

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the Fourth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

### COMMISSIONING OF THE PROJECT

The Directors are glad to report that on completion of project activities, the Grinding Unit of the Company at Bokaro, Jharkand has been timely and successfully commissioned. Despatch of cement has also started from this unit from June 2011. Though a new entrant in the field, with a good brand image, the Company's product has been well accepted in the market as a premium product.

### WORKING RESULTS

The Company has achieved a gross turnover of ₹ 312.13 crore during the first financial year (2011-12) of its commercial operations earning a operating profit of ₹ 24.22 crore in the first year itself. However, taking into account the impact of interest (₹ 28.01 crore) there is a cash loss of ₹ 3.79 crore during the financial year 2011-12. The net loss during the year, after considering depreciation of ₹ 11.61 crore, comes to ₹ 15.40 crore. The working results could have been better had the Company received the required quantity of slag enabling it to reach its targeted production of 12 lac MT.

### PROJECT COST

As informed in the last year's Report of Directors dated May 27, 2011, the cost of the Project, initially estimated at ₹ 405 crore plus a contingency of 10% (₹ 40.50 crore) i.e. ₹ 445.50 crore, has been escalated for various factors, beyond the control of the Company. The revised Project Cost has been estimated at ₹ 495 crore.

Funding towards the Project Cost up to ₹ 445.50 crore has been financed in terms of the provisions of the Shareholders' Agreement (SHA) executed between JAL and SAIL. The project cost beyond ₹ 445.50 crore has been financed by JAL through cash contributions made from time to time.

### DIVIDEND

No dividend for the year is recommended.

### SHARE CAPITAL

The Authorized Share Capital of the Company is ₹ 135 crore. The Paid-up Share Capital of the Company as on March 31, 2012 stood at ₹ 133,65,00,000/- as against ₹ 125,00,00,000/- as on March 31, 2011.

### DIRECTORATE

Since the last report of Directors dated July 25, 2011, the changes in the composition of the Board are as under:

Shri Anil Kumar Chaudhary joined the Board w.e.f. September 07, 2011. Shri Chowdhary later resigned from the Board w.e.f. March 29, 2012.

Shri T.S. Suresh and Shri S.S. Mohanty also resigned from the Board w.e.f. March 29, 2012 and April 19, 2012 respectively.

The Board placed on record its deep appreciation for the valuable contributions made by Shri Anil Kumar Chaudhary, Shri T.S. Suresh, and Shri S.S. Mohanty during their respective tenures as Director.

Shri Umesh Kumar and Shri Vipul Puri were appointed as Directors w.e.f. April 04, 2012. Shri Anutosh Maitra was appointed as Director w.e.f. April 27, 2012.

Shri Ajay Sharma, Shri B.L. Saini and Shri G.V. Bhat, Directors shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

### AUDIT COMMITTEE

The Audit Committee comprises Shri Rahul Kumar as Chairman and Shri B.L. Saini as Member.

### AUDITORS

M/s. Awatar & Co, Chartered Accountants, Statutory Auditors of the Company will retire at the conclusion of the Fourth 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 for the year 2011-12 is annexed (Annex -1) and forms an integral of this report. The information with regard to foreign exchange outgo is given in Note No. B(viii)(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, 2012, the applicable accounting standards had been followed and there were 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, 2012 and the Statement of Profit & Loss of the Company for the year ending March 31, 2012;
- (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 up to March 31, 2012, 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**

**Sunny Gaur  
Chairman**

**R. K. Singh  
Managing Director**

Place : New Delhi  
Dated : May 12, 2012

## **ANNEXURE – I**

**Information pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Report of Directors for the year ended March 31, 2012.**

#### **GRINDING PLANT AT BOKARO**

##### **A. CONSERVATION OF ENERGY**

Following measures were taken for conservation of energy:

1. Mill output increased from 170TPH to 188TPH by increasing mill outlet temperature up to 105°C, grinding pressure from 100 to 125 bar and reducing fineness from 400 to 370 m<sup>2</sup>/kg. Due to these steps taken, mill power consumption has been reduced from 55 to 50 KWH.
2. Bag house fan and product transport are being stopped 20 minutes after the stoppage of cement mill.
3. Cement Mill-2 was running with two compressors, second compressor was required to run only for duct collector venting to both Bucket elevators feeding

to Silo. Now, the bag filter is connected with both the compressors and therefore, each mill is started running with one compressor only.

4. Additional air receiver one for each packer has been installed near the machine. This has improved the operational efficiency of the packers. Now, there is no problem of insufficient air to supply packing machines.

At present only one compressor is running for both the packers.

5. Running of Cooling Tower Fan is provided in auto mode with water temperature. If the sensing of CT Outlet temperature is less than 26° C fan is getting stopped. Average stoppage hour per day is 8 hrs.
6. Outdoor lighting control (High Mast Towers) inside plant and colony is given timer to regulate light switching.

##### **B. RESEARCH AND DEVELOPMENT**

1. Use of glycol as grinding aid has been stopped resulting in considerable saving.
2. Following steps were taken to minimise problem of lump formation in cement silo:
  - Increase in mill outlet temperature.
  - Heating arrangement of root blowers.
  - Continuous venting of cement silo at roof top.
  - Water proof coating is done on Silo top.

##### **C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

- Burner angle was adjusted for fast heat distribution inside FBC.
- Fly ash collection and drain arrangement is made in FBC duct to drain ash time to time. Earlier it was reducing duct area and also fly ash was carried in mill circuit.
- FBC Hopper Rotary air locks replaced with flap valves. This is to save power as well as to avoid jamming of hoppers due to falling of castable.
- FBC air blowers are connected to common heater. Running of three blowers is reduced to two only resulting in power saving.
- Slag boulders were being picked up manually by 3-4 persons / shift from running belt of slag before and after weigh feeders. Presently this is being segregated by providing appropriate grating between apron feeder and weigh feeder. Man power is thus reduced to zero for segregation. Mill efficiency has also increased due to reduction of breakdown hours due to damage of dam rings.

**Form – A** prescribed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is appended.

**FORM A**

<b>A: POWER &amp; FUEL CONSUMPTION</b>	<b>CURRENT YEAR 31.03.2012</b>	<b>PREVIOUS YEAR 31.03.2011</b>
<b>I. ELECTRICITY</b>		
(a) PURCHASED	36791986	-
UNITS (KWH)		
TOTAL AMOUNT (₹)	145003339	-
RATE PER UNIT (₹)	3.94	-
<b>II. COAL FOR HAG</b>		
QUALITY	E GRADE	N/A
WHERE USED	COAL COMBUSTER	N/A
QUANTITY USED (M.T.)	11384	N/A
TOTAL COST (₹)	63210571	N/A
AVERAGE RATE PER M.T. /₹	5552.58	N/A
<b>III. ELECTRICITY (KWH)/MT Cement</b>	53.89	N/A
<b>B. CONSUMPTION PER UNIT OF CEMENT PRODUCTION</b>		
PRODUCT	CEMENT	CEMENT
UNIT	M.T.	M.T.
ELECTRICITY (KWH)	53.89	N/A
FURNACE OIL	N.A	N.A
COAL PER M.T. OF CEMENT	0.0167	N.A
COAL QUALITY		
-AVERAGE ASH CONTENTS (%)	38.40	N.A
AVERAGE CALORIFIC VALUE (Kcal/Kg)	3910	N.A
OTHERS		

**AUDITORS' REPORT**
**TO THE MEMBERS OF  
BOKARO JAYPEE CEMENT LIMITED**

1. We have audited the attached Balance Sheet of **BOKARO JAYPEE CEMENT LIMITED** ("the Company") as at March 31, 2012, the Statement of Profit and Loss 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.
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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance 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, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956,
  - (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 in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
    - b) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
    - c) 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**  
Partner

Place : Delhi  
Dated : May 12, 2012

Membership No. : 087787

**ANNEXURE TO AUDITORS' REPORT**

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

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (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) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 500,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- (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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records.
- (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 31<sup>st</sup> March 2011 for a period more than six months from the date they became payable.
- (x) The Company has been registered for a period of less than five years and hence, we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (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 pledge 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 2.1 for consideration which is not prejudicial to the interest of the Company.
- (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.

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

**Brijendra Agrawal**  
Partner  
Membership No. : 087787

Place : Delhi  
Dated : May 12, 2012

**BALANCE SHEET AS AT 31<sup>st</sup> March, 2012**

		(Amount in ₹)	
Particulars	Notes to Account	As at 31 March, 2012	As at 31 March, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share capital	2.1	1,336,500,000	768,461,430
Reserves and surplus	2.2	(452,606,793)	(3,390,522)
		<b>883,893,207</b>	<b>765,070,908</b>
<b>2 Share Application money pending allotment</b>	2.3	-	418,438,545
<b>3 Non-current liabilities</b>			
Long-term borrowings	2.4	2,495,683,826	2,576,488,469
Deferred tax liabilities (net)	2.5	295,220,154	-
Long-term provisions	2.6	6,154,421	540,851
		<b>2,797,058,400</b>	<b>2,577,029,320</b>
<b>4 Current liabilities</b>			
Short-term borrowings	2.7	767,383,264	-
Trade payables	2.8	335,389,051	159,145,737
Other current liabilities	2.9	641,574,921	74,428,263
Short-term provisions	2.10	139,034,504	566,197
		<b>1,883,381,740</b>	<b>234,140,197</b>
<b>TOTAL</b>		<b>5,564,333,347</b>	<b>3,994,678,970</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
Fixed assets			
Tangible assets	2.11	3,615,010,094	73,060,020
Intangible assets		-	-
Capital work-in-progress	2.12	801,621,934	3,426,503,955
Intangible Assets under Development		-	-
		<b>4,416,632,028</b>	<b>3,499,563,975</b>
Deferred tax assets (net)			
Long-term loans and advances	2.13	196,018,481	112,855,570
Other non-current assets			
		<b>196,018,481</b>	<b>112,855,570</b>
<b>2 Current assets</b>			
Inventories	2.14	184,193,348	14,900,632
Trade receivables	2.15	86,658,106	-
Cash and cash equivalents	2.16	341,806,686	59,938,132
Short-term loans and advances	2.17	335,844,449	302,821,364
Other current assets	2.18	3,180,249	4,599,298
		<b>951,682,838</b>	<b>382,259,426</b>
<b>TOTAL</b>		<b>5,564,333,347</b>	<b>3,994,678,970</b>

Significant Accounting Policies and Notes to Accounts 1 &amp; 2

**As per our report of even date attached**

For **Awatar & Co.**  
Chartered Accountants  
Registration No. 000726N

For and on behalf of the Board  
  
**Sunny Gaur**  
Chairman

**Brijendra Agrawal**  
Partner  
M. No. 087787  
Place: Delhi  
Date: 12<sup>th</sup> May, 2012

**R. K. Singh**  
Managing Director  
  
**Awadhesh Kr. Pandey**  
Company Secretary & GM (Finance)

**STATEMENT OF PROFIT & LOSS For the Period ending on 31<sup>st</sup> March, 2012**

		(Amount in ₹)	
	Notes	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>REVENUE</b>			
Sale of Cement (Net of Excise Duty)	2.19	2,736,544,265	-
Other income	2.20	9,925,754	-
<b>Total Revenue</b>		<b>2,746,470,018</b>	<b>-</b>
<b>Expenses</b>			
Cost of Material Consumed	2.21	1,373,203,033	-
Other Direct Manufacturing Exp	2.22	262,455,519	-
Changes in Inventories of Finished Goods, WIP & Stock in Trade	2.23	(83,278,224)	-
Employee Benefit Expenses	2.24	85,070,065	-
Financial Cost	2.25	280,109,204	-
Depreciation & Amortisation Expenses		116,129,375	-
Other Expenses	2.26	99,092,099	-
Selling & Distribution Expenses	2.27	767,685,064	-
Preliminary Expenses W/O		-	3,390,522
<b>Total Expenses</b>		<b>2,900,466,135</b>	<b>3,390,522</b>
<b>Profit / (Loss) Before Tax</b>		<b>(153,996,117)</b>	<b>(3,390,522)</b>
<b>Tax Expense:</b>			
Current Tax			
Deferred Tax	2.5	295,220,154	-
		<b>295,220,154</b>	<b>-</b>
<b>Profit / (Loss) After Tax for the year</b>		<b>(449,216,271)</b>	<b>(3,390,522)</b>
<b>EARNINGS PER EQUITY SHARE</b>	2.28		
(a) Basic		<b>(3.31)</b>	<b>(0.05)</b>
(b) Diluted		<b>(3.31)</b>	<b>(0.05)</b>

Significant Accounting Policies and Notes to Accounts 1 &amp; 2

**As per our report of even date attached**

For **Awatar & Co.**  
Chartered Accountants  
Registration No. 000726N

For and on behalf of the Board  
  
**Sunny Gaur**  
Chairman

**Brijendra Agrawal**  
Partner  
M. No. 087787  
Place: Delhi  
Date: 12<sup>th</sup> May, 2012

**R. K. Singh**  
Managing Director  
  
**Awadhesh Kr. Pandey**  
Company Secretary & GM (Finance)



**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****COMPANY OVERVIEW**

Bokaro Jaypee Cement Limited is a Joint Venture between Jaiprakash Associates Limited & Steel Authority of India Limited. The joint venture is governed by the Shareholders' Agreement dated 21.02.2008. The capacity of plant is 2.10 MPTA. The Company is engaged in Production of cement since July, 2011.

**(1) SIGNIFICANT ACCOUNTING POLICIES****1.1: System of Accounting**

The financial statements are prepared in accordance with Generally Accepted Indian Accounting Principles ("GAAP") under the historical cost convention and on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, and the provisions of the Companies Act, 1956.

**1.2: Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision is recognized prospectively in current and future periods.

**1.3: Revenue Recognition**

Cement Sales are net of Excise Duty/ Sales Tax & exclusive of self consumptions.

**1.4: Fixed Assets & Capital Work in Progress**

Fixed assets are stated at cost less accumulated depreciation. Cost includes all costs relating to acquisition and installation of fixed assets including any incidental costs of bringing the assets to their working condition for their intended use. Capital work in progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

**1.5: Depreciation**

Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Individual low cost assets (Acquired for ₹ 5,000/- or less) are depreciated fully in the year of acquisitions.

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.

**1.6: 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.

**1.7: Inventories**

Inventories of raw materials & finished goods are valued at lower of cost or estimated net realizable value. Values of inventories of finished goods lying in the factory premises and at dumps include excise duty, pursuant to the Accounting Standard (AS-2) [Revised].

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.

**1.8: Foreign Currency Transactions**

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 related Assets/ Liabilities.

**1.9: Preliminary Expenditure**

Preliminary expenditure is written off in Statement of Profit & Loss in the year in which it is incurred.

**1.10: Incidental Expenditure during Construction Period**

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

**1.11: Earnings per Share**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding for the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

**1.12: Borrowing costs**

Borrowing Costs directly attributable to acquisition or construction of qualifying assets, which necessarily take substantial period of time to get ready for intended use, are capitalized. All other borrowing costs are charged to revenue.

**1.13: Taxes on Income**

Current Tax is determined as per the provisions of the Income Tax Act in respect of Taxable Income for the year. Deferred Tax Liability is computed as per Accounting Standard (AS-22). Deferred Tax Assets and Deferred Tax Liability are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

**1.14: Provisions, Contingent Liabilities & Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an out flow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there

is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 1.15: Cash and Cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all investments that are readily convertible to known amounts of cash to be cash equivalents.

#### 1.16: Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### (2) Notes to the Financial Statements for the Year Ended as on 31.03.2012

#### (i) Contingent Liabilities not provided for:

(Amount in ₹)

	Particulars	2011-12	2010-11
a)	Outstanding Letters of Credit (including Foreign LCs)	3,03,21,940	13,68,54,998
b)	Bank Guarantee	3,66,07,451	2,16,07,451
c)	Estimated amount of Contract remaining to be executed on Capital Account (Net of advances)	14,88,53,137	78,34,50,208

(ii) 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.

#### (iii) Employee Benefits:

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

All employees are entitled to Provident Fund benefits. Amount debited in Statement of Profit & Loss is ₹ 26,38,519/- excluding admin & DLI charges.

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.

##### c) Leave Encashment – Defined Benefit Plan

The Company has a scheme of encashment of accumulated leaves. The Scheme is unfunded and is recognized in Statement of Profit & Loss on the basis of actuarial valuation on accrual basis.

The Summarized position of defined benefits recognized in Statement of Profit & Loss and Balance Sheet are as under:

S. No.	Particulars	2011-12		2010-11	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	<b>Expenses recognized in the Statement of Profit &amp; Loss Account for the Period ended 31<sup>st</sup> March 2012.</b>				
	1. Current Service Cost.	908,808	3,147,872	372,206	495,187
	2. Interest Cost	67,873	49,993	38,256	19,404
	3. Expected return on plan assets	(80,051)	Nil	(1808)	Nil
	4. Employee Contribution	Nil	Nil	Nil	Nil
	5. Actuarial (Gains)/Losses	(28,683)	9,82,043	(88,348)	(168,986)
	6. Past Service Cost	Nil	Nil	Nil	Nil
	7. Settlement Cost	Nil	Nil	Nil	Nil
	8. Total Expenses	867,947	4,179,908	320,306	345,605
II	<b>Net Asset/ (Liability) recognized in the Balance Sheet as at 31<sup>st</sup> March 2012.</b>				
	1. Present Value of Defined Benefit Obligation.	1,741,627	4,768,066	798,511	588,158
	2. Fair Value of Plan Assets	935,932	Nil	860,763	Nil
	3. Funded Status /Difference	(805,695)	(4,768,066)	62,252	(588,158)
	4. Excess of Actual over estimated	2,254	Nil	Nil	Nil
	5. Net Asset/ (Liability) as at March 31, 2012.	(805,695)	(4,768,066)	62,252	(588,158)



S. No.	Particulars	2011-12		2010-11	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>III</b>	<b>Change in Obligation during the Period ended March 31, 2012.</b>				
1.	Present value of Defined Benefit Obligation at the beginning of the year.	798,511	588,158	478,205	242,553
2.	Current Service Cost.	908,808	3,147,872	372,206	495,187
3.	Interest Cost	67,873	49,993	38,256	19,404
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	(26,429)	982,043	(90,156)	(168,986)
8.	Benefit Payments	(7,136)	Nil	Nil	Nil
9.	Present Value of Defined Benefit Obligation at the end of the year.	1,741,627	4,768,066	798,511	588,158
<b>IV</b>	<b>Change in Assets during the Period ended March, 2012.</b>				
1.	Plan Assets at the beginning of the year.	860,763	Nil	20,087	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	80,051	Nil	1,808	Nil
5.	Contribution by Employer	Nil	Nil	840,676	Nil
6.	Actual Benefit Paid	(7,136)	Nil	Nil	Nil
7.	Actuarial Gains/ (Losses)	2,254	Nil	(1,808)	Nil
8.	Plan Assets at the end of the year.	935,932	Nil	860,763	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.	Particulars	2011-12	2010-11
1.	Discount Rate	8.50%	8%
2.	Mortality	As per LIC (1994-96)	As per LIC (1994-96)
3.	Turnover Rate	--	--
4.	Future Salary Increase	7.50%	7%

(iv) Additional information pursuant to provisions of Revised Schedule-VI to the Companies Act, 1956:

**a) Details of Raw Materials:**

S. No.	Particulars	2011-12 Value (in ₹)	2010-11 Value (in ₹)
1.	Clinker	996,636,717	N/A
2.	Gypsum	72,080,900	N/A
3.	Slag	192,114,132	N/A

**b) Opening & Closing Stocks of Finished Goods:**

S. No.	Particulars	2011-12	2010-11
1.	Opening Stock	NIL	NIL
2.	Mortality	83,278,224	NIL

**c) Detail of Foreign Exchange Outflow:**

S. No.	Particulars	2011-12	2010-11
1.	Payment against Supplies	156,227,101	458,540,774

(v) 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 (Holding 74% of the paid-up Equity Share Capital)

**b. Fellow Subsidiary Companies:**

- (i) Jaiprakash Power Ventures Limited
- (ii) Jaypee Powergrid Limited (subsidiary of Jaiprakash power ventures limited)
- (iii) Himalayan Expressway Limited
- (iv) Jaypee Infratech Limited
- (v) Jaypee Sports International Limited
- (vi) Bhilai Jaypee Cement Limited
- (vii) Gujarat Jaypee Cement & Infrastructure Limited
- (viii) Jaypee Ganga Infrastructure Corporation Limited
- (ix) Jaypee Arunachal Power Limited.
- (x) Sangam Power Generation Company
- (xi) Prayagraj Power Generation Company Limited
- (xii) Jaypee Agra Vikas Limited
- (xiii) Jaypee Fertilizers & Industries limited
- (xiv) Jaypee Meghalaya Power Limited

- (xv) Jaypee Cement Corporation Limited (w.e.f. 22.02.2011)  
 (xvi) Himalayaputra Aviation Ltd.(w.e.f 23.07.2011)  
 (xvii) Jaypee Assam Cement Ltd. (w.e.f. 30.08.2011)

**c. Associate Company:**

- (i) Jaypee Infra Ventures (A Private Company with unlimited Liability)  
 (ii) Jaypee Mining Ventures Private Limited  
 (iii) Jaypee Development Corporation Limited (Subsidiary of Jaypee Ventures Private Limited)  
 (iv) JIL Information Technology Limited (Subsidiary of Jaypee Ventures Private Limited)  
 (v) Gaur & Nagi Limited (Subsidiary of JIL information technology Limited)  
 (vi) Jaiprakash Agri Initiatives Company Limited (Subsidiary of Jaypee Ventures Private Limited)  
 (vii) Jaypee International Logistics Company Private Limited (Subsidiary of Jaypee Ventures Private Limited) (w.e.f.26.09.2010)  
 (viii) Tiger Hill Holiday Resorts Private Limited (Subsidiary of Jaypee Development Corporation Limited)  
 (ix) ANVI Hotels Private Limited (Subsidiary of Jaypee Ventures Private Limited)  
 (x) RPJ Minerals Private Limited  
 (xi) Sarveshwari Stone Products Private Limited(Subsidiary of RPJ minerals Private Limited)  
 (xii) Rock Solid Cement Limited(Subsidiary of RPJ minerals Private Limited)  
 (xiii) Sonebhadra Minerals Private Limited  
 (xiv) Jaiprakash Kashmir Energy Limited  
 (xv) Andhra Cements Ltd.  
 (xvi) Indesign Enterprises Private Limited(Subsidiary of Jaypee Ventures Private Limited)  
 (xvii) GM Global Mineral Mining Private Limited (Subsidiary of Indesign Enterprises Private Limited) (16.07.2010)  
 (xviii) Jaypee Hotels Limited.  
 (xix) Ceekay Estates Pvt. Ltd.  
 (xx) Jayprakash Exports Private Ltd.  
 (xxi) Bhumi Estate Developers Pvt. Ltd.  
 (xxii) PAC Pharma Drugs and Chemicals Private Limited  
 (xxiii) MP Jaypee Coal Limited  
 (xxiv) MP Jaypee Coal Fields Limited  
 (xxv) Madhya Pradesh Jaypee Minerals Limited  
 (xxvi) Jaypee Uttar Bharat Vikas Private Limited (w.e.f. 21.06.2010)  
 (xxvii) Kanpur Fertilizers & Cement Limited(Subsidiary of Jaypee Uttar Bharat Vikas Private Limited) (w.e.f. 26.09.2010)  
 (xxviii) Jaypee Technical Consultants Private Limited  
 (xxix) Steel Authority of India Limited (Holding 26% of the Paid-Up equity share capital)

**II. Key Management Personnel:**

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 in ₹)**

S. No.	Nature of Transaction	Related Party	2011-12	2010-11
1	Issue of Equity Share Capital	a)Jaiprakash Associates Limited	<b>420,348,540</b>	116,123,070
		b) Steel Authority of India Limited.	<b>147,690,030</b>	40,800,000
2	Share Application Money Recd	a)Jaiprakash Associates Limited	<b>NIL</b>	260,212,340
		b) Steel Authority of India Limited.	<b>NIL</b>	NIL
3	Slag Purchased	Steel Authority of India Limited (Bokaro)	<b>90,867,829</b>	NIL
4	Steel Purchased	Steel Authority of India Limited (Bokaro)	<b>11,827,937</b>	54,537,029
5	Rent, Water Charges etc Paid	Steel Authority of India Limited	<b>1,432,347</b>	588,771
6	Cement Purchased	Jaiprakash Associates Limited	<b>3,250,800</b>	53,372,759
7	Purchase of Asset	Jaiprakash Associates Limited	<b>135,360,175</b>	NIL
8	Belt & Cut Piece Purchased	Jaiprakash Associates Limited	<b>30,081</b>	NIL
9	Clinker Purchased	Jaiprakash Associates Limited	<b>1,160,432,637</b>	NIL
10	Workshop Material Purchased	Jaypee Cement Corporation Limited	<b>1,222,384</b>	NIL
11	LPP Bag Purchased	Jaiprakash Associates Limited	<b>79,106,345</b>	NIL
12	Sale of Asset	Bhilai Jaypee Cement Limited	<b>133,203,840</b>	NIL

(vi) As per management there are no Small Scale Industrial Undertakings to whom the Company owes more than ₹ 1 lakh outstanding for more than 30 days as on 31.03.2012.

(vii) As per the information available with the company, the company has no dues to Micro & Small Enterprises during the year ended 31<sup>st</sup> March, 2012 & 31<sup>st</sup> March, 2011, and as at 31<sup>st</sup> March, 2012 & 31<sup>st</sup> March, 2011.

(viii) The Revised schedule VI has become effective from 1<sup>st</sup> April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous Year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For **Awatar & Co.**  
 Chartered Accountants  
 Registration No. 000726N

**For and on behalf of the Board**

**Sunny Gaur**  
 Chairman

**Brijendra Agrawal**  
 Partner  
 M. No. 087787

**R. K. Singh**  
 Managing Director

Place: Delhi  
 Date: 12<sup>th</sup> May, 2012

**Awadhesh Kr. Pandey**  
 Company Secretary & GM (Finance)

(Amount in ₹)

<b>Note-2.1</b>	<b>As at</b>	<b>As at</b>
<b>'Shareholder's Fund'</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>Authorised Share Capital</b>		
13,50,00,000 equity shares of Rs 10/- each	<b>1,350,000,000</b>	1,250,000,000
(Previous year - 12,50,00,000 equity shares of ₹ 10/- each)		
<b>Issued, subscribed and paid up capital</b>		
Share Capital	<b>1,336,500,000</b>	768,461,430
<b>13,36,50,000 Shares of ₹ 10/- each fully paid-up</b>		
<b>(Previous Year-7,68,46,143 Shares of ₹ 10/- each fully paid-up)</b>	<b>1,336,500,000</b>	768,461,430

Terms/ rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-.

Each holder of equity shares is entitled to one vote per share.

The company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

	<b>% of</b>	<b>As at</b>	<b>As at</b>
	<b>Shares</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>Details of Shareholders having more than 5% shares</b>		<b>No. of Shares</b>	<b>No. of Shares</b>
Jaiprakash Associates Ltd.	74%	<b>98901000</b>	56866146
Steel Authority of India Ltd.	26%	<b>34749000</b>	19979997
	100%	<b>133650000</b>	76846143

**74 % Equity Shares are being held by Holding Co., Jaiprakash Associates Limited.**

<b>Reconciliation of No. of shares Outstanding</b>		
Equity Shares Outstanding at the beginning of the Year	<b>76846143</b>	61153836
Add: Share Allotted during the year	<b>56803857</b>	15692307
<b>Equity Shares Outstanding at the End of the Year</b>	<b>133650000</b>	76846143

(Amount in ₹)

<b>Notes-2.2</b>	<b>As at</b>	<b>As at</b>
<b>'Reserve &amp; Surplus'</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>Surplus</b>		
<b>Opening Balance</b>	<b>(3,390,522)</b>	-
Add: Tr. From Statement of Profit & Loss	<b>(449,216,271)</b>	(3,390,522)
<b>Closing Balance</b>	<b>(452,606,793)</b>	(3,390,522)

#### Notes-2.3

##### 'Share Application Money'

The Share Application Money, pending for allotment in last year, has been issued in current year, at par.

(Amount in ₹)

<b>Notes-2.4</b>	<b>As at</b>	<b>As at</b>
<b>'Long Term Borrowings'</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>Term Loans (Secured)</b>		
<b>From Banks:-</b>		
KARUR VYSYA BANK LIMITED	<b>560,000,000</b>	680,000,000
STATE BANK OF PATIALA	<b>599,757,731</b>	746,630,045
STATE BANK OF INDIA	<b>599,997,057</b>	749,241,971
AXIS BANK LIMITED	<b>502,929,038</b>	400,616,453
<b>From Other:-</b>		
L & T FINANCE LIMITED	<b>233,000,000</b>	-
<b>Total</b>	<b>2,495,683,826</b>	2,576,488,469

#### Security:

Loan from Karur Vysya Bank Limited & Axis Bank Limited are secured by way of First Pari Passu Charge over entire project assets.

(The Factory land is a leasehold Property with a Lease period of 30 Years. As per Lease Agreement the land can be mortgaged as security for the term loan for the cement plant) & personal guarantee of Sh. Manoj Gaur (Executive Chairman & CEO of JAL)

Loan from State Bank of Patiala & State Bank of Indore are secured by way of First Pari Passu Charge over entire fixed assets. (Movable & Immovable) of the Project including Land & Building & personal guarantee of Sh. Manoj Gaur & Sh. Sunny Gaur.

Loan from L&T Finance Limited (The facility together with all interest, liquidated damages, fees, costs, charges, expenses & other monies and all other amounts stipulated) shall be secured by:

- Second Charge by way of mortgage on all the immovable properties together with all appurtenances thereon and there under, of the Borrower, both present & future.
- Second Charge by way of hypothecation on all current assets as well as movable fixed assets, of the Borrower, both present & future.
- Personal Guarantee of Sh. Sunny Gaur, Chairman

#### Repayment of Loan:

The Above mentioned loans except loan from L&T Finance Limited are repayable in 20 Quarterly installments, starting from June, 2012.

Loan from L&T Finance Limited is repayable in 58 Monthly Installments, starting from June, 2012.

<b>Notes-2.5</b>	<b>As at</b>	<b>As at</b>
<b>'Deferred Tax Liability'</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>Deferred Tax Liability:</b>		
On account of Timing Difference in WDV of Fixed Assets	<b>299,286,288</b>	-
Deferred Tax Asset:		
On account of Employees Benefit	<b>1,829,754</b>	-
On account of Others	<b>2,236,380</b>	-
	<b>4,066,134</b>	-
<b>Net Deferred Tax Liability/(Assets)</b>	<b>295,220,154</b>	-

#### Notes-2.6

##### 'Long-Term Provisions'

Gratuity	<b>1,713,961</b>	-
Leave Encashment	<b>4,440,460</b>	540,851
<b>Total</b>	<b>6,154,421</b>	540,851

(Amount in ₹)

<b>Notes-2.7 'Short-Term Borrowings'</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
From Other:-		
Axis Bank Limited (HUNDI) Term Loans (Secured)	<b>145,710,605</b>	-
From Banks:-		
KARUR VYSYA BANK LTD	<b>140,000,000</b>	-
STATE BANK OF PATIALA	<b>150,000,000</b>	-
STATE BANK OF INDIA	<b>150,000,000</b>	-
AXIS BANK LTD.	<b>126,000,000</b>	-
From Other:-		
L & T FINANCE LIMITED	<b>47,000,000</b>	-
Working Capital Loans (Secured)		
From Banks:-		
STATE BANK OF PATIALA*	<b>2,439,712</b>	-
AXIS BANK LTD.**	<b>6,232,947</b>	-
<b>Total</b>	<b>767,383,264</b>	-

**Security:**

Working Capital Loan from State Bank of Patiala is secured by way of First Pari Passu Charge over all current assets, present & future, of the Company ranking pari-passu basis with other lenders & personal guarantee of Sh. Manoj Gaur & Sh. Sunny Gaur.

Working Capital Loan from Axis Bank Limited is secured by way of First Pari Passu Charge over all current assets of the Company & personal guarantee of Sh. Sunny Gaur.

(Amount in ₹)

<b>Notes-2.8 'Trade Payables'</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
Sundry Creditors		
- due to Micro and Small Enterprises	-	-
- Others	<b>335,389,051</b>	159,145,737
<b>Total</b>	<b>335,389,051</b>	159,145,737

**Notes-2.9**

<b>'Other Current Liabilities'</b>		
Due to Staff	<b>7,886,831</b>	4,113,553
Tax Dues	<b>20,171,213</b>	70,147,471
Related Parties	<b>154,190,000</b>	-
Others Liabilities	<b>459,326,876</b>	167,239
<b>Total</b>	<b>641,574,921</b>	74,428,263

**Notes-2.10**

<b>'Short Term Provisions'</b>		
<b>Provision for employee benefits</b>		
Gratuity	<b>27,666</b>	-
Leave Encashment	<b>327,606</b>	47,307
<b>Others</b>		
Excise Duty On Closing Stock of Finished Goods	<b>7,237,476</b>	-
Provision for Discounts	<b>78,225,755</b>	-
Other Provisions	<b>53,216,002</b>	518,890
<b>Total</b>	<b>139,034,504</b>	566,197

**Notes-2.11**
**FIXED ASSETS**

(In Rupees)

<b>S. No.</b>	<b>PARTICULARS</b>	<b>GROSS BLOCK</b>				<b>DEPRECIATION</b>				<b>NET BLOCK</b>	
		<b>As on 01.04.2011</b>	<b>Addition from 01.04.2011 to 31.03.2012</b>	<b>Sale/ Transfer/ Disposal from 01.04.2011 to 31.03.2012</b>	<b>As on 31.03.2012</b>	<b>As on 01.04.2011</b>	<b>For the Period from 01.04.2011 to 31.03.2012</b>	<b>Sale/ Adjustment</b>	<b>As on 31.03.2012</b>	<b>As on 31.03.2012</b>	<b>As on 31.03.2011</b>
1	Land - Free Hold	-	7,628,109	-	<b>7,628,109</b>	-	-	-	-	<b>7,628,109</b>	-
2	Land - Lease Hold (for 30 Years from 2009)	58,527,278	14,184,691	-	<b>72,711,969</b>	-	2,006,832	-	<b>2,006,832</b>	<b>70,705,137</b>	58,527,278
3	<b>Building</b>										
i)	Factory Building		31,975,999		<b>31,975,999</b>	-	802,458		<b>802,458</b>	<b>31,173,541</b>	-
ii)	Other Building		124,733,478		<b>124,733,478</b>	-	1,527,644		<b>1,527,644</b>	<b>123,205,834</b>	-
4	<b>Plant &amp; Machinery</b>										
i)	P&M PLANT & MACHINERY	906,519	3,336,981,924	114,643,687	<b>3,223,244,756</b>	525	100,980,459	2,216,914	<b>98,764,069</b>	<b>3,124,480,686</b>	905,995
ii)	P&M ELECTRICAL INSTALLATION		193,329,955	-	<b>193,329,955</b>	15,841	7,066,681	-	<b>7,082,522</b>	<b>186,247,433</b>	34,347
iii)	P&M WATER TANK, PIPE LINE & INSTALLATION	50,188	53,014,933		<b>53,065,120</b>		1,909,923		<b>1,909,923</b>	<b>51,155,197</b>	
5	Vehicles	6,059,167	1,225,818	-	<b>7,284,985</b>	811,531	635,013	-	<b>1,446,544</b>	<b>5,838,441</b>	5,247,636
6	Furniture & Fixture	4,679,508	3,351,986		<b>8,031,493</b>	563,238	588,118	-	<b>1,151,356</b>	<b>6,880,137</b>	4,116,270
7	<b>Other Fixed Assets &amp; Equipments</b>										
i)	Other Fixed Assets & Equipments	720,924	246,734	-	<b>967,658</b>	38,823	44,251	-	<b>83,074</b>	<b>884,584</b>	682,101
ii)	EDP Machinery & Equipments	2,061,896	3,551,571	-	<b>5,613,467</b>	295,336	726,344	-	<b>1,021,680</b>	<b>4,591,787</b>	1,766,560
iii)	Air Conditioners & Room Coolers	738,006	246,218	-	<b>984,224</b>	30,481	130,242	-	<b>160,722</b>	<b>823,501</b>	707,526
iv)	Refrigerators & Water Coolers	221,245	312,000	-	<b>533,246</b>	15,346	21,396	-	<b>36,742</b>	<b>496,504</b>	205,900
v)	Telephone, Telex, EPBX & TV	820,263	43,060	-	<b>863,323</b>	61,396	39,713	-	<b>101,109</b>	<b>762,214</b>	758,866
vi)	Office Equipments	122,429	36,317	-	<b>158,746</b>	14,888	6,869	-	<b>21,757</b>	<b>136,989</b>	107,541
		<b>74,907,423</b>	<b>3,770,862,792</b>	<b>114,643,687</b>	<b>3,731,126,528</b>	<b>1,847,403</b>	<b>116,485,945</b>	<b>2,216,914</b>	<b>116,116,434</b>	<b>3,615,010,094</b>	<b>73,060,020</b>
	<b>PREVIOUS YEARS</b>	<b>66,056,141</b>	<b>8,851,282</b>	-	<b>74,907,423</b>	<b>928,439</b>	<b>918,964</b>	-	<b>1,847,403</b>	<b>73,060,020</b>	<b>65,127,702</b>

Note: Out of Depreciation of ₹ 1164.85 Lacs, Depreciation of ₹ 3.58 Lacs has been charged in to Incidental Expenditure during construction period.

**Notes-2.12**
**'CAPITAL WORK IN PROGRESS'**

(Amount in ₹)

S. No.	PARTICULARS	As at 31.03.2012	As at 31.03.2011
1	MILL REJECT HANDLING SYSTEM	-	12,047,415
2	BELT CONVEYOR	-	159,791,468
3	COAL CRUSHER	-	13,366,465
4	CENTRAL CONTROL ROOM	-	56,086,486
5	LABORATORY	-	1,987,348
6	CLINKER SILO	-	115,332,097
7	BAG HOUSE CEMENT MILL	-	133,132,194
8	CEMENT SILO	-	174,812,366
9	PACKING PLANT	-	157,822,241
10	UNLOADING HOPPER	-	9,368,340
11	SLAG AND GYPSUM TUNNEL	-	32,334,958
12	WATER TANK	-	9,755,470
13	AUTO WORKSHOP	-	53,143
14	WEIGHBRIDGE	-	4,021,973
15	ADMINISTRATIVE BLDG.	-	5,152,636
16	MAIN STORES/EXTENSION	-	5,378,986
17	BOUNDARY WALL (PLANT)	175,344	9,914,284
18	CABLE TRENCH	-	11,156,267
19	RAW MATERIAL STORAGE YARD(L/ STONE,CLINKER)	-	2,925
20	CEMENT MILL - 1	-	803,017,220
21	CEMENT MILL - 2	-	625,861,245
22	BAG HOUSE FAN	-	10,312,121
23	CEMENT MILL HOPPER-1/RAW MATL.HOPPER	-	137,414,762
24	CEMENT MILL HOPPER -2	-	11,185,317
25	ELECTRICAL INSTALLATIONS,CABLES & TUNNELS	-	12,171,350
26	ELECTRICAL SUB-STATION(132/33)KVA	7,406,522	109,404,300
27	WATER TREATMENT PLANT	-	4,090,614
28	FIELD HOSTEL-1	-	5,646,488
29	FIELD HOSTEL-2	-	11,143,831
30	FIELD HOSTEL-3	-	4,355,314
31	FIELD HOSTEL-4	-	6,697,129
32	FIELD HOSTEL-5	-	10,606,234
33	"E" Type Quarter	4,056,356	-
34	"F" Type Quarter	3,215,668	-
35	TEMPLE	-	2,336,144
36	ANNAPURNA	-	4,289,090
37	FIRE HYDRANT SYSTEM	-	3,622,321
38	COMPRESSOR HOUSE	-	3,024,442
39	WATER PIPE LINE	-	1,406,515
40	TOWNSHIP LIGHTING	-	6,350,480
41	AIR PIPE LINE & INSTALLATION	-	1,798,943
42	SLAG ROUTE	76,143,394	35,823,629
43	WAGON TRIPPLER	81,361,250	48,378,313
44	WAGON LOADING	226,240,081	82,219,896
45	RAILWAY SIDING	275,223,700	108,801,726
46	PLANT ROAD	7,326,027	41,290,822
47	HOT AIR GENERATOR	-	32,983,450
48	FLUDISED BED COMBUSTOR/ COAL COMBUSTOR -1	709,744	-
49	FLUDISED BED COMBUSTOR/ COAL COMBUSTOR -2	13,322,736	-
50	DRAINS	7,172,076	-
51	STEEL	34,975,403	23,367,601
52	CEMENT	2,556,270	8,140,250
53	LEASE HOLD LAND	-	13,455,675
54	CAPITAL SUPPLIER	-	1,400,369
55	GAIN/ LOSS DUE TO EXCHANGE FLUCTUATION	-	15,279,871
56	BUILDING MATERIALS	-	549,003
57	OTHERS	1,169,660	610,978
58	EXPENDITURE PENDING FOR ALLOCATION	60,567,704	327,951,453
		<b>801,621,934</b>	<b>3,426,503,955</b>

(Amount in ₹)

Notes-2.13 'Long Term Loans & Advances'	As at 31.03.2012	As at 31.03.2011
Capital Advance	113,540,876	105,799,710
Security Deposit - With Govt. Deptts & Public Bodies	80,665,515	7,052,360
- With Others	1,812,090	3,500
<b>Total</b>	<b>196,018,481</b>	<b>112,855,570</b>
<b>Notes-2.14</b>		
<b>'Inventories (As certified by management)'</b>		
Finished Goods	83,278,224	-
Raw Material	79,793,616	-
Stores and Spares	21,121,508	14,900,632
<b>Total</b>	<b>184,193,348</b>	<b>14,900,632</b>
<b>Notes-2.15</b>		
<b>'Trade Receivables' (Unsecured)</b>		
a) Debts outstanding for a period exceeding six months	784,200	-
b) Other Debts	85,873,906	-
<b>Total</b>	<b>86,658,106</b>	<b>-</b>
<b>Notes-2.16</b>		
<b>'Cash and Cash Equivalents'</b>		
Cash	29,760	161,954
<b>Bank Balance with:</b>		
State Bank of Patiala	2,300,305	2,714,896
Axis Bank Limited	18,444,044	1,294,674
Karur Vysya Bank Limited	687,940	731,859
Axis Bank Limited, Sector-18	183,812,585	-
Axis Bank Limited (CMS Account)	93,553,828	-
Axis Bank Limited, Bokaro	13,265,138	-
State Bank of India, Bokaro	17,590,983	760,525
United Bank of India, Bokaro	28,027	6,039
<b>Fixed Deposits with:</b>		
State Bank of Patiala	11,050,000	-
Karur Vysya Bank Limited	1,044,075	912,294
Axis Bank Limited	-	53,355,890
<b>Total</b>	<b>341,806,686</b>	<b>59,938,132</b>
<b>Notes-2.17</b>		
<b>'Short Term Loans and Advances'</b>		
<b>Loans and advances to (Unsecured):-</b>		
Related Parties	153,433,029	33,088,390
<b>Others(Unsecured):-</b>		
Advances to Suppliers & Contractors	11,467,871	19,457,731
Advances to Employees	126,552	417,321
Tax Credits	169,264,430	249,483,307
TDS Receivables	825,280	374,615
Insurance Claim	114,508	-
Others	612,779	-
<b>Total</b>	<b>335,844,449</b>	<b>302,821,364</b>
<b>Notes-2.18</b>		
<b>'Others Current Assets'</b>		
Prepaid Expenses	3,180,249	4,599,298
<b>Total</b>	<b>3,180,249</b>	<b>4,599,298</b>

(Amount in ₹)

<b>Notes-2.19 'Revenue from Operation'</b>	<b>For the year ended 31 March, 2012</b>	For the year ended 31 March, 2011
Sale of Cement (PSC)	<b>3,104,808,384</b>	
Sale of Cement (PPC)	<b>1,829,807</b>	
Self Consumptions	<b>14,627,833</b>	
	<b>3,121,266,024</b>	-
<b>Less: Excise Duty</b>	<b>384,721,759</b>	-
	<b>2,736,544,265</b>	-

<b>Notes-2.20 'Other Income'</b>		
<b>Income</b>		
Interest Received	<b>3,385,428</b>	-
Sale- Scrap	<b>4,216,708</b>	-
Miscellaneous Receipts	<b>858,950</b>	-
Profit on Sale of Assets	<b>1,464,667</b>	-
<b>Total</b>	<b>9,925,754</b>	-

<b>Notes-2.21 'Cost of Material Consumed'</b>		
Raw Material Consumed	<b>1,260,831,749</b>	-
Packing Material Consumed	<b>110,925,581</b>	-
Refractories Consumed	<b>1,445,703</b>	-
<b>Total</b>	<b>1,373,203,033</b>	-

<b>Notes-2.22 'Other Direct Manufacturing Exp'</b>		
Power and Fuel	<b>165,838,728</b>	-
Coal Consumed	<b>64,718,835</b>	-
Store & Spares Consumed	<b>12,769,758</b>	-
Repair & Maintenance (Plant)	<b>19,128,198</b>	-
<b>Total</b>	<b>262,455,519</b>	-

<b>Notes-2.23 'Changes in Inventories of Finished Goods, WIP &amp; Stock in Trade'</b>		
Closing Stock	<b>83,278,224</b>	-
Less: Opening Stock	-	
<b>(Increase)/Decrease in Stock of Finished Goods</b>	<b>(83,278,224)</b>	-

<b>Notes-2.24 'Employee Benefit Expenses'</b>		
Salaries, Wages & Bonus	<b>73,954,969</b>	-
Gratuity	<b>1,803,879</b>	-
Contribution To Provident & Other Funds	<b>2,992,267</b>	-
Staff Welfare	<b>6,318,950</b>	-
<b>Total</b>	<b>85,070,065</b>	-

(Amount in ₹)

<b>Notes-2.25 'Financial Cost'</b>	<b>For the year ended 31 March, 2012</b>	For the year ended 31 March, 2011
Interest On Term Loans	<b>233,742,817</b>	-
Interest On WCL & Others	<b>46,366,388</b>	-
<b>Total</b>	<b>280,109,204</b>	-

<b>Notes-2.26 'Other Expenditure'</b>		
Repair & Maintenance -Civil	<b>915,882</b>	-
Machinery Hire Charges	<b>1,097,768</b>	-
Building Material Consumed	<b>1,127,538</b>	-
Repair & Maintenance -P/M	<b>1,190,780</b>	-
Advertisement Expenses	<b>12,765,819</b>	-
Auditor's Remuneration		
- For Statutory Audit	<b>125,000</b>	-
- For Tax Audit	<b>25,000</b>	-
- For Certification	<b>2,500</b>	-
Internal Audit Fees	<b>225,000</b>	-
Rates & Taxes (Excluding excise duty on sale)	<b>1,587,021</b>	-
Rent on Office Premises/Godown	<b>12,031,340</b>	-
Insurance	<b>2,980,568</b>	-
Travelling Expenses	<b>8,128,806</b>	-
Postage, Telephone & Internet	<b>2,267,857</b>	-
Legal & Professional Expense	<b>971,961</b>	-
Vehicle Hire and running Charges	<b>2,427,733</b>	-
Bank Charges & Guarantee Commission	<b>2,531,380</b>	-
Safety & Security Expenses	<b>14,813,348</b>	-
Printing and Stationery	<b>1,226,322</b>	-
News Paper and Advertisement	<b>460,987</b>	-
Repair & Maintenance -Others	<b>16,326,320</b>	-
Audit Expenses	<b>89,126</b>	-
Miscellaneous Expenses	<b>8,536,568</b>	-
Provision for Excise duty	<b>7,237,476</b>	-
<b>Total</b>	<b>99,092,099</b>	-

<b>Notes-2.27 'Selling &amp; Distribution Expenses'</b>		
Loading, Transportation and other Charges	<b>621,731,927</b>	-
Sales Promotion and commission on sales	<b>145,953,137</b>	-
<b>Total</b>	<b>767,685,064</b>	-

<b>Notes-2.28 'Earning Per Share'</b>		
Profit/ (Loss) after tax (in ₹)	<b>(449,216,271.17)</b>	(3,390,522.00)
Nominal value of equity share (in ₹)	<b>10.00</b>	10.00
Total number of equity shares outstanding at the beginning of the year/period	<b>76846143</b>	61153836
Total number of equity shares outstanding at the end of the year/ period	<b>133650000</b>	76846143
Weighted average number of equity shares	<b>135637536</b>	65539083
<b>Basic earning per share (in ₹)</b>	<b>(3.31)</b>	(0.05)
Nominal value of equity share (in ₹)	<b>10.00</b>	10.00
Weighted average number of equity shares used to compute diluted earnings per share	<b>135637536</b>	65539083
<b>Diluted earning per share (in ₹)</b>	<b>(3.31)</b>	(0.05)



**CASH FLOW STATEMENT FOR THE PERIOD ENDING ON 31<sup>ST</sup> MARCH 2012**

(In Rupees)

	01.04.2011 TO 31.03.2012	01.04.2010 TO 31.03.2011
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax as per Profit & Loss Account	(153,996,117)	(3,390,522)
<b>Add:</b>		
Interest Paid	280,109,204	
Depreciation	116,129,375	
Preliminary Expenses Write Off	-	3,390,522
<b>Less:</b>		
Interest Income	3,385,428	-
Profit on Sale of Assets	1,464,667	-
<b>Net Profit/(Loss) before Working Capital Changes</b>	<b>237,392,366</b>	<b>-</b>
<b>Deduct:</b>		
(a) Increase in Inventories	169,292,716	-
(b) Increase in Short Term Loan & Advances	33,023,084	14,898,854
(c) Increase in Sundry Debtors	86,658,106	199,583,666
(d) Increase in Long Term Loan & Advances	83,162,912	-
	<b>372,136,818</b>	<b>214,482,520</b>
	<b>(134,744,452)</b>	<b>(214,482,520)</b>
<b>Add:</b>		
(a) Increase in Trade Payables	176,243,314	-
(b) Increase in Other Current Liabilities	567,146,658	189,169,532
(c) Decrease in Other Current Assets	1,419,049	-
(d) Increase in Long Term Provisions	5,613,570	-
(e) Increase in Short Term Provisions	138,468,307	-
	<b>888,890,898</b>	<b>189,169,532</b>
<b>CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES "A"</b>	<b>754,146,446</b>	<b>(25,312,988)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Inflow:</b>		
(a) Interest Income	3,385,428	-
(b) Sale of Fixed Asset	113,891,440	-
	<b>117,276,868</b>	<b>-</b>
<b>Outflow:</b>		
(a) Increase in Fixed Assets (including CWIP)	1,027,114,823	2,469,408,113
(b) Purchase of Fixed Asset	118,509,378	-
	<b>1,145,624,201</b>	<b>2,469,408,113</b>
<b>NET CASH USED IN INVESTING ACTIVITIES "B"</b>	<b>(1,028,347,333)</b>	<b>(2,469,408,113)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Inflow:</b>		
(a) Increase in Share Capital	568,038,570	156,923,070
(b) Increase in Share Application Money	-	103,289,270
(c) Increase in Long Term Borrowings	-	2,138,984,869
(d) Increase in Short Term Borrowings	767,383,264	-
	<b>1,335,421,834</b>	<b>2,399,197,209</b>
<b>Outflow:</b>		
(a) Decrease in Share Application Money	418,438,545	-
(b) Decrease in Long Term Borrowings	80,804,643	-
(c) Interest Paid	280,109,204	-
	<b>779,352,393</b>	<b>-</b>
<b>NET CASH FROM FINANCING ACTIVITIES "C"</b>	<b>556,069,441</b>	<b>2,399,197,209</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS "A+B+C"</b>	<b>281,868,555</b>	<b>(95,523,891)</b>
CASH AND CASH EQUIVALENTS AS AT 01.04.2011 (OPENING BALANCE)	59,938,132	155,462,023
CASH AND CASH EQUIVALENTS AS AT 31.03.2012 (CLOSING BALANCE)	<b>341,806,686</b>	<b>59,938,132</b>

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

For **Awatar & Co.**  
Chartered Accountants  
Registration No. 000726N

**(Brijendra Agrawal)**  
Partner  
M. No. 087787  
Place: Delhi  
Date: 12<sup>th</sup> May, 2012

For and on behalf of the Board

**Sunny Gaur**  
Chairman

**R. K. Singh**  
Managing Director

**Awadhesh Kr. Pandey**  
Company Secretary & GM (Finance)