the year and as such has not affected the going concern status of the Company.
- (ii) (a) The Company has conducted physical verification of Inventory at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (b), (c) and (d) of clause 4(iii) of the Order are not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (f) and (g) of clause 4(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and services and supplies. During the course of our audit, we have not observed any continuing major weakness in such internal controls.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public during the year. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the Company.
- (vii) In our opinion the Company has an internal audit system commensurate with the size & nature of its business.
- (viii) According to the information and explanations given to us, the maintenance of cost records is not applicable to the year under report.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income-tax, wealth tax, sales-tax, service tax, custom duty, cess and other material statutory dues applicable to it.



- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, cess or any other statutory dues were in arrears as on 31st March 2010 for a period more than six months from the date they became payable.
- (x) The company does not have accumulated losses. The Company has not incurred cash losses during the year covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not borrowed any amounts by issue of debentures.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of plédge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from the banks or financial institutions. Therefore, provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, during the year covered by our audit report, the Company has made allotment of shares only to the promoters of the Company (viz. Jaiprakash Associates Limited and Steel Authority of India Limited, as mentioned in Note No. B(x)(III)(1) of the Schedule M of the annual accounts) for consideration which is not prejudicial to the interest of the Company and that there are no other party / companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures during the year under audit report.
- (xx) During the year covered by our audit report, the Company has not raised any money by way of public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.



Place : New Delhi
Date : 7th May, 2010

For AWATAR & CO.
Chartered Accountants
Registration No. 000726N

Brijendra Agrawal

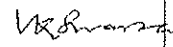

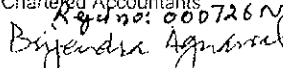

Brijendra Agrawal
Partner

Membership No. : 087787

BOKARO JAYPEE CEMENT LTD.

BALANCE SHEET

AS AT 31st MARCH, 2010

	SCHEDULE	As at		(In Rupees)	
		31.03.2010		As at	31.03.2009
SOURCES OF FUNDS					
SHAREHOLDERS FUNDS					
Share Capital	A	611,538,360		252,692,300	
Share Application Money		315,149,275	926,687,635	49,095,360	301,787,660
TERM LOANS FROM BANKS					
Secured Loan	B		437,503,600		
TOTAL FUNDS EMPLOYED		<u>1,364,191,235</u>		<u>301,787,660</u>	
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	C	66,056,141		54,768,213	
Less: Depreciation		928,439		224,783	
Net Block		65,127,702		54,543,430	
Capital Work-in-Progress		994,242,123		181,479,795	
Expenditure During Construction - Pending Allocation	D	76,585,746	1,135,955,571	40,392,130	276,415,355
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	E	1,778			
Cash and Bank Balances		155,462,023		19,132,306	
Loans and Advances		114,892,856		5,311,275	
		270,356,657		24,443,581	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	F	41,493,196		2,048,945	
Provisions		4,018,319		412,853	
		45,511,515		2,461,798	
NET CURRENT ASSETS			224,845,142		21,981,783
MISCELLANEOUS EXPENDITURE	G		3,390,522		3,390,522
TOTAL APPLICATION OF FUNDS		<u>1,364,191,235</u>		<u>301,787,660</u>	
Accounting Policies and Notes to the Accounts H					
As per our report of even date attached to the Balance Sheet					
For and on behalf of the Board					
 Chairman					
 Managing Director					
For Awatar & Co. Chartered Accountants Regd no: 000726 N  Brijendra Agrawal Partner M. No. 037787					
					
Place : New Delhi					
Date: 7th May 2010					

BOKARO JAYPEE CEMENT LTD.

	(In Rupees) As at 31.03.2010	(In Rupees) As at 31.03.2009
SCHEDULE "A"		
SHARE CAPITAL		
Authorised		
12,50,00,000 Equity Shares of Rs 10/- each	1,250,000,000	1,250,000,000
Issued, Subscribed and Paid-up		
6,11,53,836 Equity Shares of Rs 10/- each	611,538,360	252,692,300
(Previous Year 2,52,69,230 Equity Shares of Rs. 10/- each)	611,538,360	252,692,300
Note - 4,52,53,839 Shares (Previous Year 1,86,99,230 Shares) are held by Jaiprakash Associates Limited - the holding company		

	(In Rupees) As at 31.03.2010	(In Rupees) As at 31.03.2009
SCHEDULE "B"		
TERM LOAN FROM BANKS		
(Secured against hypothecation of movable and immovable fixed assets)		
Karaur Vyasya Bank Ltd.	250,000,000	-
State Bank Of Patiala	37,503,600	-
State Bank Of Indore	150,000,000	-
	437,503,600	-
Note -1. Rupee Term Loan from Banks repayable within one year Rs. Nil. (Previous year Rs. Nil)		

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BOKARO JAYPEE CEMENT LIMITED
SCHEDULE - C

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 01.04.2009	Addition during the Year	Sale/ Transfer/ Disposal during the Year	As on 31.03.2010	As On 01.04.2009	For the Year	Sale/ Adjustment	As on 31.03.2010	As on 31.03.2009
	(In Rupees)								
1 Land - Free Hold	-	-	-	-	-	-	-	-	-
2 Land - Lease Hold (for 30 Years from 2009)	52,272,000	58,527,278	52,272,000	58,527,278	-	-	-	58,527,278	-
3 Building	-	-	-	-	-	-	-	-	-
4 Plant & Machinery	-	-	-	-	-	-	-	-	-
a) Plant & Machinery	-	-	-	-	-	-	-	-	-
b) Electrical Installation	-	-	-	-	-	-	-	-	-
c) Plant & Machinery Others	15,080	60,268	-	75,348	280	13,956	-	14,236	14,800
5 Vehicles	2,155,466	2,380,679	-	4,536,145	124,432	253,745	-	4,157,968	2,031,034
6 Other Fixed Assets & Equipments	-	-	-	-	-	-	-	-	-
i) Other Fixed Assets & Equipments	5,850	61,126	-	66,976	59	11,401	-	55,516	5,791
ii) EDP Machinery & Equipments	77,891	231,425	-	309,316	5,909	40,890	-	262,517	71,992
iii) Air Condition & Room Coolers	-	246,400	-	246,400	-	10,198	-	236,202	-
iv) Refrigerators & Water Coolers	8,850	152,673	-	161,523	668	5,549	-	155,306	8,182
v) Telephone, Telex, EPBX & TV	-	573,217	-	573,217	-	28,442	-	544,775	-
vi) Furniture & Fixture	223,376	1,324,912	-	1,548,288	83,735	337,525	-	1,127,028	139,641
vii) Office Equipments	9,700	1,950	-	11,650	9,700	1,950	-	11,650	-
Previous Year	54,768,213	63,599,928	52,272,000	66,056,141	224,783	703,656	-	65,127,702	54,543,430
		54,768,213		54,768,213		224,783		224,783	

Note: Depreciation of Rs.7,03,656 for the year has been included in Statement of Incidental Expenditure during Construction - Perkying Allocation.



BOKARO JAYPEE CEMENT LTD.

SCHEDULE "D"

STATEMENT OF INCIDENTAL EXPENDITURE DURING CONSTRUCTION - PENDING ALLOCATION
FOR THE PERIOD ENDING 31st MARCH, 2010.

	(In Rupees)		(In Rupees)	
		As at 31.03.2010		As at 31.03.2009
Opening Balance		40,392,130		-
Site Development Expenses	(1,148,911)		2,325,028	
Staff Salary & Benefit	7,691,396		2,015,910	
Administrative & General Expenses				
Travelling & Conveyance Exp	623,569		432,484	
Freight & Material Handling	8,117,878		35,865	
Rent Charges	766,318		1,261,853	
Electricity Expenses	-		-	
Repair & Maintenance	157,665		43,006	
Vehicle/Machinery Running Charges	863,089		892,562	
Welfare Expenses	535,173		661,715	
Advertising & Publicity Expenses	72,769		-	
Insurance Expenses	923,629		173,128	
Legal & Professional/Technical Charges	10,060,841		5,367,424	
Telephone / Communication Expenses	790,974		49,189	
Fee & Taxes	2,783,129		500,478	
Printing & Stationery	59,545		92,836	
Bank Charges, Upfront Fee & Commission	9,066,077		26,232,804	
Depreciation	703,656		224,783	
Miscellaneous Expenses	427,663		331,898	
Auditor's Remuneration				
-Audit Fee	100,000	42,594,460	100,000	40,740,964
				40,740,964
Less: Interest Received (TDS - Rs. 71,181/-)	711,805			598,869
Misc. Receipt	-			1,000
Gain Due To Exchange Fluctuation	8,903,175			
Excess Provision for FBT written back	63,658	9,678,638		
Provisions				
-For Wealth Tax		7,957		4,080
-For Income Tax		3,269,837		65,416
-For Fringe Benefit Tax		-		181,539
Total Carried to Balance Sheet		76,585,746		40,392,130

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BOKARO JAYPEE CEMENT LIMITED

	(In Rupees) As at 31.03.2010	(In Rupees) As at 31.03.2009
SCHEDULE "E"		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
I) INVENTORIES		
Stores & Spares (As certified by the Management)	1,778	-
II) CASH AND BANK BALANCES		
a) Cash and Cheques in hand	18,553	44,496
b) Balance with Schedule Banks		
- In Current Accounts	154,531,176	5,116,082
- In Fixed Deposits	912,294	13,971,728
A	155,463,801	19,132,306
B. LOANS AND ADVANCES (Unsecured, considered good)		
Prepaid Expenses	1,966,396	2,332
Advances recoverable in cash or in kind or for value to be received	107,920,460	5,305,443
Security Deposits - With Govt. Deptts & Public bodies	5,002,500	-
- With others	3,500	3,500
B	114,892,856	5,311,275
A+B	270,356,657	24,443,581
SCHEDULE "F"		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors		
-Total Outstanding dues of micro enterprises and small enterprises		
-Total Outstanding dues creditors other than of micro enterprises and small enterprises	15,216,905	1,325,988
Due to Staff	1,106,034	122,329
Other Liabilities	25,170,257	600,628
A	41,493,196	2,048,945
B. PROVISIONS		
For Wealth Tax	7,877	4,080
For Income Tax	3,116,469	65,416
For Fringe Benefit Tax	-	181,539
For Gratuity	458,118	20,087
For Leave Encashment	242,553	43,928
For Audit Payable	99,270	97,803
For PF & Admn. Charges on PF	64,032	-
B	4,016,319	412,853
A+B	45,511,515	2,461,798
SCHEDULE "G"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	3,390,522	3,390,522
	3,390,522	3,390,522

UK Sharma



BOKARO JAYPEE CEMENT LTD.

SCHEDULE "H"

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

General:

- (i) The accounts are prepared on historical cost basis and on the principles of a going concern.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition:

Expenditure and Income are accounted for on accrual basis.

Fixed Assets:

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, taxes and other incidental expenses related thereto.

Capital Work in Progress (CWIP):

Cost of material consumed, erection charges thereon and advances to capital suppliers are shown as Capital Work in Progress (CWIP) till the capitalization of the Project.

Incidental Expenditure during construction period:

Incidental Expenditure incurred on the Project during implementation will be capitalized and apportioned to various assets on commissioning of the Project.

Depreciation:

Depreciation on assets is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Premium on Lease hold Land is amortized in equal installments over the balance period of the lease from the year in which commercial operations begin.

Inventories:

Inventories in respect of Stores & Spares are valued at lower of cost or net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing them to their present location and condition. Cost of Stores and Spares is ascertained on weighted average basis.

Preliminary Expenses:

Preliminary expenses shall be written off over a period of 3 years after the commencement of commercial operations.

K. S. D. S. S.

[Signature]



Taxes on Income:

Taxes comprise Current tax and Wealth Tax. Provision for current tax is calculated in accordance with the provisions of the Income Tax act, 1961 and is made annually based on the tax liability computed after considering tax allowances and exemptions. Provision for Wealth Tax is calculated in accordance with the provisions of the Wealth Tax act, 1957 after considering tax allowances and exemptions. Deferred Tax Assets and Deferred Tax Liability will be calculated by applying rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Employee Benefits:

a. Post-employment benefit plans:

Payments to defined contribution plans, such as provident fund are charged as an expense as they fall due.

For defined benefit plans, such as gratuity, the cost of providing benefits is determined based on actuarial valuation made by an independent actuary using projected unit credit method, as at each balance sheet date. The actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Past service cost is recognized immediately in the profit and loss account.

b. Short term employees benefits:

The undiscounted portion of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders service. These benefits include encashment of accumulated leaves.

Foreign currency:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are restated at the rate prevailing on the date of balance sheet. The exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities are recognized as income or expense in the profit and loss account.

Assets and Liabilities other than monetary items are translated at the exchange rate prevailing on the balance sheet date and exchange difference in relation to project under construction are included / reduced from CWIP.

Premium or discount on forward contract is amortized over the life of such contract and is recognized as an expense or income. Any profit or loss arising on cancellation, renewal or restatement of forward contract is recognized in the profit and loss account.

The Company uses foreign currency contracts to hedge its risk associated with foreign currency fluctuations. The Company does not use derivative financial instrument for speculative purposes.

Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received. A disclosure for contingent liability is made when, as a result of obligating events, there is a possible obligation on a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are neither recognized nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

VK Sharma *1/1/2022*



(B) NOTES ON ACCOUNTS

(i) Contingent Liabilities not provided for

	(Amount Rs.)	
	2009-10	2008-09
a) Outstanding Letters of Credit (including Foreign LCs)	62,24,34,000	17,54,40,000
b) Bank Guarantee	1,82,45,874	Nil
c) Estimated amount of Contract remaining to be executed on Capital Account (net of advances)	2,16,88,62,041	153,30,41,685

(ii) The joint venture between Jaiprakash Associates Limited (JAL) and Steel Authority of India Limited (SAIL) is governed by the Shareholders' Agreement dated 21.02.2008.

(iii) **Security for Term Loans:**

The financial assistance sanctioned and disbursed by Banks viz. Karur Vysya Bank Ltd., State Bank of Patiala, State Bank of Indore and Axis Bank Ltd. are secured by pari passu first charge over all the immovable and movable assets both present and future.

(iv) Profit and Loss Account has not been prepared, as the Company has not yet started revenue operations. However, the necessary details as per Part-II of Schedule-VI to the Companies Act, 1956 have been disclosed in the "Statement of Incidental Expenditure During Construction - Pending Allocation".

(v) 50 Acres of Land was acquired by the Company on lease from SAIL, Bokaro for setting up the Project. During the year, the Company has surrendered the said Land to SAIL, Bokaro as the same was not suitable for the Project. Cost of the said Lease hold Land has been refunded by SAIL, Bokaro to the Company.

(vi) In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which these are stated in the Balance Sheet.

(vii) **Employee Benefits:**

a) **Provident Fund - Defined Contribution Plan**

All employees are entitled to Provident Fund benefits. Amount debited to Incidental Expenditure During Construction Rs.2,13,547/-.

b) In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees' last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the insurer (SBI Life Insurance Co. Limited). Under this plan, the settlement obligation remains with the Company, although the Employee Gratuity Trust administers the plan and determines the contribution premium required to be paid by the Company.

V. K. Sharma



c) Leave Encashment – Defined Benefit Plan

The Company has a scheme of encashment of accumulated leaves. The Scheme is unfunded and is recognized in Incidental Expenditure During Construction on the basis of actuarial valuation on accrual basis.

The Summarized position of defined benefits recognized in Incidental Expenses During Construction and Balance Sheet are as under:

S. No.	Particulars	2009-10		2008-09	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	Expenses recognized in the Statement of Incidental Expenditure During construction Pending allocation for the Period ended 31 st March 2010.				
	1. Current Service Cost.	1,23,898	1,87,760	20,087	43,928
	2. Interest Cost	1,607	3,514	Nil	Nil
	3. Employee Contribution	Nil	Nil	Nil	Nil
	4. Actuarial (Gains)/Losses	3,32,613	7,351	Nil	Nil
	5. Past Service Cost	Nil	Nil	Nil	Nil
	6. Settlement Cost	Nil	Nil	Nil	Nil
	7. Total Expenses	4,58,118	1,98,625	20,087	43,928
II	Net Asset/ (Liability) recognized in the Balance Sheet as at 31 st March 2010.				
	1. Present Value of Defined Benefit Obligation.	4,78,205	2,42,553	20,087	43,928
	2. Fair Value of Plan Assets	20,087	Nil	Nil	Nil
	3. Funded Status (Surplus/Deficit)	(4,58,118)	(2,42,533)	Nil	(43,928)
	4. Net Asset/(Liability) as at March 31, 2010.	(4,58,118)	(2,42,553)	(20,087)	(43,928)
III	Change in Obligation during the Period ended March 31, 2010.				
	1. Present value of Defined Benefit Obligation at the beginning of the year.	20,087	43,928	Nil	Nil
	2. Current Service Cost.	1,23,898	1,87,760	20,087	43,928
	3. Interest Cost	1,607	3,514	Nil	Nil
	4. Settlement Cost	Nil	Nil	Nil	Nil
	5. Past-Service Cost.	Nil	Nil	Nil	Nil
	6. Employee Contributions	Nil	Nil	Nil	Nil
	7. Actuarial (Gains)/Losses	3,32,613	7,351	Nil	Nil
	8. Benefit Payments	Nil	Nil	Nil	Nil
	9. Present Value of Defined Benefit Obligation at the end of the year.	4,78,205	2,42,553	20,087	43,928
IV	Change in Assets during the Period ended March, 2010.				
	1. Plan Assets at the beginning of the year.	Nil	Nil	Nil	Nil
	2. Assets acquired on amalgamation in previous year.	Nil	Nil	Nil	Nil
	3. Settlements	Nil	Nil	Nil	Nil
	4. Expected return on Plan Assets	Nil	Nil	Nil	Nil



5. Contribution by Employer	20,087	Nil	Nil	Nil
6. Actual Benefit Paid	Nil	Nil	Nil	Nil
7. Actuarial Gains/ (Losses)	Nil	Nil	Nil	Nil
8. Plan Assets at the end of the year.	20,087	Nil	Nil	Nil
9. Actual Return on Plan Assets	Nil	Nil	Nil	Nil

Note: The information on composition of the planned assets held by the fund managed by the insurer is not provided since the same is not available.

d) Actuarial Assumptions:

S. No.	Particular	2009-10	2008-09
1.	Discount Rate	8%	8%
2.	Mortality	As per LIC (1994-96)	As per LIC (1994-96)
3.	Turnover Rate	---	---
4.	Future Salary Increase	8%	5.5%

(viii) As commercial operations have not yet commenced, there is no Deferred Tax Asset / Liability as on 31.03.2010.

(ix) Additional information pursuant to provisions of paragraphs 3 and 4 of Part-II of Schedule-VI to the Companies Act, 1956

(Amount Rs.)			
S. No.	Particulars	2009-10	2008-09
1.	<u>Capacity & Production</u>		
	Licensed Capacity	Not Applicable	Not Applicable
	Installed Capacity	Not Applicable	Not Applicable
	Actual Production	Not Applicable	Not Applicable
2.	Expenditure in Foreign Currency (Foreign Exchange Outgo)		
	a) Advance to Suppliers	17,56,03,413	10,44,17,061

The remaining information pursuant to the paragraphs 3 and 4 of Part- II of Schedule- VI to the Companies Act 1956 are either NIL or not applicable.

(x) Additional information as required under Part IV of Schedule VI to the Companies Act 1946:

As per Accounting Standard 18 (AS 18) "Related Party disclosures", issued by ICAI, the disclosure of transactions with the related party, as defined in the said standard, are given below:-

I. List of Related Parties and relationships:

- a. Holding Company:
Jaiprakash Associates Limited
- b. Fellow Subsidiary Companies:
 - (i) Jaiprakash Power Ventures Limited
 - (ii) Jaypee Karcham Hydro Corporation Limited
 - (iii) Madhya Pradesh Jaypee Minerals Limited
 - (iv) Jaypee Powergrid Limited
 - (v) Jaypee Infotech Limited
 - (vi) Himalayan Expressway Limited
 - (vii) Gujarat Jaypee Cement & Infrastructure Limited

V.K. Anand
Page 10



- (viii) JPSK Sports Pvt. Limited
- (ix) Bhilai Jaypee Cement Limited
- (x) Jaypee Ganga Infrastructure Corporation Limited
- (xi) Jaypee Arunachal Power Limited.
- (xii) Bina Power Supply Co. Limited
- (xiii) Sangam Power Generation Company Limited (w.e.f. 23-07-2009)
- (xiv) Prayagraj Power Generation Company Limited (w.e.f. 23-07-2009)
- (xv) Jaypee Agra Vikas Limited (w.e.f 16-11-2009)

c. Associate Company

- (i) Jaypee Ventures (P) Limited
- (ii) Jaypee Development Corporation Limited
- (iii) JIL Information Technology Limited
- (iv) Gaur & Nagi Limited
- (v) Indesign Enterprises Pvt. Limited
- (vi) Jaypee Petroleum Pvt. Ltd.
- (vii) Jaypee Hydro-Carbons Pvt. Ltd.
- (viii) Tiger Hill Holiday Resorts Pvt. Ltd.
- (ix) ANVI Hotels Private Ltd.
- (x) Vasujai Estates Pvt. Ltd.
- (xi) Samsun Estates Pvt. Ltd.
- (xii) Sunvin estates Pvt. Ltd.
- (xiii) Manumanik Estates Pvt. Ltd.
- (xiv) Arman Estate Pvt. Ltd.
- (xv) Suneha Estates Pvt. Ltd.
- (xvi) Pee Gee Estates Pvt. Ltd.
- (xvii) Vinamra Housing & Construction Pvt. Ltd.
- (xviii) RPJ Minerals Pvt. Ltd.
- (xix) Sarveshwari Stone Products Pvt. Ltd.
- (xx) Rock Solid Cement Ltd.
- (xxi) Sonebhadra Minerals Pvt. Ltd.
- (xxii) MP Jaypee Coal Ltd.
- (xxiii) MP Jaypee Coal Fields Ltd.
- (xxiv) Jaiprakash Kashmir Energy Ltd.

II. Key Management Personnel:

- (i) Sh. R. K. Singh, Managing Director

III. Transactions during the period with Related Parties .

(A) Transactions related to parties referred to in "I" above:

(Amount Rs.)

S. No.	Nature of Transaction	Related Party	2009-10	2008-09
1	Issue of Equity Share Capital	a)Jaiprakash Associates Limited	26,55,46,090	18,69,92,300
		b)Steel Authority of India Limited.	9,32,99,970	6,57,00,000
2	Share Application Money Recd	a)Jaiprakash Associates Limited	27,43,49,270	4,90,95,360
		b)Steel Authority of India Limited.	4,08,00,005	Nil
3	Contract Agreement Awarded	Jaiprakash Associates Limited	Nil	1,01,47,51,681
4	Land Premium Paid	Steel Authority of India Limited	(5,22,72,000)	5,22,72,000

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5	Steel Purchased	Steel Authority of India Limited	18,84,42,037	Nil
6	Rent, Water Charges etc Paid	Steel Authority of India Limited	8,03,270	3,80,941
7	Cement Purchased	Jaiprakash Associates Limited	6,84,29,234	9,63,100

(xi) As per management there are no Small Scale Industrial Undertakings to whom the Company owes more than Rs.1 lakh outstanding for more than 30 days as on 31.03.2010.

(xii) Disclosure as required under Notification No. G.S.R. 719 (E) dated 16th November, 2007 issued by the Department of Company Affairs (As certified by the Management)

S. No.	Particulars	Amount (Rs.)
a)	The principal amount and interest due thereon remaining unpaid to any supplier -Principal Amount -Interest Amount	Nil Nil
b)	The amount of interest paid by the buyer in terms of section 16, along with the amounts of payment made to the supplier beyond the appointed day	Nil
c)	The amount off due and payable for the year of delay in making payment (which have been paid but beyond the appointed during year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil
d)	The amount of interest accrued and remaining unpaid	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise	Nil

(xiii) Figures of previous year have been regrouped / recast / rearranged wherever considered necessary to conform to this year classification.

(xiv) All figures have been rounded off to the nearest rupee.

For Awatar & Co.
Chartered Accountants
Regd no: 000726N
Brijendra Agrawal
Brijendra Agrawal
Partner
M. No. 087787



Place: New Delhi
Date: 7th May 2010

For and on behalf of Board

[Signature]
Managing Director

[Signature]
Chairman

BOKARO JAYPEE CEMENT LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDING ON 31st MARCH 2010

	01.04.2009 TO 31.03.2010		28.04.2008 TO 31.03.2009	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Inflow :		-		
Outflow:				
(a) Increase in Fixed Assets (including CWIP)	859,540,216		276,415,355	
(b) Increase in Inventories	1,778		-	
(c) Increase in Loans & Advances	109,581,581		5,311,275	
(d) Decrease/(Increase) in Current Liabilities & Provisions	(43,049,717)		(2,461,798)	
(e) Increase in Miscellaneous Expenditure	-	926,073,858	3,390,522	282,655,354
NET CASH USED IN INVESTING ACTIVITIES "B"		(926,073,858)		(282,655,354)
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Inflow:				
(a) Increase in Share Capital	358,846,060		252,692,300	
(b) Increase in Share Application Money	266,053,915		49,095,360	
(c) Increase in Loan	437,503,600	1,062,403,575	-	301,787,660
NET CASH FROM FINANCING ACTIVITIES "C"		1,062,403,575		301,787,660
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS "A+B+C"		136,329,717		19,132,306
CASH AND CASH EQUIVALENTS AS AT 01.04.2009 (OPENING BALANCE)		19,132,306		
CASH AND CASH EQUIVALENTS AS AT 31.03.2010 (CLOSING BALANCE)		155,462,023		19,132,306

As per our report of even date attached to the Balance Sheet

For and on behalf of the Board

For Awatar & Co.
Chartered Accountants

Regd no: 000726 N
Brijendra Agrawal
Partner

M No. 087787

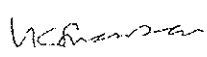

Place : New Delhi

Dated : 7th May 2010



[Signature]
Chairman

[Signature]
Managing Director

BOKARO JAYPEE CEMENT LIMITED			
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE			
PURSUANT TO PART IV OF THE COAMPANY ACT,1956			
I Registration Details			
Registration Number	175321	State Code No.	55
Balance Sheet Date	31.03.2010		
II Capital Raised during the period			
(Amount in Rs. Thousand)			
Public Issue	Nil	Private Placement	611,538
Bonus Issue	Nil	Others	Nil
Right Issue	Nil		
III Position of Mobilisation and Deployment of Funds			
(Amount in Rs. Thousand)			
Total Liabilities			1,364,191
Total Assets			1,364,191
Source of Funds			
Paid up Capital			611,538
Share Application Money			315,149
Reserve & Surplus			-
Secured Loans			437,504
Unsecured Loans			-
			1,364,191
Application of Funds			
Net Fixed Assets (Including expenditure during construction)			1,135,956
Investments			-
Net Current Assets			224,845
Miscellaneous Expenditure			3,390
Accumulated Losses			-
			1,364,191
IV Performance of Company			
(Amount in Rs. Thousand)			
Turnover			} Not Applicable since the Project is under implementation
Total Expenditure			
Profit/Loss Before Tax (+)			
Profit/Loss After Tax (+)			
Earning Per Share in Rs.			
Dividend Rate (%)			
V Generic Names of three Principal Product/Services of the Company (as per Monetary Terms)			
Items Code No.(ITC Code)			NA
Product/Services Description			Cement
For and on behalf of the Board			
For AWATAR & CO. Chartered Accountants Resd no: 000726 N Brijendra Agrawal		 Chairman	
Brijendra Agrawal Partner M. No. 087787		 Managing Director	
Place : New Delhi Dated : 7th May 2010		