

DIRECTORS' REPORT

To,

The Members

Your Directors have pleasure in presenting the First Annual Report together with the Audited Accounts of the Company for the period ended March 31, 2012. Your Company was incorporated on August 30, 2011 and hence the First Annual Accounts have been prepared from the date of incorporation to March 31, 2012.

COMPANY'S PROJECT – A PRELUDE

In response to the Expression of Interest invited by the Govt. of Assam from investors for setting-up mineral-based industries in joint venture with Assam Mineral Development Corporation Limited (AMDC), Jaiprakash Associates Ltd. (JAL), the holding Company, submitted a proposal for setting up of Cement Plant in Joint Venture with AMDC.

Having found the proposal of JAL to be most suitable, the Government of Assam had selected JAL for allotment of 'AMDC Block', measuring 2 Sq. Km. in the North Cachar Hills District having a reserve of 157 million tones of Limestone and setting up of 2 Million Tonne per annum capacity Cement Plant (Project), at an indicative cost of ₹ 1,050 Crore with a debt-equity ratio of 70:30. Subsequently, a Shareholders' Agreement (SHA) was executed by and between AMDC and JAL on June 17, 2011 for implementation and operation of the Project through a new Company as a joint venture of JAL and AMDC.

Accordingly, this new Company has been formed initially as wholly-owned subsidiary of JAL and shall be converted as a Joint Venture Company (JVC) with JAL and AMDC as JV partners with shareholding ratio of 82:18 between JAL and AMDC. In terms of the SHA, while JAL shall hold the shares for cash consideration, shares shall be allotted to AMDC in consideration of the exclusive mining rights of the mineral block identified for this Company. The management and control of the JVC shall vest in JAL.

PROJECT STATUS

For setting-up the project, Dima Hasao Autonomous Council has allotted 750 bighas of land, in the vicinity of AMDC land, to JAL in January 2011. The said land has been allotted on 30 years lease basis. An agreement in this regard has been executed between Dima Hasao Autonomous Council and JAL. Since this Company was yet to be incorporated at the stage of allotment of land, the land was allotted to JAL and payment in this regard was also made by JAL as the promoter of your Company. Formal agreement in this regard shall be executed among JAL, Dima Hasao Autonomous Council and your Company in due course.

Besides the payment of premium for lease of land aggregating ₹ 3.75 crore and other expenditure, JAL had also paid to DHAC ₹10 crore in advance as the share of royalty on limestone for a period of one year as per the Agreement executed on January 17, 2011 between JAL and DHAC. These payments may be treated as JAL's equity contribution for the JVC.

Government of India, Ministry of Environment & Forest (MoEF) has, vide its letter F. No. J-11011/420/2011-1A-II(I) dated October 13, 2011, prescribed Terms of References for preparation of Environmental Impact Assessment /Environmental Management Plan Reports for the proposed 2 MTPA Cement plant and 35 MW Captive Power Plant. The Company had deployed necessary resources for expeditious collection of data and preparation of EIA/EMP Report for submission to MoEF.

However, due to adverse security situation resulting in loss of precious human life after abduction of one of the senior executives of the Company, all project activities had to be suspended since mid January 2012. Your Directors would consider resumption of project activities after reviewing the law & order situation in due course.

DIVIDEND

Since the Company's Project is in preparatory stage of implementation, no dividend is recommended.

SHARE CAPITAL

The Authorized Share Capital of the Company is ₹ 100 crore. During the period under report, the Company has issued, in aggregate, 63000 equity shares of ₹ 10/- each to JAL and its six nominees who subscribed to the Memorandum of Association of the Company. The paid-up capital of the Company as on March 31, 2012 stood at ₹ 6,30,000/-.

DIRECTORATE

Shri Manoj Gaur, Shri Sunny Gaur, Shri Rahul Kumar, Shri Pankaj Gaur, Shri S.D. Nailwal and Shri Harish K. Vaid are the first Directors of the Company named in its Articles of Association. They are required to be appointed in the ensuing Annual General Meeting (AGM) of the Company in accordance with the provisions of the Companies Act, 1956, for which necessary resolutions have been included in the notice of the AGM.

AUDITORS

M/s. Dass Gupta & Associates, Chartered Accountants, New Delhi, Statutory Auditors of the Company will retire at the conclusion of the forthcoming 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 & the Rules made thereunder.

PARTICULARS OF EMPLOYEES

During the period under report none of the employees was in receipt of remuneration prescribed 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 Company has neither earned nor spent any foreign exchange during the period under report.

INDUSTRIAL RELATIONS

Cordial industrial relations were maintained at the Company's Project Site and Offices. The Management appreciates the support of the employees at all levels and looks 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 from August 30, 2011 to 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 as on March 31, 2012 and the Statement of Profit and Loss of the Company from August 30, 2011 to 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, 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 Assam, Assam Minerals Development Corporation Ltd. and Central Government for their valuable support and co-operation. Your Directors also wish to place on record their appreciation for the holding Company, Jaiprakash Associates Limited for their continued support.

On Behalf of the Board

Pankaj Gaur
Director

Harish K. Vaid
Director

Place : Noida

Dated : May 15, 2012

AUDITORS' REPORT

To,
The Members,

M/s JAYPEE ASSAM CEMENT LTD.

We have audited the attached Balance Sheet of **M/s JAYPEE ASSAM CEMENT LTD.** as at 31st March 2012 and also the Profit and Loss Account for the period 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.

We conducted our audit in accordance with 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 estimates made by management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion.

- (1) As required by the Companies (Auditors Reports) Order, 2003 issued by the Central Government of India in terms of

Sub-section (4A) of Section 227 of the Companies Act 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

- (2) Further to our comments in the Annexure referred to in paragraph 1 above: -

- (a) 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.
- (b) 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.
- (c) The Balance Sheet, Profit & Loss Account dealt with by this report is in agreement with the books of Accounts:
- (d) In our opinion the Balance Sheet and, Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March-2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts with significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2012 and
 - (ii) In the case of Profit & Loss Account, of the loss of the company for the period ended on that date.

For and on behalf of
Dass Gupta & Associates
Chartered Accountants
Firm Regn No. 000112N

Sandeep Dahiya
Partner

Date : 15.05.2012

Place : New Delhi

Membership No. 505371

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

- 1. The company is not having any fixed asset, hence clause 1(a),(b) and (c) are not applicable
- 2. The Company is not having any inventory, hence clause 2(a),(b) and (c) are not applicable
- 3. a) In our opinion and according to the information and explanations given to us, the company has not granted any loan secured or unsecured, to Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
b) Since there are no such loans, the comments regarding terms and conditions, receipt of the principal amount & interest thereon and overdue amount are not required.

- c) In our opinion and according to the information and explanations given to us, the company has not taken unsecured loan parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- d) Since there are no such loans, the comments regarding terms and conditions, payment of the principal amount & interest thereon and overdue amount are not required.
4. 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 inventory, fixed assets and with regard to the sale of jewellery and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) Based upon the audit procedures applied by us and according to the information and explanations given to us by management, there are no transactions which are required to be entered in the register maintained under section 301 of the Act.
- b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Act and aggregating during the year to Rupees five lacs or more in respect of each party.
6. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public within the meaning of Section 58A, 58AA and any other relevant provisions of the Act and the rules framed there under. The Company Law Board or National Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has passed no order.
7. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
8. Rules made by Central Government for maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company.
9. a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is (generally) regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, Service Tax, custom duty and excise duty and any other material statutory dues applicable to it.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act' 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- 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 and excise duty were in arrears, as at 31.03.2012 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us and as per the books and records examined by us, there is no dues of sales-tax, income-tax, customs duty, wealth tax, Service tax and excise duty as at 31.03.2012, which have not been deposited on account of a dispute.
10. The company has no accumulated losses as at 31.03.2012 and it has incurred cash loss of ₹ 52,79,941 in the current financial period.
11. According to the information and explanations given to us and as per the books and records examined by us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
14. In our opinion and according to the information and explanations given us, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given us and on an overall examination of the balance sheet of the company, in our opinion funds raised on short-term basis have prime facie, not been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year.
19. According to the information and explanations given to us, the company has not issued any debentures during the year under consideration.
20. According to the information and explanations given to us, the company has not raised any money by way of public issues during the year under consideration.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
Dass Gupta & Associates
Chartered Accountants
Firm Regn No. 000112N

Sandeep Dahiya
Partner

Date : 15.05.2012
Place : New Delhi

Membership No. 505371

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	Figures as at the end of 31 st March, 2012	
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	630,000	-
(b) Reserves and Surplus	2.2	(5,279,941)	(4,649,941)
(2) Current Liabilities			
(a) Other Current Liabilities	2.3	10,266,436	10,266,436
TOTAL		-	5,616,495
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Incidental Expenditure during Construction period pending allocation including Capital Work in Progress	2.4	50,111	-
(b) Long-term loans and advances	2.5	4,665,690	4,715,801
(2) Current assets			
(a) Cash and cash equivalents	2.6	900,694	900,694
TOTAL		-	5,616,495
Significant accounting policies and notes to financial Statements	1 & 2		

As per our report attached
For Dass Gupta & Associates
Chartered Accountants

Sandeep Dahiya
Partner
Membership No. 505371

Place : Noida
Date : 15.05.2012

For and on behalf of the Board

Pankaj Gaur
Director

S D Nailwal
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

S. No.	Particulars	Note No.	for the period 30 th August, 2011 to 31 st March, 2012	
			₹	₹
I	Revenue			
	Revenue from operations		-	-
	Other income		-	-
	Total Revenue		-	-
II	Expenses:			
	Preliminary Expenses Written off		5,138,480	-
	Other expense	2.7	141,461	-
	Total Expenses		-	5,279,941
III	Profit before tax (I-II)		-	(5,279,941)
IV	Tax expense:		-	-
V	Profit/(Loss) for the period		-	(5,279,941)
VI	Earning per equity share:			
	(1) Basic		-	(83.81)
	(2) Diluted		-	(83.81)
	Significant accounting policies and notes to financial Statements	1 & 2		

As per our report attached
For Dass Gupta & Associates
Chartered Accountants

Sandeep Dahiya
Partner
Membership No. 505371

Place : Noida
Date : 15.05.2012

For and on behalf of the Board

Pankaj Gaur
Director

S D Nailwal
Director

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

a) Background

Jaypee Assam Cement Limited is a public Limited Company registered under the Companies Act, 1956. The Company was incorporated on 30th August, 2011 as 100% subsidiary of Jaiprakash Associates Limited. The Company is in the business of Manufacturing and sale of Cement. However, the operation of the Company is in its preliminary stage.

b) General

The financial statements have been prepared to comply with the requirements of the Companies Act, 1956, under the historical cost convention on the accrual basis of accounting and in accordance with the Accounting standards prescribed in the Companies (Accounting standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (l) (a) of section 642, (hereinafter called "AS").

c) Fixed Assets

Fixed Assets are stated at cost. Cost of Fixed Assets is arrived at after including therein expenses for bringing the respective assets to working conditions.

d) Recognition of Income and Expenditure

Revenue/Incomes & Cost/Expenditures are accounted for on accrual basis as they are earned or incurred.

e) Incidental Expenditure During Construction period

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

f) Preliminary Expenses

Preliminary Expenses is written off as per the provisions of AS-26.

g) Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method as per the classification and in the manner specified in Schedule XIV to the Companies Act, 1956 as amended. Depreciation has been provided on a pro-rata basis with reference to the date of addition/installation.

h) Taxation

Provision for current tax is made in accordance with the Income Tax Act, 1961.

Deferred Tax Assets/Liability are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

i) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates

j) Contingent Liability

Contingent Liability is not provided for in the books of accounts and are disclosed by way of Notes on Accounts.

2 Notes to Financial Statements

2.1 Share Capital

Particulars	As at March 31, 2012
Authorised	
10,00,00,000 Equity Shares of ₹ 10/- par value	1,000,000,000
Issued, Subscribed and Paid-up	
63,000 Equity Shares of Rs 10/- par value	630,000
	630,000

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share and receive dividend.

The reconciliation of the number of shares outstanding as at March 31, 2012 is set out below:

Particulars	As at March 31, 2012
Number of Shares at the beginning	-
Add: Shares issued during the year	63,000
Number of Shares at the End	63,000

Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at March 31, 2012
Jaiprakash Associates Limited	Holding Company	63,000
		63,000

The Details of Shareholder holding more than 5% shares as at March 31,2012 is set out below:

Particulars	No. of Shares	% held as at March 31, 2012
Jaiprakash Associates Limited	63,000	100%

2.2 Reserves and Surplus

Particulars	As at March 31, 2012
Surplus in Profit and Loss Account	
Opening Balance	-
Add: Profit / (Loss) During the year	(5,279,941)
Closing Balance	(5,279,941)

2.3 Other current liabilities

Particulars	As at March 31, 2012
Provision for Expenses	138,501
TDS Payable	12,339
Other Liabilities	10,115,596
	10,266,436

2.4 Incidental Expenditure during Construction period pending allocation including Capital Work in Progress

Particulars	As at March 31, 2012
Travelling Expenses	50,111
	<u>50,111</u>

2.5 Long-term loans and advances

Particulars	As at March 31, 2012
(Unsecured, considered good)	
Capital Advances	4,665,690
	<u>4,665,690</u>

2.6 Cash and Bank Balances

Particulars	As at March 31, 2012
Cash and cash equivalents	
Cash on Hand	-
Balance with bank	900.694
- In Current Accounts	<u>900.694</u>

2.7 Other Expenses

Particulars	for the period ended March 31, 2012
Rates & Taxes	1,714
Legal & Professional Fee	5,515
Printing & Stationery Expense	10,842
Auditor's Remuneration	
- Audit Fee	112,360
- Certification Charges	<u>11,030</u>
	<u>141,461</u>

2.8 Capital Commitment remaining to be executed and not provided for as on March 31, 2012 is Rs 3,48,00,000/-. The Company has paid ₹ 42,30,000/- as Advance on account of Capital Commitment and has been shown as Capital Advances in Long Term Loans & Advances under Non-Current Assets.

2.9 Contingent liabilities ₹ NIL as on 31st March, 2012.

2.10 There are no Small Scale Industrial Undertakings to whom the company owes more than ₹ 1,00,000/- outstanding for more than 30 days as at 31st March, 2012.

2.11 The information pursuant to the paragraph 5 of part-II of General instructions in preparation of Profit & Loss Account to Schedule VI of the Companies Act, 1956 is either Nil or not applicable.

2.12 The timing difference results in net deferred credit as per Accounting Standard 22 "Accounting for Taxes on Income". As a prudent measure the net deferred assets relating to the above has not been recognised in the accounts.

2.13 Related Party Disclosures as required in terms of "Accounting Standard[AS] – 18" are given below:

Relationships:

A. **Holding Company** : M/s. Jaiprakash Associates Limited (Holding 100% of the paid-up equity share capital)

B. Fellow Subsidiary Companies:

- 1 Jaiprakash Power Ventures Limited
- 2 Jaypee Powergrid Limited (subsidiary of Jaiprakash Power Ventures Limited)
- 3 Himalayan Expressway Limited
- 4 Jaypee Infratech Limited
- 5 Jaypee Sports International Limited
- 6 Bhilai Jaypee Cement Limited
- 7 Bokaro Jaypee Cement Limited
- 8 Jaypee Ganga Infrastructure Corporation Limited
- 9 Jaypee Arunachal Power Limited (subsidiary of Jaiprakash Power Ventures Limited)
- 10 Sangam Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited)
- 11 Prayagraj Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited)
- 12 Jaypee Agra Vikas Limited
- 13 Jaypee Fertilizers & Industries Limited
- 14 Jaypee Meghalaya Power Limited
- 15 Jaypee Cement Corporation Limited
- 16 Gujarat Jaypee Cement & Infrastructure Limited
- 17 Himalyaputra Aviation Limited

C. Associate Companies:

- 1 Jaypee Infra Ventures (A Private Company with Unlimited Liability)
- 2 Jaypee Development Corporation Limited (subsidiary of Jaypee Infra Ventures)
- 3 JIL Information Technology Limited (subsidiary of Jaypee Infra Ventures)
- 4 Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- 5 Jaiprakash Kashmir Energy Limited
- 6 Sonebhadra Minerals Pvt. Limited
- 7 RPJ Minerals Pvt. Limited
- 8 Jaiprakash Agri Initiatives Comapany Limited (subsidiary of Jaypee Infra Ventures)
- 9 Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- 10 Anvi Hotels Private Limited (subsidiary of Jaypee Infra Ventures)
- 11 Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited)
- 12 Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- 13 MP Jaypee Coal Limited
- 14 MP Jaypee Coalfields Limited
- 15 Madhya Pradesh Jaypee Minerals Limited
- 16 Jaypee Uttar Bharat Vikas Private Limited
- 17 Kanpur Fertilizers & Cement Limited (subsidiary of Jaypee Uttar Bharat Vikas Private Limited)
- 18 Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Infra Ventures)

- 19 Indesign Enterprises Private Limited
 20 Andhra Cements Limited (subsidiary of Jaypee Development Corporation)
 21 GM Global Mineral Mining Private Limited (subsidiary of Indesign Enterprises Private Limited)

- D. Key Management Personnel : Shri Manoj Gaur, Chairman
 E. Transactions carried out with related parties referred to above in the ordinary course of business:

Nature of Transactions	Ref A above
Share Capital Issued	630,000
Advance Received	5,000,000
Expenses incurred on behalf of Jaypee Assam Cement Limited	5,115,596
Outstanding	
- Amount Payable	10,115,596

- 2.14 The Company is into one operative segment i.e. Manufacturing and sale of Cement. Hence, separate segment reporting is not applicable.
 2.15 Previous year figures have not been provided as this is the first financial year.
 2.16 All the figures have been rounded off to the nearest rupee.

As per our report attached
For Dass Gupta & Associates
Chartered Accountants

Sandeep Dahiya
 Partner
 Membership No. 505371

Place : Noida
 Date : 15.05.2012

For and on behalf of the Board

Pankaj Gaur
 Director

S D Nailwal
 Director

CASH FLOW STATEMENT FOR THE PERIOD 30TH AUGUST 2011 TO 31ST MARCH 2012

(In ₹)

	30.08.2011	31.03.2012
A. Cash flow from operating activities		
Net Profit/(Loss) before Tax as per Profit & Loss Account	-	(5,279,941)
Changes in Assets and Liabilities		
Increase in Liabilities	10,266,436	10,266,436
Net Cash used in Operating Activities (A)	-	4,986,495
B. Cash Flow from Investing Activities		
Outflow		
(a) Increase in Fixed Assets (including Expenditure During Construction Period Pending Allocation)	(50,111)	-
(b) Increase in Capital Advances	(4,665,690)	(4,715,801)
Net Cash used in Investing Activities (B)	-	(4,715,801)
C. Cash Flow from Financing Activities		
Inflow		
(a) Increase in Share Capital	630,000	630,000
Net Cash From Financing Activities (C)	-	630,000
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	-	900,694
Cash and Cash Equivalents as at 30.08.2011 (Opening Balance)	-	-
Cash and Cash Equivalents as at 31.03.2012 (Closing Balance)	-	900,694

As per our report attached
For Dass Gupta & Associates
Chartered Accountants

Sandeep Dahiya
 Partner
 Membership No. 505371

Place : Noida
 Date : 15.05.2012

For and on behalf of the Board

Pankaj Gaur
 Director

S D Nailwal
 Director